PRESTIGE ASSURANCE PLC

THE UNAUDITED FINANCIAL STATEMENTS

SECOND QUARTER

2015

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CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO.29 OF 2007

We the undersigned hereby certify the following with regards to our unaudited report for the quarter ended 30th June 2015 that:

a) We have reviewed the report;

b) To the best of our knowledge, the report does not contain:
(i) Any untrue statement of a material fact, or
(ii) Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;

c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the periods presented in the report;

d) We:
(i) are responsible for establishing and maintaining internal controls;
(ii) have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
(iii)have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
(iv) have present in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

e) We have disclosed to the auditors of the company and audit committee:
(i) all significant deficiency in the design or operations of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
(ii) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

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

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Mrs. K. O. Kola-Fasanu
Chief Financial Officer
FRC/2013/ICAN/00000001184

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Dr. Balla Swamy
Managing Director
FRC/2015/CIIN/00000011228

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

1) **Going concern**

The directors assess the Company's future performance and financial position on a going concern basis and have no reason to believe that the company will not be a going concern in the year ahead. For this reason, these financial statements are prepared on a going-concern basis.

2) **Basis of preparation and compliance with IFRS**

The financial statements of Prestige Assurance Plc have been prepared on a going concern basis in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are effective at 31 March 2015 and requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004,the Insurance Act, CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2012 to the extent that they are not in conflict with IFRS.

The financial statements were authorised for issue by the Board of Directors .

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4

(b) Basis of measurement

The financial statements have been prepared on historical cost basis except as detailed below:
- Financial instruments at fair value through profit or loss are measured at fair value
- Property, plant and equipment are carried at cost except land and buildings which are measured at revalued amount.

3) **Foreign currency translation**

(a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Nigerian Naira (N) which is the Company's functional and presentation currency.

(b) Transactions and balances in foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Differences are taken to the income statement.

4) **Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

5) **New standards, interpretations and amendments effective from 1 January 2014**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 31 December 2014. They have not been adopted in preparing the financial statements for the perod ended 30 June 2015 and are expected to affect the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
1	**IFRS 1 First-time Adoption of International Financial Reporting Standards**			
	Annual Improvements (2011–2013 Cycle) Issued December 2013	The amendment to the Basis for Conclusions clarifies that an entity has an option to use either: - The IFRSs that are mandatory at the reporting date, or - One or more IFRSs that are not yet mandatory, if those IFRSs permit early application.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact, as the Company has already adopted IFRS
2	**IFRS 2 Share-based Payment**			
	Annual Improvements (2010-2012 Cycle) Issued December 2013	The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact as the Company has no share based payment
3	**IFRS 3 Business Combinations**			
	Annual Improvements (2010-2012 Cycle) Issued December 2013	The amendment clarifies that contingent consideration is assessed as either being a liability or an equity instrument on the basis of IAS 32 Financial Instruments: Presentation, and also requires contingent consideration that is not classified as equity to be remeasured to fair value at each reporting date, with changes in fair value being reported in profit or loss.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact, as Company is not involved in any business combination.
	Annual Improvements (2011-2013 Cycle) Issued December 2013	The amendments to IFRS 3 clarify that: - The formation of all types of joint arrangements as defined in IFRS 11 (ie joint ventures and joint operations) are excluded from the scope of IFRS 3 - The scope exception only applies to the accounting by the joint arrangement in its own financial statements and not to the accounting by the parties to the joint arrangement for their interests in the joint arrangement.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact
4	**IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**			
	Annual Improvements (2012-2014 Cycle) Issued December 2013	The amendment clarifies that the reclassification of an asset or disposal group from being held for sale to being held for distribution to owners, or vice versa is considered to be a continuation of the original plan of disposal. Upon reclassification, the classification, presentation and measurement requirements of IFRS 5 are applied. If an asset ceases to be classified as held for distribution to owners, the requirements of IFRS 5 for assets that cease to be classified as held for sale apply.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The Company will assess the impact on adoption of the Standard and when it holds assets as 'distribution to owner'

	IFRS Reference	Nature of change	Application date	Impact on initial Application
5	**IFRS 7 Financial Instruments: Disclosures**			
	Annual Improvements (2012-2014 Cycle)	The IASB clarified the circumstances in which an entity has continuing involvement from the servicing of a transferred asset. Continuing involvement exists if the servicer has a future interest in the performance of the transferred financial asset. Examples of situations where continuing involvement exists are where a transferor's servicing fee is: - A variable fee which is dependent on the amount of the transferred asset that is ultimately recovered; or - A fixed fee that may not be paid in full because of non-performance of the transferred financial asset. The amendment is required to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the amendment needs not to be applied for any period beginning before the annual period in which the entity first applies the amendments. A consequential amendment has been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, in order that the same transitional provision applies to first time adopters. Applicability of the offsetting amendments in condensed interim financial statements. A further amendment to IFRS 7 has clarified that the application of the amendment Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) issued in December 2011 is not explicitly required for all interim periods. However, it is noted that in some cases these disclosures may need to be included in condensed interim financial statements in order to comply with IAS 34.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The Company is yet to assess the impact of the adoption of this standard.
6	**IFRS 8 Operating Segments**			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendments require additional disclosures regarding management's judgements when operating segments have been aggregated in determining reportable segments, including: - A description of the operating segments that have been aggregated - The economic indicators considered in determining that the aggregated operating segments share similar economic characteristics. Reconciliation of the total of a reportable segment's assets to the entity's assets: The amendment clarifies that a reconciliation of the total of reportable segments assets to the entity's assets is only required if a measure of segment assets is regularly provided to the chief operating decision maker.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
7	**IFRS 9 Financial Instruments**			
	IFRS 9 (2009) Issued: November 2009	IFRS 9 (2009) applies to all assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 requires that on initial recognition, all financial assets are measured at fair value (plus an adjustment for certain transaction costs if they are not measured as at fair value through profit or loss) and are classified into one of two subsequent measurement categories: - Amortised cost - Fair value. IFRS 9 (2009) eliminates the Held to Maturity (HTM), Available for Sale (AFS) and Loans and Receivables categories. In addition, the exception under which equity instruments and related derivatives are measured at cost rather than fair value, where the fair value cannot be reliably determined, has been eliminated with fair value measurement being required for all of these instruments. A financial asset is measured after initial recognition at amortised cost only if it meets the following two conditions: 1. The objective of an entity's business model is to hold the financial asset in order to collect contractual cash flows 2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other instruments are required to be measured after initial recognition at fair value. IFRS 9 (2009) retains the current requirement for financial instruments that are held for trading to be recognised and measured at fair value through profit or loss, including all derivatives that are not designated in a hedging relationship. Hybrid contracts with a host that are within the scope of IFRS 9 (2009) (ie a financial host) must be classified in their entirety in accordance with the classification approach summarised above. This eliminates the existing IAS 39 requirement to account separately for a host contract and certain embedded derivatives. The embedded derivative requirements under IAS 39 continue to apply where the host contract is a non-financial asset and for financial liabilities.	Can only be applied if an entity's date of initial application is before February 2015.	To be implemented on adoption of the standard.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
		IFRS 9 (2009) includes an option which permits investments in equity instruments to be measured at fair value through other comprehensive income. This is an irrevocable election to be made, on an instrument by instrument basis, at the date of initial recognition. Where the election is made, no amounts are subsequently recycled from other comprehensive income to profit or loss. Where this option is not taken, equity instruments with the scope of IFRS 9 (2009) are classified as at fair value through profit or loss. Irrespective of the approach adopted for the equity instrument itself, dividends received on an equity instrument are always recognised in profit or loss (unless they represent a return of the cost of investment). Subsequent reclassification of financial assets between the amortised cost and fair value categories is prohibited, unless an entity changes its business model for managing its financial assets in which case reclassification is required. However, the guidance is restrictive and such changes are expected to be very infrequent. IFRS 9 (2009) states explicitly that the following are not changes in business model: 1. A change in intention relating to particular financial assets (even in circumstances of significant changes in market conditions) 2. A temporary disappearance of a particular market for financial assets 3. A transfer of financial assets between parts of the entity with different business models.		
8	IFRS 9 (2010) Issued: October 2011	As noted above, IFRS 9 (2009) was published in November 2009 and contained requirements for the classification and measurement of financial assets. Equivalent requirements for financial liabilities were added in October 2010, with most of them being carried forward unchanged from IAS 39.	Can only be applied if an entity's date of initial application is before February 2015.	To be implemented on adoption of the standard.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
		In consequence: '- A financial liability is measured as at fair value through profit or loss (FVTPL) if it is held for trading, or is designated as at FVTPL using the fair value option - Other liabilities are measured at amortised cost. In contrast to the requirements for financial assets, the bifurcation requirements for embedded derivatives have been retained; similarly, equity conversion features will continue to be accounted for separately by the issuer. However, some changes have been made, in particular to address the issue of where changes in the fair value of an entity's financial liabilities designated as at FVTPL using the fair value option, which arise from changes in the entity's own credit risk, should be recorded. This amendment is a result of consistent feedback received by the IASB from its constituents that changes in an entity's own credit risk should not affect profit or loss unless the financial liability is held for trading. IFRS 9 (2010) requires that changes in the fair value of financial liabilities designated as at FVTPL which relate to changes in an entity's own credit risk should be recognised directly in other comprehensive income (OCI). However, as an exception, where this would create an accounting mismatch (which would be where there is a matching asset position that is also measured as at FVTPL), an irrevocable decision can be taken to recognise the entire change in fair value of the financial liability in profit or loss.		
9	IFRS 9 (2013) Issued: November 2013	Three significant changes/additions were made compared to the previous version of IFRS 9: - Add new hedge accounting requirements - Withdraw the previous effective date of 1 January 2015 and leave it open pending the completion of outstanding phases of IFRS 9 - Make the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option available for early adoption without early application of the other requirements of IFRS 9. The new hedge accounting requirements are more principles-based, less complex, and provide a better link to risk management and treasury operations than the requirements in IAS 39 Financial Instruments: Recognition and Measurement. The new model allows entities to apply hedge accounting more broadly to manage profit or loss mismatches, and as a result reduce 'artificial' hedge ineffectiveness that can arise under IAS 39.	Can only be applied if an entity's date of initial application is before February 2015.	

