



**PRESTIGE ASSURANCE PLC**

**THE UNAUDITED FINANCIAL STATEMENTS**

**THIRD QUARTER  
2014**

## TABLE OF CONTENT

Cover Page	1
Table of Content	2
Certification	3
Summary of Significant Accounting Policies	4 - 20
Statement of Financial Position	21
Statement of Profit or Loss	22
Other Comprehensive Income	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 30

**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 September 2014 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.

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

.....  
**Dr. A. P. Mittal**  
**Managing Director**  
**FRC/2013/CIN/00000003042**

## Summary of Significant Accounting Policies

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 December 2013 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 on 26 May 2014

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

### 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 2013

- a A number of new standards, interpretations and amendments effective for the first time for periods beginning on (or after) 1 January 2013, have been adopted in these financial statements. The nature and effect of each new standard, interpretation and amendment adopted by the company is detailed below. not all new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2013 affect the company's financial statements.

## (a) Standards likely to have a financial impact

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 9 ( issued November 2009 and amended October 2010)	Financial instruments	<p>Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in IAS 39 have been eliminated. Under IFRS 9, there are three categories of financial assets: Amortised cost, Fair value through profit or loss, Fair value through other comprehensive income.</p> <p>The following requirement have generally been carried forward unchanged from IAS 39 Financial Instruments: Recognition and Measurement into IFRS 9:</p> <ul style="list-style-type: none"> <li>- Classification and measurement of financial liabilities</li> <li>- Derecognition requirements for financial assets and liabilities.</li> </ul> <p>However, IFRS 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the fair value of a financial liability that is designated at fair value through profit or loss (using the fair value option) that relate to changes in the reporting entity's own credit risk are normally recognised in other comprehensive income.</p> <p>The changes are to be applied prospectively from the date of adoption.</p>	To be determined	The effective date of IFRS 9 is still to be determined. The effect of this standard will change how the company has classified its financial instruments under IAS 39. the company has financial assets classified as available for sale and held to maturity in line with IAS 39. Adoption of IFRS 9 will cause the company to reclassify its financial instruments as either fair value through profit or loss or held to maturity.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 9 (Amended December 2011)	Amendments to IFRS 9 Financial Instruments  Mandatory Effective Date of IFRS 9 and Transition Disclosures	Defers the effective date of IFRS 9 to 1 January 2015. Entities are no longer required (but are still permitted) to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2015.	As comparatives are no longer required to be restated, if an entity takes advantage of the relief there will be no impact on comparative information that is presented in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.
IFRS 9 (issued November 2013)	Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS. 39)	<p>Makes three amendments to IFRS 9:</p> <ul style="list-style-type: none"> <li>- Adds New hedge accounting requirements into IFRS 9</li> <li>- Defers the effective date of IFRS</li> <li>- Makes available for early adoption the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities that are accounted for using the fair value option without the need to apply the other requirements of IFRS 9.</li> </ul> <p>Under the new hedge accounting requirements:</p> <ul style="list-style-type: none"> <li>- The 80-125% highly effective threshold has been removed</li> <li>- Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable.</li> <li>- An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure</li> <li>- When entities designate the intrinsic value of options, the initial value is deferred in OCI and subsequent changes in time value are recognised in OCI</li> <li>- When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI</li> </ul> <p>- Net foreign exchange cash flow positions can qualify for hedge accounting.</p>		The effective date of IFRS 9, of periods beginning on or after 1 January 2015, has been deleted with the effective date now being left open until all other outstanding phases of IFRS 9 have been completed. The entity has not yet made an assessment of the impact of these amendments.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 10 (amended October 2012)	Amendment to IFRS 10 Consolidated Financial Statements: Investment Entities	<p>The amendment defines an investment entity and requires a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.</p> <p>The amendment prescribes three criteria that must be met in order for an entity to be defined as an Investment Entity, as well as four 'typical characteristics' to consider in assessing the criteria.</p> <p>The amendment also introduces disclosure requirements for investment entities into IFRS 12 Disclosure of Interest in Other Entities and amends IAS 27 Separate Financial Statements.</p>	Annual reporting periods commencing on or after 1 January 2014	The Company does not have any Subsidiaries or Associates or Joint ventures IFRS will not have any impact on the financial statements.
IAS 19 (amended November 2013)	Amendment to IAS 19 Employee Benefits: Defined Benefit Plans: Employee Contributions.	<p>The amendment introduces a narrow scope amendments that:</p> <ul style="list-style-type: none"> <li>- Provides a practical expedient to 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.</li> <li>- clarify 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).</li> </ul>	Annual reporting periods commencing on or after 1 January 2014	When this amendment is first adopted for 31 December 2014 year end, there will be no impact in respect of the accounting treatment for employee contributions because payments are independent of the number of years of service and the company already account for this in accordance with IAS 19.93 {(a) (b)} and will elect to do so again once the amendment is effective. When this amendment is first adopted for 31 December 2014 year end, there will be no impact in respect of the accounting treatment for offsetting the entity's financial assets and financial liabilities
IAS 32 (amended November 2011)	Amendment to IAS 32 Financial instruments: Presentation Offsetting financial assets and financial liabilities.	<p>The amendments has clarified and expanded the application guidance in relation to the offsetting of financial assets and financial liabilities in respect of:</p> <ul style="list-style-type: none"> <li>- The meaning of currently has a legally enforceable right of setoff</li> <li>- The application of simultaneous realisation and settlement</li> <li>- The offsetting of collateral amounts</li> <li>- The unit of account for applying the offsetting requirements.</li> </ul>		When this amendment is first adopted for 31 December 2014 year end, there will be no impact in respect of the accounting treatment for offsetting the entity's financial assets and financial liabilities.
IFRIC 21 (issued May 2013)	Levies	The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.	Periods commencing on or after 1 January 2014	There will be no impact relating to the timing or recognition of the entities levies on the financial statements when this interpretation is first adopted.