	IFRS Reference	Nature of change	Application date	Impact on initial Application
		Key changes introduced by the new model include: - Simplified effectiveness testing, including removal of the 80-125% highly effective threshold - More items will now qualify for hedge accounting, eg pricing components within a non-financial item, and net foreign exchange cash positions - Entities can hedge account more effectively the exposures that give rise to two risk positions (eg interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods - Less profit or loss volatility when using options, forwards, and foreign currency swaps - New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.		
10	IFRS 9 (2014) Issued: July 2014	IFRS 9 Financial Instruments (2014) incorporates the final requirements on all three phases of the financial instruments projects – classification and measurement, impairment, and hedge accounting. IFRS 9 (2014) adds to the existing IFRS 9: - New impairment requirements for all financial assets that are not measured at fair value through profit or loss . -Amendments to the previously finalised classification and measurement requirements for financial assets. In a major change, which will affect all entities, a new 'expected loss' impairment model in IFRS 9 (2014) replaces the 'incurred loss' model in IAS 39 Financial Instruments: Recognition and Measurement. Under IFRS 9 (2014), the impairment model is a more 'forward looking' model in that a credit event (or impairment 'trigger') no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.	Mandatory adoption for periods beginning on or after 1 January 2018. Early adoption permitted.	The Company is still assessing the impact of adoption.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
		For trade receivables there is a practical expedient to calculate expected credit losses using a provision matrix based on historical loss patterns or customer bases. However, those historical provision rates would require adjustments to take into account current and forward looking information. The new impairment requirements are likely to bring significant changes. Although provisions for trade receivables may be relatively straightforward to calculate, new systems and approaches may be needed. However, for financial institutions the changes are likely to be very significant and require significant changes to internal systems and processes in order to capture the required information. In other changes, IFRS 9 (2014) also introduces additional application guidance to clarify the requirements for contractual cash flows of a financial asset to be regarded as giving rise to payments that are Solely Payments of Principal and Interest (SPPI), one of the two criteria that need to be met for an asset to be measured at amortised cost. Previously, the SPPI test was restrictive, and the changes in the application of the SPPI test will result in additional financial assets being measured at amortised cost. For example, certain instruments with regulated interest rates may now qualify for amortised cost measurement, as might some instruments which only marginally fail the strict SPPI test. A third measurement category has also been added for debt instruments - FVTOCI. This new measurement category applies to debt instruments that meet the SPPI contractual cash flow characteristics test and where the entity is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets. In comparison with previous versions of IFRS 9, the introduction of the FVTOCI category may result in less profit or loss volatility, in particular for entities such as insurance companies which hold large portfolios with periodic buying and selling activities. The amendments could lead to significant reclassifications of debt instruments across the different measurement categories: amortised cost, FVTOCI, and FVTPL. This may lead to less volatility in profit or loss for debt investment portfolios, but greater equity volatility if assets are reclassified from amortised cost to FVTOCI (which could affect regulatory capital).		

	IFRS Reference	Nature of change	Application date	Impact on initial Application
11	IFRS 9 (own credit risk requirements)	IFRS 9 (2014) provides an option to early adopt the 'own credit' provisions for financial liabilities measured at fair value through profit or loss (FVTPL) under the fair value option without any of the other requirements of IFRS 9. This option will remain available until 1 January 2018. Entities that use the fair value option and designate financial liabilities at fair value through profit or loss (FVTPL) present the fair value changes in 'own credit' in OCI instead of profit or loss. Therefore, for financial liabilities designated at FVTPL, entities can continue to apply IAS 39 Financial Instruments: Recognition and Measurement but follow the presentation requirement in IFRS 9 and present the changes in 'own credit' in OCI. This amendment is expected to mainly affect financial institutions and insurers.	Can be applied until the effective date of IFRS 9 (2014) which is 1 January 2018.	
12	**IFRS 10 Consolidated financial statements**			
	Amendments to IFRS 10 Issued: September 2014	Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method. In the case of any retained interest in the former subsidiary, gains and losses from the remeasurement are treated as follows: - The retained interest is accounted for as an associate or joint venture using the equity method: The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture. - The retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments: The parent recognises the gain or loss in full in profit or loss.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
13	**IFRS 11 Joint Arrangements**			
	Amendments to IFRS 11 Issued: May 2014	Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations The amendments require an entity to apply all of the principles of IFRS Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3. The amendment also includes two new Illustrative Examples: - Accounting for acquisitions of interests in joint operations in which the activity constitutes a business - Contributing the right to use know-how to a joint operation in which the activity constitutes a business. A consequential amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards has also been made, to clarify that the exemption from applying IFRS 3 to past business combinations upon adoption of IFRS also applies to past acquisitions of interests in joint operations in which the activity of the joint operation constitutes a business, as defined in IFRS 3.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.
14	**IFRS 13 Fair Value Measurement**			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendment clarifies that short-term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact.
15	**Scope of IFRS 13.52 (portfolio exemption)**			
	Improvements (2011-2013 Cycle) Issued: December 2013	IFRS 13.52 defines the scope of the exception that permits an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis. This is often referred to as the portfolio exception. The amendment clarifies that the portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact.
16	**IFRS 14 Regulatory Deferral Accounts**			
	IFRS 14 Issued: January 2014	In many countries, industry sectors (including utilities such as gas, electricity and water) are subject to rate regulation where governments regulate the supply and pricing. This can have a significant effect on the amount and timing of an entity's revenue. Some national GAAPs require entities that operate in industry sectors subject to rate regulation, to recognise associated assets and liabilities. The scope of IFRS 14 is narrow, with this extending to cover only those entities that:	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
		- Are first-time adopters of IFRS - Conduct rate regulated activities - Recognise associated assets and/or liabilities in accordance with their current national GAAP. Entities within the scope of IFRS 14 would be afforded an option to apply their previous local GAAP accounting policies for the recognition, measurement and impairment of assets and liabilities arising from rate regulation, which would be termed regulatory deferral account balances. Any regulatory deferral account balances, and their associated effect on profit or loss, would be recognised and presented separately from other items in the primary financial statements. As a result, for those entities that elect to adopt IFRS 14, all other line items and subtotals would exclude the effects of regulatory deferral accounts, meaning that they would be comparable with other entities that report in accordance with IFRS but do not apply IFRS 14. Application guidance is included in IFRS 14 in respect of other IFRSs that would need to be considered alongside the previous national GAAP accounting requirements in order for these regulatory deferral accounts to be accounted for appropriately in an entity's IFRS financial statements, including: - IAS 10 Events after the Reporting Period - IAS 12 Income Taxes - IAS 28 Investments in Associates and Joint Ventures - IAS 33 Earnings per Share - IAS 36 Impairment of Assets - IFRS 3 Business Combinations - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - IFRS 10 Consolidated Financial Statements - IFRS 12 Disclosure of Interests in Other Entities.		

	IFRS Reference	Nature of change	Application date	Impact on initial Application
17	**IFRS 15 Revenue from Contracts with Customers**			
	IFRS 15 Issued: May 2014	IFRS 15 Revenue from Contracts with Customers supersedes IAS 18 Revenue, IAS 11 Construction Contracts and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services).The objective of IFRS 15 is to clarify the principles of revenue recognition. This includes removing inconsistencies and perceived weaknesses and improving the comparability of revenue recognition practices across companies, industries and capital markets. In doing so IFRS 15 establishes a single revenue recognition framework. The core principle of the framework is, that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or To accomplish this, IFRS 15 requires the application of the following five steps: 1. Identify the contract 2. Identify the performance obligation(s) 3. Determine the transaction price 4. Allocate the transaction price to each performance obligation 5. Recognise revenue when each performance obligation is satisfied. IFRS 15 also includes specific guidance related to several additional topics, some of the key areas are: - Contract costs - Sale with a right of return - Warranties - Principal vs agent considerations - Customer options for additional goods and services - Customers unexercised rights - Non-refundable upfront fees (and some related costs) - Licensing Repurchase agreements - Consignment arrangements - Bill-and-hold arrangements - Customer acceptance. Furthermore the guidance significantly enhances the required qualitative and quantitative disclosures related to revenue. The main objective of the requirements is the disclosure of sufficient information in terms of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In order to meet this objective, IFRS 15 requires specific disclosures for contracts with customers and significant judgements.	Mandatory adoption for periods beginning on or after 1 January 2017. Early adoption permitted.	The Company is currently assessing the impact on adoption.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
18	**IAS 16 Property, Plant and Equipment**			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	Revaluation method – proportionate restatement of accumulated depreciation The amendment clarifies the computation of accumulated depreciation when items of property, plant and equipment are subsequently measured using the revaluation model. The net carrying amount of the asset is adjusted to the revalued amount, and either: i. The gross carrying amount is adjusted in a manner consistent with the net carrying amount (eg proportionately to the change in the [net] carrying value, or with reference to observable market data). Accumulated depreciation is then adjusted to equal the difference between the gross and net carrying amounts ii. Accumulated depreciation is eliminated against the gross carrying amount.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
19	**Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation**			
	Amendments to IAS 16 Issued: May 2014	Paragraph 62A of IAS 16 has been added to prohibit the use of revenue-based methods of depreciation for items of property, plant and equipment. Paragraph 62A clarifies that this is because the revenue generated by an activity that includes the use of an item of property, plant and equipment generally reflects factors other than the consumption of the economic benefits of the item, such as: - Other inputs and processes - Selling activities and changes in sales - Volumes and prices, and - Inflation. Paragraph 56 of IAS 16, which includes guidance for the depreciation amount and depreciation period, has been expanded to state that expected future reductions in the selling price of items produced by an item of property, plant and equipment could indicate technical or commercial obsolescence (and therefore a reduction in the economic benefits embodied in the item), rather than a change in the depreciable amount or period of the item.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The Company is currently assessing the impact on adoption.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
20	**IAS 19 Employee Benefits**			
	Amendments to IAS 19 Issued: November 2013	Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions The amendment introduces a narrow scope amendments that: - Provides a practical expedient for certain contributions from employees or third parties to a defined benefit plan, but only those contributions that are independent of the number of years of service - Clarifies the treatment of contributions from employees or third parties to a defined benefit plan that are not subject to the practical expedient. These are accounted for in the same way that the gross benefit is attributed in accordance with IAS 19.70. Contributions that are independent of the number of years of service include: - Contributions that are based on a fixed percentage of salary - Contributions of a fixed amount throughout the service period - Contributions that are dependent on the	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
21	**IAS 19 Employee Benefits**			
	Annual Improvements (2012-2014 Cycle) Issued: September 2014	The guidance in IAS 19 has been clarified and requires that high quality corporate bonds used to determine the discount rate for the accounting of employee benefits need to be denominated in the same currency as the related benefits that will be paid to the employee. Entities are required to apply the amendment from the earliest comparative period presented in the financial statements, with initial adjustments being recognised in retained earnings at the beginning of that period.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
22	**IAS 24 Related Party Disclosures**			
	Annual Improvements (2010-2012 Cycle) December 2013	The amendment clarifies that an entity that provides key management personnel services (management entity) to a reporting entity (or to the parent of the reporting entity), is a related party of the reporting entity, and: - Would require separate disclosure of amounts recognised as an expense for key management personnel services provided by a separate management entity - Would not require disaggregated disclosures by the categories set out in IAS 24.17.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
23	**IAS 27 Separate Financial Statements**			
	Amendments to IAS 27 Issued: August 2014	The amendments include the introduction of an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment. Before the amendments, entities either accounted for its investments in subsidiaries, joint ventures or associates at cost or in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for those entities that have yet to adopted IFRS 9). The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss. A consequential amendment was also made to IAS 28 Investments in Associates and Joint Ventures, to avoid a potential conflict with IFRS 10 Consolidated Financial Statements for partial sell downs.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
24	**IAS 34 Interim Financial Reporting**			
	Annual Improvements (2012-2014 Cycle) Issued: September 2014	The requirements of paragraph 16A of IAS 34 require additional disclosures to be presented either in the: - Notes to the interim financial statements or - Elsewhere in the interim financial report. The amendment clarifies, that a cross-reference is required, if the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or the risk report of an entity. However, to comply with paragraph 16A of IAS 34, if the disclosures are contained in a separate document from the interim report, that document needs to be available to users of the financial statements on the same terms and at the same time as the interim report itself.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
25	**IAS 38 Intangible Assets**			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendment clarifies the computation of accumulated amortisation when intangible assets are subsequently measured using the revaluation model. The net carrying amount of the asset is adjusted to the revalued amount, and either: i. The gross carrying amount is adjusted in a manner consistent with the net carrying amount (eg proportionately to the change in the [net] carrying value, or with reference to observable market data). Accumulated amortisation is then adjusted to equal the difference between the gross and net carrying amounts ii. Accumulated amortisation is eliminated against the gross carrying amount.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
26	Amendments to IAS 38 Issued: May 2014	The amendments clarify that for intangible assets there is a rebuttable presumption that amortisation based on revenue is not appropriate. Paragraphs 98A - 98C of IAS 38 have been added to clarify that there is a presumption that revenue-based amortisation is not appropriate, and that this can only be rebutted in limited circumstances where either: - The intangible asset is expressed as a measure of revenue, or - Revenue and the consumption of the economic benefits of the intangible asset are highly correlated. Paragraph 98B clarifies that as a starting point to determining an appropriate amortisation method, an entity could determine the 'predominant limiting factor' inherent in the intangible asset, for example: - A contractual term which specifies the period of time that an entity has the right to use an asset - Number of units allowed to be produced - Fixed total amount of revenue allowed to be received. Paragraph 98C then clarifies that where an entity has identified that the achievement of a revenue threshold is the predominant limiting factor of an intangible asset, it may be possible to rebut the presumption that revenue-based amortisation is not appropriate.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