## (b) Standards likely to have a disclosure impact only

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 12 (issued May 2011)	Disclosure of Interests in Other Entities	Combines existing disclosures from IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures. Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual reporting periods commencing on or after 1 January 2013	At this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities. The company however has no subsidiaries or associates.
IFRS 7 (amended December 2011)	Amendment to IFRS 7 Financial Instruments: Disclosure Disclosures - Offsetting financial assets and financial liabilities	<p>Additional disclosure requirements in relation to information about rights of offset and related arrangements for financial instruments under an enforceable master netting arrangement (or similar arrangement). Minimum disclosure requirements, in a tabular format that splits financial assets and financial liabilities, are:</p> <p>(a) Gross financial assets and liabilities under a master netting (or similar) agreement.  (b) The amounts offset under IAS 32.  (c) The net amount presented in the statement of financial position (i.e. (a) - (b))</p> <p>(d) The amounts subject to an enforceable master netting agreement (or similar) not included in the amount offset under IAS 32 i.e (b), being those that fail to meet the offsetting criteria as well as those related to financial collateral (e) The net of (d) less (c) (d).  Also required is the description of the nature of the right of set-off, in relation to amount presented under (d) above.</p>		As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. Currently, the entity does not have (and is unlikely to have) any enforceable master netting (or similar) arrangements in place, and therefore the amendment will not add any additional quantitative and qualitative disclosures.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IAS 36 (amended May 2013)	Amendment to IAS 36 Impairment of Assets Recoverable amount disclosures for non-financial assets	<ul style="list-style-type: none"> <li>- Require the disclosure of the recoverable amount of an asset (or CGU) only in periods in which impairment has been recorded or reversed in respect of that asset (or CGU)</li> <li>- Expand and clarify the disclosure requirements when an assets (CGUs) recoverable amount has been determined on the basis of fair value less disposal.</li> <li>- Specifically require the disclosure the discount rate when an asset (or CGU) has been impaired (or impairment reversed) where the recoverable amount has been determined based on fair value less costs of disposal using a present value technique.</li> </ul>	1 January 2014	As this is a disclosure standard only, there will be no impact on amounts recognised in the primary financial statements. However, the amount of information disclosed regarding impairment may be reduced.