	IFRS Reference	Nature of change	Application date	Impact on initial Application
27	**IAS 40 Investment Property**			
	Annual Improvements (2011-2013 Cycle) Issued: December 2013	The amendment notes that determining whether the acquisition of an investment property is a business combination requires consideration of the specific requirements of IFRS 3, independently from the requirements of IAS 40, in relation to: - Whether the acquisition of investment property is the acquisition of an asset, a group of assets, or a business combination (by applying the requirements of IFRS 3 only) - Distinguishing between investment property and owner-occupied property (by applying the requirements of IAS 40 only).	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is expected to have a material impact on the future financial statements.
28	**IAS 41 Agriculture**			
	Amendments to IAS 41 Issued: June 2014	The amendments extend the scope of IAS 16 Property, Plant and Equipment to include bearer plants and define a bearer plant as a living plant that: - Is used in the production process of agricultural produce, - Is expected to bear produce for more than one period; and - Has a remote likelihood of being sold (except incidental scrap sales). The changes made result in bearer plants being accounted for in accordance with IAS 16 using either: - The cost model, or - The revaluation model. The agricultural produce of bearer plants remains within the scope of IAS 41 Agriculture. The amendments include the following transitional reliefs for the purposes of their first time application: - Deemed cost exemption – Entities are allowed to use the fair value of the bearer plants at the beginning of the earliest period presented as the deemed cost. - Disclosures – Quantitative information describing the effect of the first time application as required by IAS 8.28(f) is not required for the current reporting period, but is required for each prior period presented.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

6) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash comprises cash balances and deposits with banks. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

7) **Financial Assets**

The Company classifies its financial assets into the following categories: Held at fair value through profit or loss (or held for trading), held-to-maturity, Available-for-sale and loans and receivables. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

i Financial assets at fair value through profit or loss (Held for trading)

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. The investments are carried at fair value, with gains or losses arising from changes in this value recognized in the income statement in the period in which they arise. Such investments are investments in quoted equity.

ii Held-to-maturity investments

The Company classifies financial assets as Held to maturity when the company has positive intent and ability to hold the securities to maturity. Held-to-maturity investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years. Quoted equities and debt securities e.g. bonds that are initially classified as held-to-maturity may, subsequently, be moved to available-for-sale financial assets whenever the market price is higher than the purchase price in order to sell and take profit. Interest on held-to- maturity investments are included in the income statement and are reported as 'Interest income'.

iii Available –for–sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the two preceeding categories which may be sold in response to the need for liquidity or changes in interest rates, exchange rates or equity prices. They include investment in unquoted shares. These investments are initially recognised at cost. After initial measurement, available-for-sale financial assets are subsiquently measured at fair value using net asset valuation basis. 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 profit or loss

iv **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:
• those that the Group intends to sell in the short term which are reclassified as fair value through profit or loss and those that the group upon initial recognition designates at fair value through profit or loss.
• those that the Group upon initial recognition designates as Available for Sale
• those for which the holder may not recover substantially all of its initial investment other than because of credit risk. They include:

(a) **Trade receivables**

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are mainly receivables arising from insurance contracts. Trade receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade receivables are measured at amortized cost less any impairment losses. They include receivables from Brokers and Co-insurance companies.

(b) **Other receivables and prepayments**

Other receivables are made up of prepayments and other amounts due from parties which are not directly linked to insurance or investment contracts. Other receivables are stated after deductions of amount considered bad or doubtful of recovery.When a debt is deemed not collectible,it is written-off against the related provision or directly to the profit and loss account to the extent not previously provided for.Any subsequent recovery of written-off debts is credited to the profit and loss account. Prepayments are carried at cost less amortisation

v **Impairment of financial assets**

(a) **Financial assets carried at amortised cost**

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company from the following events:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Company on terms that the Company would not consider favourable;
- Indications that a debtor or issuer will enter bankruptcy;
- The disappearance of an active market for the security because of financial dificulties; and
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As is practically expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the assets. The amount of the reversal is recognised in the income statement.

(b) **Trade receivables**

These are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence (such as the probability of insolvency, significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 30 days) that the Company will not be able to collect the entire amount due under the original terms of the invoice. Allowances for impairment are made based on "incurred loss model" which consider premiums outstanding and not received within one month subsequent to the year-end as lost, given default for each customer and probability of default for the sectors in which the customer belongs. The amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For amounts due from policy holders and reinsurers, which are reported net, such provisions are recorded in a separate impairment account with the loss being recognised in income statement. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Any subsequent recoveries are credited to the income statement in the period the recoveries are made.

(c) **Assets classified as available-for-sale**

The Company assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 10% or more is regarded as significant, and a period of 1 year or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on those financial assets previously recognised in profit or loss – is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

vi **Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previous recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognised in the income statement.

vii **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

viii **Impairment of non-financial assets**

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any intangible asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

8) **Reinsurance assets or receivables**

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in compliance with the terms of each reinsurance contract.

The reinsurers' share of unearned premiums (i.e. the reinsurance assets) are recognised as an asset using principles consistent with the Company's method for determining unearned premium liability. The amount reflected on the statement of financial position is on a gross basis to indicate the extent of credit risk related to the reinsurance and its obligations to policy holders.