(c) Standards not likely to have any impact

IAS 27 (issued May 2011)	Separate Financial Statements	Requirements for consolidation removed and inserted into IFRS 10 Consolidated Financial Statements (mentioned in Standards likely to have a Financial Impact above) Disclosures removed and inserted into IFRS 12 Disclosure of Interests in Other Entities.	Annual periods commencing on or after 1 January 2013	Company does not prepare consolidated financial statements.
IAS 28 (issued May 2011)	Investments in Associates and Joint Ventures	Disclosures removed and inserted into IFRS 12 Disclosure of Interests in Other Entities	Annual periods commencing on or after 1 January 2013	The Company has no investment in Associates or Joint Ventures.
IFRS 10, IFRS 11, and IFRS 12 (amended June 2012)	Transition guidance - Consolidated financial statements, Joint arrangements, and Disclosure of Interests in other entities.	The amendments clarify certain aspects when an entity transactions from IAS 27 Consolidated and Separate Financial Statements/ SIC-12 Consolidation - Special Purpose Entities to the new consolidated standards IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other entities.	Annual periods commencing on or after 1 January 2013	The Company does not prepare consolidated financial statements.

## Significant accounting policies

### 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

### 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

#### 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

#### 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

#### 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 preceding 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 subsequently measured at fair value using net asset valuation basis. Fair value

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. They are mainly receivables arising from insurance contracts. Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost less any impairment losses. They include receivables from

Impairment provisions are recognized when there is objective evidence that the Company will not be able to collect all of the amounts due under the terms of the receivable; (evidence include significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 90 days). 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

v Prepayments

Prepayments are carried at amortised cost.

vi 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)

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Company on terms that the Company
- Indications that a debtor or issuer will enter bankruptcy;
- The disappearance of an active market for the security because of financial
- 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

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

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

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

(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 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

(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

vii 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

viii **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

ix **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

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. 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

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

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

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 its 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

10) **Deferred tax assets and liabilities**

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

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

11) **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

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

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

The estimated useful lives for the current and comparative period are

Computer software	10%
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12) **Investment in Finance**

Investments in finance lease are recognised when the company transfers substantially all the risks and rewards of ownership of the leased assets to the lessee. Investment in finance lease is initially measured at cost, being the purchase price of the assets and other incidental costs of acquiring and

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

**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

**(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

**(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

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

The estimated useful lives for the current and comparative

Plant and Machinery	12½%
Leasehold, Land and buildings	2% of cost/v aluatio n
Furniture, fittings and office	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

**(d) 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

**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

## 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

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'

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

Reinsurance contracts held

The Company holds the under-noted

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

Premiums due to the reinsurers are paid and all claims and recoveries due

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

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 The company's Insurance liabilities or balances arising from insurance contracts primarily include those insurance contract liabilities that were

- (i) **Unearned premium reserve**  
Unearned premium provision is calculated using a time - apportionment basis,
- (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 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
- (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.

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

- (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

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

## 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.

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

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

**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

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

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

**18) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs

**19) Retirement obligations and Employee benefits**

The company operates the following contribution and benefit schemes for its

**(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

**(ii) Defined contribution pension scheme**

The Company operates a defined contributory pension scheme for eligible employees. Company contribute 15% 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

**(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

**20) 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

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.

21) **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

22) **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

23) **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

24) **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

25) **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

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

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

26) **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

27) **Reinsurance expenses**

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

**28) 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

**29) 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

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

**30) Acquisition costs and other underwriting 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

**31) 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

**32) Other operating expenses**

Other 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

**33) Income tax expenses**

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

**34) 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

**PRESTIGE ASSURANCE PLC**

**THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30TH SEPTEMBER 2014

## Prestige Assurance Plc

### Unaudited IFRS Financial Results For The Third Quarter Ended 30 September, 2014

#### Statement of Financial Position As at 30th September 2014

	Notes	30 Sep 2014 N'000	30 sep 2013 N'000
<b>Assets</b>			
Cash and Cash Equivalents	1	2,169,662	2,393,647
Financial Assets:			
Held-for-Trading	2a	798,544	538,741
Held- to- Maturity	2b	274,699	377,331
Available-for- sale	2c	538,712	448,655
Trade Receivables	3	268,597	278,882
Other Receivables and Prepayments	4	136,165	123,352
Reinsurance Assets	5	3,051,308	2,930,282
Deferred Acquisition Cost	6	146,114	153,858
Intangible Assets	7	5,625	6,525
Investment in Finance Lease	8	102,862	106,369
Property, plant and equipment	9	2,341,426	1,733,276
Statutory Deposit	10	300,000	300,000
<b>Total Assets</b>		<b>10,133,714</b>	<b>9,390,918</b>
<b>Liabilities</b>			
Insurance Contract liabilities	11	3,797,555	3,547,368
Trade Payables	12	488,129	317,970
Provisions and other payables	13	121,928	158,404
short term borrowing		441,745	500,000
Retirement benefits obligations	14	116,960	104,168
Current Income tax liabilities	15	162,893	378,786
Deferred tax liabilities	16	268,889	173,234
Total liabilities		<b>5,398,099</b>	<b>5,179,930</b>
<b>Equity</b>			
Share Capital	17	1,254,157	1,254,157
Share Premium	18	1,147,183	1,155,540
Statutory Contingency reserves	19	1,621,391	1,498,947
Revenue Reserve	20	(510,761)	(293,363)
Property Revaluation reserves	21	1,004,717	470,497
Reseves on Actuarial valuation of Gratuity	22	(29,058)	(32,718)
Reserves on Available-for-sale	23	247,986	157,928
<b>Total Equity</b>		<b>4,735,615</b>	<b>4,210,988</b>
<b>Total liabilities and reserves</b>		<b>10,133,714</b>	<b>9,390,918</b>

## Prestige Assurance Plc

Unaudited IFRS Financial Results For  
The Third Quarter Ended 30 September, 2014

## Statement of profit or Loss and Other Comprehensive Income for the period ended 30th September 2014

	Notes	30 Sep 2014 N'000	30 Sep 2013 N'000	Change %
<b>Gross premium Written</b>		<b>2,720,617</b>	<b>2,687,008</b>	<b>1</b>
Gross premiums income	24	2,684,815	2,933,259	(8)
Re-insurance expenses	25	(1,493,358)	(1,776,991)	(16)
Net premium income		1,191,457	1,156,268	3
Commission income	26	295,045	445,301	(34)
<b>Total underwriting income</b>		<b>1,486,502</b>	<b>1,601,569</b>	<b>(7)</b>
Claims expenses	27	(211,838)	(764,857)	(72)
Underwriting expenses		(815,440)	(672,390)	21
<b>Total underwriting expenses</b>		<b>(1,027,278)</b>	<b>(1,437,247)</b>	<b>(29)</b>
Underwriting profit		459,224	164,322	179
Investment income	28	280,201	305,763	(8)
Other Income	29	18,497	164,273	(89)
Net fair value gains		(26,451)	79,042	(133)
<b>NET OPERATING INCOME</b>		<b>731,471</b>	<b>713,400</b>	<b>3</b>
<b>Less:</b>				
Management expenses		(237,994)	(198,795)	20
<b>PROFIT BEFORE TAXATION</b>		<b>493,477</b>	<b>514,605</b>	<b>(4)</b>
<b>Less</b>				
Taxation expense		(162,847)	(169,819)	(4)
<b>PROFIT AFTER TAXATION</b>		<b>330,630</b>	<b>344,786</b>	<b>(4)</b>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>330,630</b>	<b>344,786</b>	<b>(4)</b>

**Prestige Assurance Plc**

**Unaudited IFRS Financial Results For  
The Third Quarter Ended 30 September, 2014**

**Statement of Other Comprehensive Income  
For The Period Ended 30th September, 2014**

	<b>30 Sep 2014 N'000</b>	<b>30 Sep 2013 N'000</b>	<b>Change %</b>
<b>Profit for the year</b>	330,630	344,786	(4)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	
Total comprehensive income for the year	<u>330,630</u>	<u>344,786</u>	(4)
Attributable to owners of the parent	330,630	344,786	(4)
Attributable to minority interest	-	-	
	<hr/>	<hr/>	
	<u>330,630</u>	<u>344,786</u>	(4)
 Earnings per share:			
Basic earnings per share (kobo)	13	14	(4)
Diluted earnings per share (kobo)	13	14	(4)