The Company assesses its reinsurance assets for impairment at each statement of financial position date. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost.

9) **Deferred acquisition costs (DAC)**

Commissions and other acquisition costs that are related to securing new contracts and renewing existing contracts are capitalised as Deferred Acquisition Costs (DAC) if they are separately identifiable, can be measured reliably and it is probable that they will be recovered. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts in line with premium revenue using assumptions consistent with those used in calculating unearned premium. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium. The DAC asset is tested for impairment annually and written down when it is not expected to be fully recovered.

10) **Investment in Finance Lease**

Investments in finance lease are recognised when the company transfers substantially all the risks and rewards of ownership of the leased assets to the leasee. Investment in finance lease is initially measured at cost, being the purchase price of the assets and other incidental costs of acquiring and transferring the asset to the leasee and is subsequently measured at amortised cost less accumulated repayment (of principal sum) and accumulated impairment loss.

Interest income on investment in finance lease is recognised in the income statement as investment income in the period the interest is due receivable. An investment in finance lease is impaired if the carrying amount of the investment exceeds its recoverable or net realisable amount.

11) **Investment property**

Investment property is property held to earn rental income or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuations 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.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. The fair value of the investment properties is a reasonable approximate of their values as at the date of the Statement of Financial Position presented.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as expense in the year in which it is incurred.

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

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 an owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

When the Company 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 other comprehensive income.

12) **Intangible Assets**

Intangible assets comprise computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised on straight line basis over the useful life of the asset.

Expenditure, which enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement and added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is 10years. The residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Computer software	10%

13) **Property, plant and equipment**

(a) Recognition and measurement
Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

(b) Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement as incurred.

(c) Depreciation
Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or re-valued amounts over their estimated useful lives.

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

Plant and Machinery	12½%
Leasehold, Land and buildings	2% of cost/valuation
Furniture, fittings and office equipment	10%
Computer equipment	33⅓ %
Motor vehicles	25%
Asset under lease	Over period of lease

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Revaluation of land and building

Property, plant & equipment are initially recorded at cost. Land and building are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

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

When revalued assets is being depreciated, part of the surplus is being realised as the asset is used. The amount of the surplus realised is the difference between depreciation charged on the revalued amount and the lower depreciation which would be charged to property revaluation reserve and retained earnings but not through profit or loss.

(e) De-recognition

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

14) **Statutory deposit**

Statutory deposit represents a fixed deposit with the Central Bank of Nigeria in accordance with section 10(3) of the Insurance Act, 2003. The deposit is recognised at the cost in the statement of financial position being 10% of the statutory minimum capital requirement of N3 billion for General insurance business. Interest income on the deposit is recognised in the income statement in the period the interest is earned.

15) **Insurance contracts and Insurance contract liabilities**

In accordance with IFRS 4 insurance contracts, the Company has continued to apply the accounting policies it applied in accordance with Nigerian GAAP. These contracts are accident, workmens compensation, motor, marine and aviation and fire insurance.

Insurance contracts protect the Company's customers against the risk of harm from unforeseen events to their properties resulting from their legitimate activities. 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 Company's customers for damage suffered to their properties or for the value of property lost.

Others forms of Insurance contracts include but are not limited to workmens compensation, motor, marine and aviation insurance.

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 arising from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company i.e. Claims incurred but not reported (IBNR) which is actuarial valuation. The Company does not discount its liabilities for unpaid claims other than for workmen compensation claims. Liabilities for unpaid claims are estimated using the impute of assessments of provision reported to the Company and analysis for the claims incurred but not reported (IBNR).

Reinsurance contracts held

The Company holds the under-noted reinsurance contracts:

- Treaty Reinsurance Outward is usually between the Company and Reinsurers.
- Facultative Reinsurance Outward is usually between the Company and other insurance companies or between the Company and Reinsurers.
- Facultative reinsurance inwards is usually between the Company and other insurance Companies or between the Company and Reinsurers.

Premiums due to the reinsurers are paid and all claims and recoveries due from reinsurers are received.

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company 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 Company under which the contract holder is another insurer (inward reinsurance) are included with insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts held are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amount associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

The company's Insurance liabilities or balances arising from insurance contracts primarily include those insurance contract liabilities that were valued by the Actuary. These include Unearned premiums reserve and Outstanding claim reserve.

(i) Unearned premium reserve

Unearned premium provision is calculated using a time - apportionment basis, in particular, the 365ths method.

(ii) Outstanding claims reserve

Individual loss estimates are provided on each claim reported. In addition, provisions are made for adjustment expenses, changes in reported claims and for claims incurred but not reported (IBNR), based
The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test carried out by an Actuary.

(iii) Liability adequacy test

At the end of each 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 DAC and by subsequently establishing a provision for losses arising from liability adequacy tests.

The provisions of the Insurance Act,CAP I17 LFN 2004 require an actuarial valuation for life 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 No.6, 2011 gives superiority to the provisions of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act, CAP I17 LFN 2004, it supports the company's prudential concerns.

(iv) Salvage and subrogation reimbursements

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation). Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognized in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognized in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

16) **Trade payables**

Trade payables (i.e insurance payables) are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Trade payables include payables to agents and brokers, payables to reinsurance companies, payables to coinsurance companies and commission payable.

The effective interest method is a method of calculating the amortised cost of the financial liabilities and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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. Trade payables are derecognised when the obligation under the liability is settled, cancelled or expired.

17) **Provisions and other payables**

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

Provision are measured at the Director's best of estimate of the expenditure required to settle the obligation at the end of the reporting period. The provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method. They comprise of other short-term monetary liabilities such as Audit fees payable, Insurance levy payable, Dividend Tax liability.

18) **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the eff ective interest method.

19) **Deposit for shares**

Deposit for shares is recognised at cost, being the amount of deposit received from potential shareholders of the company. The deposit is derecognised when the company's equity instruments have been issued to the depositors or refund made.

20) **Retirement obligations and Employee benefits**

The company operates the following contribution and benefit schemes for its employees:

(i) Defined benefit gratuity scheme

The company has a defined benefit gratuity scheme for management and non-management staff. Under this scheme, a specified amount as determined by actuarial valuation is contributed by the company and charged to the income statement over the service life of each employee.

Employees are entitled to gratuity after completing a minimum of five continuos full years of service. The gratuity obligation is calculated annually by Independent Actuaries using the projected unit credit method. The present value of the gratutity obligation is determined by discounting the estimated future cash outflows using market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate is based on market yields on Government bonds). The liability recognised in the statement of financial position in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the date of the statement of the financial position less the fair value of plan assets. Actuarial gains or losses arising from the valuation are credited or charged to income statement (Other comprehensive statement) in the financial year in which they arise.

(ii) Defined contribution pension scheme

The Company operates a defined contributory pension scheme for eligible employees. Company contribute 18% of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2004. The Company pays the contributions to a pension fund administrator. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Short-term benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses and paid in arrears when the associated services are rendered by the employees of the Company.

21) **Income Taxes - Company income tax and deferred tax liabilities**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.
The tax currently payable is based on taxable results for the year. Taxable results differs from results as reported in the income statement because it includes not only items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The company's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

22) **Share capital and Share premium**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity. Incremental costs Directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

23) **Dividend on ordinary shares**

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders. Dividends for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

24) **Contingency reserves**

In compliance with Section 21 (2) of Insurance Act, CAP I17 LFN 2004, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

25) **Revenue reserve**

Revenue reserve represents amount set aside out of the profits of the Company which shall at the discretion of the directors be applicable for meeting contingencies, repairs or maintenance of any works connected with the business of the Company, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the Company may lawfully be applied.