Unaudited IFRS Financial Results For  
The Third Quarter Ended 30 September 2014

## Statement of Changes in Equity

	Share capital N'000	Share premium N'000	Bonus issue reserve N'000	Statutory contingency reserve N'000	General reserve N'000	Available for Sale Investment N'000	Gratuity Valuation reserve N'000	Revaluation Surplus Reserve N'000	Total N'000
<b>Balance 1 January 2014</b>	1,254,157	1,155,540	-	1,522,696	(742,695)	247,986	(29,058)	1,004,717	4,413,343
Profit for the quarter	-	-	-	-	330,630	-	-	-	330,630
Right Issue expenses	-	(8,357)	-	-	-	-	-	-	(8,357)
Transfer from/to Bonus issue	-	-	-	-	-	-	-	-	-
Transfer to Contingency reserve	-	-	-	81,618	(81,618)	-	-	-	-
Changes in -Available -for sale	-	-	-	-	-	-	-	-	-
Gain in change in Actuarial valuation	-	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-	-
<b>Balance 30 September 2014</b>	<b>1,254,157</b>	<b>1,147,183</b>	<b>-</b>	<b>1,604,314</b>	<b>(493,683)</b>	<b>247,986</b>	<b>(29,058)</b>	<b>1,004,717</b>	<b>4,735,616</b>

Prestige Assurance Plc  
Statement of Changes in Equity  
for the year ended 30 th September, 2013

	Share capital N'000	Share premium N'000	Bonus issue reserve N'000	Statutory contingency reserve N'000	General reserve N'000	Available for Sale Investment N'000	Gratuity Valuation reserve N'000	Revaluation Surplus Reserve N'000	Total N'000
<b>Balance as at 1 January 2013</b>	1,254,157	1,155,540	-	1,396,026	(535,227)	157,928	(32,718)	470,497	3,866,203
Profit for the year	-	-	-	-	344,785	-	-	-	344,785
Right Issue expenses	-	-	-	-	-	-	-	-	-
Transfer to Contingency reserve	-	-	-	102,921	(102,921)	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Changes in Available-for- sale	-	-	-	-	-	-	-	-	-
Gain in change in Actuarial valuation	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th September 2013</b>	<b>1,254,157</b>	<b>1,155,540</b>	<b>-</b>	<b>1,498,947</b>	<b>(293,363)</b>	<b>157,928</b>	<b>(32,718)</b>	<b>470,497</b>	<b>4,210,988</b>

**Unaudited IFRS Financial Results For  
The Third Quarter Ended 30 September, 2014**

**Statement of Cash flows  
For The Period Ended 30th September, 2014**

	<b>30 Sep 2014 N'000</b>	<b>30 Sep 2013 N'000</b>
<b>Cash Flows from Operating Activities</b>		
Premium received from policy holders	2,452,242	2,766,522
Commission received	295,045	445,301
Operating Costs and payment to employees	(2,548,522)	(2,526,109)
Claims paid	(1,430,788)	(2,003,937)
Claims recovered from re-insurers	1,255,645	1,239,080
Other Operating income	16,342	163,992
Company income tax paid	(337,781)	(110,496)
<b>Net cash consumed by operating activities</b>	<b>(297,817)</b>	<b>(25,647)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(41,070)	(107,066)
Redemption of bonds	81,299	49,465
Purchase of bond	-	-
Purchase of held for trading financial assets	(315,091)	-
Proceeds from disposal of investments	76,903	-
Investment income and other receipts	280,201	305,763
Proceeds from disposal of PPE	1,900	281
Proceeds on disposal of leased assets	255	-
<b>Net Cash inflow/(outflow) from investing activities</b>	<b>84,397</b>	<b>248,443</b>
<b>Cash Flows from Financing activities</b>		
Issuance of short term loan	-	500,000
Redemption of term loan	(58,255)	-
Share issue expenses	(8,357)	-
<b>Net Cash inflow/outflow from financing activities</b>	<b>(66,612)</b>	<b>500,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>(280,032)</b>	<b>722,796</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,449,694</b>	<b>1,670,851</b>
<b>Cash and cash equivalents at the end</b>	<b>2,169,662</b>	<b>2,393,647</b>

Unaudited IFRS Financial Results For  
The Third Quarter Ended 30 September, 2014