26) **Contingent Assets and Contingent liabilities**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or the company has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities and contingent assets are never recognized rather they are disclosed in the financial statements when they arise.

27) **Premium and Unearned Premium**

Premiums written comprise the premium on contracts incepting in the financial year. Premiums written are stated gross of commissions payable to agents and exclusive of taxes levied on premiums. The Company earns premium income evenly over the term of the insurance policy generally using the pro rata method. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in unearned premium.

28) **Reinsurance expenses**

Reinsurance costs represent outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

29) **Fees and commission income**

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

30) **Claims expenses**

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. (See policy for reserve for outstanding claims above)The gross provision for claims represents the estimated liability arising from claims in current and preceding financial years which have not yet given rise to claims paid. The provision includes an allowance for claims management and handling expenses.

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

31) **Acquisition costs and maintenance expenses**

Acquisition costs represent commissions payable and other expenses related to the acquisition of insurance contract revenues written during the financial year. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision (See policy for Deferred Acquisition Cost above). Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Maintenance expenses are those incurred in servicing existing policies/contract.

32) **Investment income**

This includes interest income and dividend 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. Dividend income for available-for-sale equities is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities.

33) **Management expenses**

Management expenses are expenses other than claims, investment expenses, employee benefits, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses. Other Operating expenses are accounted for on accrual basis and recognized in the income statement upon utilization of the service or at the date of their origin.

34) **Finance income and expenses**

Finance income and expense for all interest-bearing financial instruments are recognised within 'finance income' and 'finance costs' in the income statement using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the finance income or finance costs over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

35) **Income tax expenses**

Income tax expense comprises current income tax, education tax levy, information technology tax and deferred tax. (See policy on taxation above)

36) **Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the 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.

PRESTIGE ASSURANCE PLC

THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2015

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The Second Quarter Ended 30 June, 2015

Statement of Financial Position As at 30 June, 2015

	Notes	30 June 2015 N'000	31 December 2014 N'000
Assets			
Cash and Cash Equivalents	1	2,398,439	3,259,625
Financial Assets:			
Held-for-Trading	2a	659,899	831,281
Held- to- Maturity	2b	744,757	256,699
Available-for- sale	2c	710,023	710,023
Loans and Advances	2d	88,072	82,868
Trade Receivables	3	24,720	1,092
Other Receivables and Prepayments	4	84,330	92,115
Reinsurance Assets	5	2,220,825	2,814,046
Deferred Acquisition Cost	6	106,489	71,216
Investment in Finance Lease	7	65,218	77,110
Intangible Assets	8	6,422	5,400
Investment Property	9	2,115,878	2,100,000
Property, plant and equipment	10	1,285,690	1,292,471
Statutory Deposit	11	300,000	300,000
Total Assets		10,810,762	11,893,946
Liabilities			
Insurance Contract liabilities	12	3,819,742	4,173,905
Trade Payables	13	230,512	532,101
Provisions and other payables	14	59,123	103,793
Short Term borrowing	15	259,896	457,637
Deposit for shares	16	-	1,504,989
Retirement benefits obligations	17	103,435	113,873
Current Income tax liabilities	18	27,048	170,091
Deferred tax liabiliies	19	261,410	261,410
Total liabilities		4,761,167	7,317,799
Equity			
Issued and paid up share capital	20	2,685,216	1,254,157
Share Premium	21	1,127,692	1,140,092
Contingency reserves	22	1,645,160	1,602,307
Revenue Reserve	23	(782,292)	(794,228)
Property Revaluation reserves	24	990,826	990,826
Reseve on Actuarial valuation of Gratuity	25	(2,303)	(2,303)
Reserve on Available-for-sale	26	385,296	385,296
Total Equity		6,049,595	4,576,147
Total liabilities and reserves		10,810,762	11,893,946

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The Second Quarter Ended 30 June, 2015

Statement of profit or Loss for the period ended 30th June, 2015

	Notes	Current Period April-June 2015 N'000	Current Year to date 2015 N'000	Prior Year to date 2014 N'000
Gross premium Written		**839,224**	**1,428,443**	**1,583,913**
Gross premiums income	27	355,126	1,313,573	1,656,588
Re-insurance expenses	28	(260,066)	(761,494)	(742,561)
Net premium income		95,060	552,079	914,027
Fees and Commission income	29	80,983	210,210	61,564
Total underwriting income		176,042	762,288	975,591
Claims expenses	30	(135,652)	(551,740)	(409,044)
Acquisition Expenses		(60,367)	(183,367)	(221,562)
Maintenance Expenses		(64,894)	(136,874)	(292,587)
Total underwriting expenses		(260,913)	(871,981)	(923,193)
Underwriting profit		(84,871)	(109,693)	52,398
Investment income	31	124,485	246,308	159,217
Other operating income	32	4,772	161,106	10,121
Net fair value gain/ loss		28,393	(9,370)	(11,222)
NET OPERATING INCOME		72,779	288,351	210,514
Less:				
Management expenses		(96,011)	(206,576)	(144,026)
PROFIT BEFORE TAXATION		(23,232)	81,775	66,488
Less				
Taxation expense		7,666	(26,986)	(21,941)
PROFIT AFTER TAXATION		(15,565)	54,789	44,547
RETAINED PROFIT FOR THE YEAR		(15,565)	54,789	44,547

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The Se cond Quarter Ended 30, June 2015

Statement of Other Comprehensive Income
For The Period Ended 30th June, 2015

	Current Period April-June 2015 N'000	Current Year to date 2015 N'000	Prior Year to date 2014 N'000
Profit for the year	(15,565)	54,789	44,547
Other comprehensive income	-	-	-
Total comprehensive income for the year	(15,565)	54,789	44,547
Attributable to owners of the parent	(15,565)	54,789	44,547
Attributable to minority interest		-	-
	(15,565)	54,789	44,547
Earnings per share:			
Basic earnings per share (kobo)	(0.29)	1.02	1.78
Diluted earnings per share (kobo)	(0.29)	1.02	1.78

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The Second Quarter Ended 30 June, 2015

Statement of Changes in Equity

	Share capital	Share premium	Bonus issue reserve	Statutory contingency reserve	General reserve	Equity Revaluation	Gratuity Valuation reserve	Revaluation Surplus Reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January 2015	1,254,157	1,140,092	-	1,602,307	(794,228)	385,296	(2,303)	990,826	4,576,147
Profit for the quarter	-	-	-	-	54,789	-	-	-	54,789
Transfer from Right issue	1,431,059		-	-	-	-	-	-	1,431,059
Right Issue expenses	-	(12,400)	-	-	-	-	-	-	(12,400)
Transfer to Contingency reserve	-	-	-	42,853	(42,853)	-	-	-	-
Changes in -Available -for sale	-	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Balance 30 June 2015	**2,685,216**	**1,127,692**	**-**	**1,645,160**	**(782,292)**	**385,296**	**(2,303)**	**990,826**	**6,049,596**

Prestige Assurance Plc
Statement of Changes in Equity
for the period ended 30 June, 2014