## Notes to the Financial Statements

	30 September 2014 N'000	30 September 2013 N'000
<b>1 Cash and cash equivalents</b>		
Balances with local banks	190,102	558,474
balances with foreign banks	38,140	83,219
Deposits and placements with local banks	1,220,526	820,560
Call deposits	230,894	291,394
Treasury Bills	490,000	640,000
	<u>2,169,662</u>	<u>2,393,647</u>
<b>2 Financial Assets</b>		
<b>a Held-for-Trading</b>		
Balance at the beginning of the year	586,807	459,699
Addition during the year	315,091	-
Disposal during the year	(76,903)	-
Investments written off during the year	-	-
	<u>824,995</u>	<u>459,699</u>
Appreciation during the year	(26,451)	79,042
Transferred (from)/ to equity revaluation reserve	-	-
	<u>(26,451)</u>	<u>79,042</u>
	<u>798,544</u>	<u>538,741</u>
<b>b Held-to- Maturity</b>		
Balance at the beginning of the year	355,998	426,796
Additions during the year	-	-
	<u>355,998</u>	<u>426,796</u>
Redemption	(81,299)	(49,465)
	<u>274,699</u>	<u>377,331</u>
<b>c Available-for-Sale</b>		
Balance at the beginning of the year	538,712	448,655
Additions during the year	-	-
	<u>538,712</u>	<u>448,655</u>
Appreciation/(Diminution)	-	-
	<u>538,712</u>	<u>448,655</u>
<b>3 Trade Receivables</b>		
Amount due from agents and brokers	-	195,706
Amount due from Insurance companies	268,597	-
Amount due from re-insures	-	-
Amount due from direct insured	-	83,176
	<u>268,597</u>	<u>278,882</u>
Less provision for impairments losses	-	-
	<u>268,597</u>	<u>278,882</u>
<b>4 Other debtors and prepayments</b>		
Staff loans	83,156	80,934
Prepayments	14,736	11,503
Other debtors	38,273	30,915
Balance at end of quarter	<u>136,165</u>	<u>123,352</u>
<b>5 Reinsurance Assets</b>		
Outstanding claims recoverable	2,540,018	2,316,098
prepaid reinsurance	511,290	614,184
Balance at end of the quarter	<u>3,051,308</u>	<u>2,930,282</u>
<b>6 Deferred Acquisition Cost</b>		
Balance at the beginning of the year	120,121	188,783
Increase/(decrease) during the quarter	25,993	(34,925)
Balance at the end of the quarter	<u>146,114</u>	<u>153,858</u>
<b>7 Intangible Assets</b>		
Cost:		
Balance at beginning of the year	9,000	9,000
Additions	-	-
Disposal	-	-
	<u>(3,375)</u>	<u>(2,475)</u>
Amortisation	-	-
Balance at the end of the quarter	<u>5,625</u>	<u>6,525</u>
<b>8 Investment in Finance Lease</b>		
Gross investment in finance lease	216,599	188,563
Unearned finance income	(113,737)	(82,194)
	<u>102,862</u>	<u>106,369</u>

**9 Property, Plant and Equipment**  
**30 September 2014**

	<b>Plant and Machinery N'000</b>	<b>Leasehold Land &amp; Building N'000</b>	<b>Building under Construction N'000</b>	<b>Furniture and fittings N'000</b>	<b>Computer equipment N'000</b>	<b>Motor vehicles N'000</b>	<b>Assets on Lease N'000</b>	<b>Total N'000</b>
<b><u>Cost/valuation</u></b>								
At 1 January	24,177	1,240,000	1,053,459	44,958	80,046	119,821	783,886	3,346,347
Additions	-	-	-	3,252	3,173	34,645	-	41,070
Disposals	-	-	-	-	-	(10,695)	(25,454)	(36,149)
At 30 September	24,177	1,240,000	1,053,459	48,210	83,219	143,771	758,432	3,351,268
<b><u>Depreciation</u></b>								
At 1 January	19,196	-	-	30,310	79,837	92,047	770,183	991,573
Charge for the year	1,372	18,600	-	2,396	3,144	15,203	13,703	54,418
Disposals	-	-	-	-	-	(10,695)	(25,454)	(36,149)
At 30 September	20,568	18,600	-	32,706	82,981	96,555	758,432	1,009,842
<b><u>Net book values at:</u></b>								
30 Sep 2014	3,609	1,221,400	1,053,459	15,504	238	47,216	-	2,341,426
31 December 2013	4,981	1,240,000	1,053,459	14,649	209	27,775	13,703	2,354,776
<b>30 Sep 2013</b>								
	<b>Plant and Machinery N'000</b>	<b>Leasehold Land &amp; Building N'000</b>	<b>Building under Construction N'000</b>	<b>Furniture and fittings N'000</b>	<b>Computer equipment N'000</b>	<b>Motor vehicles N'000</b>	<b>Assets on Lease N'000</b>	<b>Total N'000</b>
<b><u>Cost/valuation</u></b>								
At 1 January	24,058	671,246	960,111	41,741	76,219	90,059	858,141	2,721,575
Additions	-	-	67,376	2,750	3,380	33,560	-	107,066
Transfer to the revaluation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(3,798)	(22,430)	(26,228)
At 30 Sep	24,058	671,246	1,027,487	44,491	79,599	119,821	835,711	2,802,413
-								
At 1 January	17,310	11,399	-	27,439	73,913	82,009	815,993	1,028,063
Charge for the year	1,786	10,069	-	2,061	4,331	10,377	38,678	67,302
Transfer to the revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(3,798)	(22,430)	(26,228)
At 31 December	19,096	21,468	-	29,500	78,244	88,588	832,241	1,069,137
<b><u>Net book values at:</u></b>								
30 Sep 2013	4,962	649,778	1,027,487	14,991	1,355	31,233	3,470	1,733,276

	<b>30 Sep 2014 N'000</b>	<b>30 Sep 2013 N'000</b>
<b>10 Statutory deposit</b>		
Balance at the beginning and end of the year	<u>300,000</u>	<u>300,000</u>
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.		
<b>11 Insurance Contract Liabilities</b>		
Provision for outstanding claims	2,944,939	2,470,030
Provision for unexpired risks	<u>852,616</u>	<u>1,077,338</u>
	<u>3,797,555</u>	<u>3,547,368</u>
<b>12 Trade payables</b>		
Due to agents	-	-
Due to brokers	95,994	55,523
Due to direct insured	186,708	55,245
Due to reinsurers	62,894	73,629
Due to insurance companies	-	70,729
Unexpired commission	<u>142,533</u>	<u>62,844</u>
	<u>488,129</u>	<u>317,970</u>
<b>13 Provisions and other payables</b>		
Professional fees	-	-
Industrial training funds	-	-
Audit fees	-	-
Insurance levy	-	-
Profit sharing	25,320	45,877
Other Creditors	54,600	6,393
VAT	29,676	60,851
Withholding Tax	<u>12,332</u>	<u>45,283</u>
	<u>121,928</u>	<u>158,404</u>
<b>14 Retirement benefits obligations</b>		
Balance at the beginning of the year	116,960	89,313
Payment during the quarter	-	(502)
Additional provision	-	15,357
Balance at the end of the quarter	<u>116,960</u>	<u>104,168</u>
<b>15 Taxation</b>		
Per Income Statement		
Income tax	157,913	164,673
Education tax	-	-
Deferred taxation	<u>-</u>	<u>-</u>
	157,913	164,673
Information technology development levy	<u>4,935</u>	<u>5,146</u>
	<u>162,848</u>	<u>169,819</u>
<b>Per balance sheet</b>		
Balance at the beginning of the year	337,826	319,463
Income tax	157,913	164,673
Education tax	-	-
Payments during the year	<u>(337,781)</u>	<u>(110,496)</u>
	157,958	373,640
Information technology development levy	<u>4,935</u>	<u>5,146</u>
Balance at the end of the year	<u>162,893</u>	<u>378,786</u>

(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.