	Share capital	Share premium	Bonus issue reserve	Statutory contingency reserve	General reserve	Equity Revaluation	Gratuity Valuation reserve	Revaluation Surplus Reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2014	1,254,157	1,155,540	**-**	1,522,696	(742,695)	247,986	(29,058)	1,004,717	4,413,343
Profit for the year	-	-	-	-	44,545	-	-	-	44,545
Right Issue expenses	-	(1,658)	-	-	-	-	-	-	(1,658)
Transfer to Contingency reserve	-	-	-	48,041	(48,041)	-	-	-	-
Changes in Valuation of land and building	-	-	-	-	-	-	-	-	-
Changes in Available-for- sale	-	-	-	-	-	-	-	-	-
Gain in change in Acturial valuation	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2014	1,254,157	1,153,882	-	1,570,737	(746,191)	247,986	(29,058)	1,004,717	4,456,230

Prestige Assurance Plc

Unaudited IFRS Financial Results For The Second Quarter Ended 30th June, 2015

Statement of Cash flows
For The Period Ended 30th, June 2015

	30 June 2015 N'000	30 June 2014 N'000
Cash Flows from Operating Activites		
Premium received from policy holders	1,404,815	1,583,913
Commission received	210,210	61,564
Operating Costs and payment to employees	(2,222,375)	(1,240,076)
Claims Paid	(1,238,659)	(844,160)
Claims Recovered	865,488	382,375
Other Operating income	129,663	10,121
Company Income Tax Paid	(170,029)	(337,775)
Net cash consumed by operating activities	**(1,020,887)**	**(384,038)**
Cash flows from investing activites		
Purchase of property, plant & equipment	(12,584)	(27,293)
Redemption of held to maturity	43,656	48,692
Purchase of held for trading financial assets	(44,352)	(51,844)
Disposal of held for trading financial assets	206,364	24,946
Investment income	246,308	159,217
Proceeds on disposal of property, plant & equipment	4,380	-
Net Cash inflow/(outflow) from investing activities	**443,772**	**153,718**
Cash Flows from Financing activities		
Share capital issue	1,431,059	-
Share issue expenses	(12,400)	(1,658)
Deposit for shares	(1,504,989)	-
Loan repayment	(197,741)	-
Net Cash inflow/outflow from financing activities	**(284,071)**	(1,658)
Net increase in cash and cash equivalents	(861,186)	(231,978)
Cash and cash equivalents at the beginning	3,259,625	2,449,694
Cash and cash equivalents at the end	**2,398,439**	**2,217,716**

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The Second Quarter Ended 30 June, 2015

Notes to the Financial Statements

		30 June 2015 N'000	31 December 2014 N'000
1	**Cash and cash equivalents**		
	Balances with local banks	263,794	410,661
	Balances with foreign banks	121,992	48,079
	Deposits and Placements with local banks	1,307,423	1,560,885
	Bankers acceptances	705,230	1,150,000
	Treasury Bills	-	90,000
		2,398,439	3,259,625
2	**Financial Assets**		
a	Held-for-Trading		
	Balance at the beginning of the year	831,281	586,924
	Addition during the year	44,352	541,410
	Disposal during the year	(206,364)	(96,393)
	Investments written off during the year	-	(200,660)
		669,269	831,281
	Appreciation during the year	(9,370)	-
		(9,370)	-
		659,899	831,281
b	**Held-to- Maturity**		
	The following table presents a reconciliation of the Held-to- maturity financial assets		
	Balance at beginning of the year	256,699	355,998
	Additions during the year	531,714	-
		788,413	355,998
	Redemption during the year	(43,656)	(99,299)
		744,757	256,699
c	**Available-for-Sale**		
	The following table presents a reconciliation of the Available -for- sale financial assets		
	Balance at beginning of the year	710,023	538,713
	Additions during the year	-	34,000
		710,023	572,713
	Appreciation/(Diminution) in value	-	137,310
		710,023	710,023
d	**Loans and Advances**		
	Staff loans	88,072	82,868
3	**Trade Receivables**		
	Amount due from agents and brokers	24,720	1,092
		24,720	1,092
4	**Other debtors and prepayments**		
	Prepayments	27,918	13,103
	Other debtors	67,041	89,641
		94,959	102,744
	Less Impairment	(10,629)	(10,629)
	Balance at end of quarter	84,330	92,115
5	**Reinsurance Assets**		
	Outstanding claims recoverable (Note 5a)	1,809,372	2,451,975
	prepaid reinsurance	411,453	362,071
	Balance at end of the quarter	2,220,825	2,814,046
(a)	Outstanding claims recoverable:		
	Balance at beginning	2,493,042	2,742,899
	Increase/(Decrease) during the year	(647,603)	(249,857)
	Balance at end of the year	1,845,439	2,493,042
	Impairment loss	(36,067)	(41,067)
		1,809,372	2,451,975

As at June 2015, reinsurance assets of N36,067,000 representing recovery expected from Universal Insurance Plc (N22,372,000) and Standard Alliance Insurance Plc (N13,695,000) were impaired.

		30 June 2015 N'000	31 December 2014 N'000
6	**Deferred Acquisition Cost**		
	Balance at the beginning of the year	71,216	120,121
	Increase/(decrease) during the quarter	35,273	(48,905)
	Balance at the end of the quarter	106,489	71,216
7	**Investment in Finance Lease**		
	Gross investment in finance lease	183,375	130,366
	Unearned finance income	(118,157)	(53,256)
		65,218	77,110
8	**Intangible Assets**		
	Cost:		
	Balance at beginning of the year	5,400	6,300
	Additions	1,550	-
	Disposal	-	-
	Amortisation	(528)	(900)
	Balance at the end of the quarter	6,422	5,400
9	**Investment Property**		
	Balance at beginning of the year	2,100,000	-
	Additions	15,878	2,100,000
	Disposal	-	-
		2,115,878	2,100,000
	Appreciation/(Diminution)	-	-
		2,115,878	2,100,000

10 Property, Plant and Equipment
30 June 2015

	Plant and Machinery N'000	Leasehold Land & Building N'000	Building under Construction N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Assets on Lease N'000	Total N'000
Cost/valuation								
At 1 January	33,177	1,240,000	-	48,375	85,037	143,771	758,432	2,308,792
Additions	-	-	-	1,029	760	10,795	-	12,584
Disposals	-	-	-	-	-	(33,345)	-	(33,345)
At 30 June	33,177	1,240,000	-	49,404	85,797	121,221	758,432	2,288,031
Depreciation								
At 1 January	22,151	16,800	-	32,680	84,635	101,623	758,432	1,016,321
Charge for the year	1,070	8,400	-	1,541	832	7,522	-	19,365
Disposals	-	-	-	-	-	(33,345)	-	(33,345)
				-	-			
At 30 June	23,221	25,200	-	34,221	85,467	75,800	758,432	1,002,341
Net book values at:								
30 June 2015	9,956	1,214,800	-	15,183	330	45,421	-	1,285,690

Property,Plant and Equipment
31 December 2014

	Plant and Machinery N'000	Leasehold Land & Building N'000	Building under Construction N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Assets on Lease N'000	Total N'000
Cost/valuation								
At 1 January	24,177	1,240,000	1,053,459	44,958	80,046	119,821	783,886	3,346,347
Additions	9,000	-	-	4,351	4,991	34,645	-	52,987
Transfer to investment property	-	-	(1,053,459)	-	-	-	-	(1,053,459)
Revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	(934)	-	(10,695)	(25,454)	(37,083)
At 31 December	33,177	1,240,000	-	48,375	85,037	143,771	758,432	2,308,792
Depreciation								
At 1 January	19,196	-	-	30,309	79,837	92,046	770,183	991,571
Charge for the year	2,955	16,800	-	3,305	4,798	20,272	13,703	61,833
Transfer to the revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	(934)	-	(10,695)	(25,454)	(37,083)
At 31 December	22,151	16,800	-	32,680	84,635	101,623	758,432	1,016,321
Net book value at December 2014	11,026	1,223,200	-	15,695	402	42,148	-	1,292,471

		30 June 2015 ₦'000	31 December 2014 ₦'000
11	**Statutory deposit**		
	Balance at the beginning and end of the year	300,000	300,000

This represents amount deposited with the Central Bank of Nigeria at the financial year end in accordance with the provisions of sections 9(1) and 10(3) of the Insurance Act, CAP I17, LFN 2004.

		30 June 2015 ₦'000	31 December 2014 ₦'000
12	**Insurance Contract Liabilities**		
	Provision for outstanding claims	3,090,730	3,559,763
	Provision for unexpired risks	729,013	614,142
		3,819,742	4,173,905
13	**Trade payables**		
	Due to agents	9,131	6,517
	Due to brokers	64,847	95,655
	Due to direct insured	49,990	138,799
	Due to reinsurers	-	54,651
	Due to insurance companies	-	140,420
	unexpired commssion	106,544	96,059
		230,512	532,101
14	**Provisions and other payables**		
	Professional fees	-	9,249
	Industrial training fund	-	4,000
	Audit fees	-	6,500
	insurance levy	-	15,000
	profit sharing	10,290	10,290
	Other creditors	39,489	53,143
	VAT	9,344	5,611
		59,123	103,793
15	**Short term borrowings**		
	Balance at the beginning of the year	457,637	529,370
	Addtion during the period	-	-
	Payment during the period	(197,741)	(71,733)
	Balance at the end of the period	259,896	457,637
16	**Deposit for shares**		
	New India Assurance deposit for right issue	-	1,504,989
17	**Retirement benefits obligations**		
	Balance at the beginning of the year	113,873	116,960
	Payment during the quarter	(10,438)	(6,484)
	Additional provision	-	3,397
	Balance at the end of the quarter	103,435	113,873
18	**Taxation**		
	Per Income Statement		
	Income tax	26,168	154,552
	Education tax	-	13,727
	Deferred taxation	-	(7,479)
		26,168	160,800
	Information technology development levy	818	1,768
		26,986	162,568
	Per balance sheet		
	Balance at the beginning of the year	170,091	391,091
	Income tax	26,168	154,552
	Education tax	-	13,727
	Payments during the year	(170,029)	(391,047)
		26,230	168,323
	Information technology development levy	818	1,768
	Balance at the end of the year	27,048	170,091

(a) The amount provided as income tax on the profit for the year has been computed on the basis of the Companies Tax rate of 30% in line with the Companies Income Tax Act, CAP C21, LFN 2004.

(b) Education tax is computed at 2% of assessable profit in line with Education Tax Act CAP E4, LFN 2004.

		30 June 2015 ₦'000	31 December 2014 ₦'000
19	**Deferred taxation**		
	Balance at the beginning of the year	261,410	268,889
	(Writeback)/provision for the year	-	(7,479)
	Balance at the end of the period	261,410	261,410
20	**Share Capital**		
i	**Authorised:**		
	6,000,000,000 ordinary shares of 50k per share	3,000,000	3,000,000
ii	**Issued and fully paid:**		
	5,370,432,283 ordinary shares of 50k per share	2,685,216	1,254,157
21	**Share Premium**		
	Balance at the beginning of the year	1,140,092	1,155,540
	Transfer	(12,400)	(15,448)
	Balance at the end of the quarter	1,127,692	1,140,092
22	**Contingency Reserve**		
	Balance at the beginning of the year	1,602,307	1,522,696
	Transfer from profit and loss account	42,853	79,611
	Balance at the end of the quarter	1,645,160	1,602,307
23	**Retained Earnings**		
	Balance at the beginning of the year	(794,228)	(742,695)
	Dividend paid	-	-
	Transfer to Contingency reserves	(42,853)	(79,611)
	Transfer from property revaluation reserve		13,891
	Transfer from/to profit and loss	54,789	14,187
	Balance at the end of the quarter	(782,292)	(794,228)
24	**Assets Revaluation reserves**		
	Balance at the beginning of the year	990,826	1,004,717
	Transfer from fixed assets:		
	Cost (Note 9)	-	-
	Accumulated depreciation (Note 9)	-	-
	Transfer to Revenue reserve		(13,891)
	Revaluation amount(Note 9)	-	-
		990,826	990,826
	Capital Gain Tax	-	-
		990,826	990,826
25	**Reserves on Actuarial Valuation of Gratuity**		
	Balance at the beginning of the year	(2,303)	(29,058)
	Actuarial gain-change in assumption	-	9,305
	Acturial loss-experience adjustment	-	17,450
	Transfer to profit or loss	-	-
	Balance at the end of the quarter	(2,303)	(2,303)
26	**Reserves on Available-for- Sale of Financial Asset**		
	Balance at the beginning of the year	385,296	247,986
	Appreciation during the period	-	137,310
	Balance at the end of the preiod	385,296	385,296

	April-June 2015 ₦'000	30 June 2015 ₦'000	30 June 2014 ₦'000
27 Gross Premium Earned			
Direct Premium	834,209	1,422,390	1,444,303
Inward reinsurance premiums	5,015	6,053	139,610
Gross Written Premium	839,224	1,428,443	1,583,913
(Increase)/decrease in unearned Premium	(484,098)	(114,870)	72,675
Gross Premium income	**355,126**	**1,313,573**	**1,656,588**
28 Reinsurance Cost			
Reinsurance premium paid	495,844	810,876	615,527
(Increase)/Decrease in Prepaid reinsurance	(235,778)	(49,382)	127,034
Reinsurance cost	260,066	**761,494**	**742,561**
29 Commission Earned			
Commission receivable	141,294	316,754	78,624
Deferred commission Income	(60,311)	(106,544)	(17,060)
Commission Earned	80,983	**210,210**	**61,564**
30 Net Claims Incurred			
Direct Claims Paid	623,361	902,613	732,079
Inward reinsurance claims paid	275,402	336,046	112,081
Increase/(Decrease) Outstanding Claims	(1,053,839)	(469,033)	(52,741)
Gross Claims Incurred	(155,076)	769,626	791,419
Reinsurance Recovery	290,728	(217,886)	(382,375)
	135,652	551,740	409,044
31 Investment Income			
Interest income			
Bank deposits	53,088	120,377	92,402
Other loans and receivables	-	1,329	28,265
Rental income			
Finance lease contingent rental income	4,885	9,835	16,550
Operating lease rental income:	-	-	11,845
Dividends from equity investments	66,512	114,767	10,155
	124,485	246,308	159,217
32 Other Operating Income			
Gain on foreign exchange	-	29,664	-
Gain on disposal of property and equipment	-	4,380	2330
Bad debt recovery	-	88,669	-
Profit on disposal of shares	-	27,063	-
Sundry income	4772	11,330	7,791
	4772	161,106	10,121