	<b>30 Sep 2014 N'000</b>	<b>30 Sep 2013 N'000</b>
<b>16 Deferred taxation</b>		
Balance at the beginning of the year	268,889	173,234
(Writeback)/provision for the year	-	-
Balance at the end of the period	<u>268,889</u>	<u>173,234</u>
<b>17 Share Capital</b>		
<b>i Authorised:</b>		
6,000,000,000 ordinary shares of 50k per share	<u>3,000,000</u>	<u>3,000,000</u>
<b>ii Issued and fully paid:</b>		
2,508,315,437 ordinary shares of 50k per share	<u>1,254,157</u>	<u>1,254,157</u>
<b>18 Share Premium</b>		
Balance at the beginning of the year	1,155,540	1,155,540
Transfer	(8,357)	-
Balance at the end of the quarter	<u>1,147,183</u>	<u>1,155,540</u>
<b>19 Contingency Reserve</b>		
Balance at the beginning of the year	1,522,696	1,396,026
Transfer from profit and loss account	98,695	102,921
Balance at the end of the quarter	<u>1,621,391</u>	<u>1,498,947</u>
<b>20 Retained Earnings</b>		
Balance at the beginning of the year	(742,696)	(535,227)
Dividend paid	-	-
Transfer to Contingency reserves	(98,695)	(102,921)
Transfer from/to profit and loss	330,630	344,785
Balance at the end of the quarter	<u>(510,761)</u>	<u>(293,363)</u>
<b>21 Assets Revaluation reserves</b>		
Balance at the beginning of the year	1,004,717	470,497
Transfer from fixed assets:		
Cost (Note 9)	-	-
Accumulated depreciation (Note 9)	-	-
Revaluation amount(Note 9)	-	-
	1,004,717	470,497
Capital Gain Tax	-	-
	<u>1,004,717</u>	<u>470,497</u>
<b>22 Reserves on Actuarial Valuation of Gratuity</b>		
Balance at the beginning of the year	(29,058)	(32,718)
Actuarial gain-change in assumption	-	-
Actuarial loss-experience adjustment	-	-
Transfer to profit or loss	-	-
Balance at the end of the quarter	<u>(29,058)</u>	<u>(32,718)</u>
<b>23 Reserves on Available-for- Sale of Financial Asset</b>		
Balance at the beginning of the year	247,986	157,928
Appreciation during the quarter	-	-
Balance at the end of the quarter	<u>247,986</u>	<u>157,928</u>

	<b>30 Sep 2014 N'000</b>	<b>30 Sep 2013 N'000</b>
<b>24 Gross Premium Earned</b>		
Direct Premium	2,090,962	1,934,728
Inward reinsurance premiums	629,655	752,280
Gross Written Premium	<u>2,720,617</u>	<u>2,687,008</u>
(Increase)/decrease in unearned Premium	(35,802)	246,251
Gross Premium Income	<u><u>2,684,815</u></u>	<u><u>2,933,259</u></u>
<b>25 Reinsurance Cost</b>		
Reinsurance premium paid	1,560,625	1,669,245
(Increase)/Decrease in Prepaid reinsurance	(67,267)	107,746
Reinsurance cost	<u>1,493,358</u>	<u>1,776,991</u>
<b>26 Commission Earned</b>		
Commission receivable	437,578	508,145
Deferred commission Income	(142,533)	(62,844)
Commission Earned	<u>295,045</u>	<u>445,301</u>
<b>27 Net Claims Incurred</b>		
Direct Claims Paid	1,081,667	2,003,937
Inward reinsurance claims paid	349,121	27,373
Increase/(Decrease) Outstanding Claims	36,696	(803,461)
Gross Claims Incurred	<u>1,467,484</u>	<u>1,227,849</u>
Reinsurance Recovery	(1,255,646)	(462,992)
	<u>211,838</u>	<u>764,857</u>
<b>28 Investment Income</b>		
<b>Interest income</b>		
Bank deposits	167,881	148,807
Other loans and receivables	40,784	52,929
<b>Rental income</b>		
Finance lease contingent rental income	17,610	15,885
Operating lease rental income:	16,500	55,950
Dividends from equity investments	37,426	32,192
	<u>280,201</u>	<u>305,763</u>
<b>29 Other Income</b>		
Gain on disposal of property and equipment	8,722	281
Profit on disposal of investments	-	-
Sundry income	9,775	163,992
	<u>18,497</u>	<u>164,273</u>