

Coronation Insurance Plc

Unaudited Interim Financial Statements

the period ended 30 June 2022

CORONATION INSURANCE PLC

INTRODUCTION

Coronation Insurance Plc's audited Interim Financial Statements complies with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding interim financial statements. These financial statements contain extract of the audited financial statements prepared in accordance with IAS 34 'Interim Financial Reporting' its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria. Due to rounding numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

We confirmed that Coronation Insurance Plc has:

- a. adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in the Financial Reporting Council of Nigeria (FRC), International Financial Reporting Standards (IFRS) and provisions of Rule 17.15(d) of the Listings Rules;

- b. made specific enquiry of all directors and hereby confirm that its directors have complied with the required standard set out in the Listings Rules and in the Company's code of conduct regarding securities transactions by directors

In line with the provisions of Rule 2.2 of the Rules Governing Free Float Requirements, the shareholding pattern of the Company is disclosed at page 3 of the unaudited Financial Statements for the period ended 30th June, 2022.

We confirm that the Company's free float is in compliance with the Exchange's free float requirements for the Main Board on which the Company is listed

Shareholding Structure/Free Float Status

Description	30-Jun-22	
	Unit	Percentage
Issued Share Capital	23,991,679,506	100%
Substantial Shareholdings (5% and above)		
CORONATION CAPITAL, (MAURITIUS) LTD	9,794,561,952	40.82%
REUNION ENERGY, LIMITED - MAIN	5,011,809,066	20.89%
CORONATION ASSET, MANAGEMENT	1,242,456,657	5.18%
Total Substantial Shareholdings	16,048,827,675	66.89%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests		
MR. AIGBOJE AIG-IMOUKHUEDE(Direct)	5,495,785	0.02%
MR. AIGBOJE AIG-IMOUKHUEDE(Indirect Representing CORONATION CAPITAL,	0	0
MR. AIGBOJE AIG-IMOUKHUEDE(Indirect Representing REUNION ENERGY, LIMI	0	0
MR. AIGBOJE AIG-IMOUKHUEDE(Indirect)	2,014,182,139	8.4%
MR. ADAMU ATTA (Direct)	7,471,883	0.03%
OLISE BARNABAS, (Direct)	10,835,394	0.05%
OSIME IFEYINWA (Direct)	656,693	0.00%
UFOEZE CHIZOBA,	89,459,500	0.37%
OGBONNEWO SEGUN, (LIEN-ARPS)	3,360,567	0.01%
OLAJOLO OLAMIDE	30,000	0.00%
OSUNTOKI TITILAYO	56,092	0.00%
MUTIU SUNMONU	0	0.00%
MR. BABABODE OSUNKOYA	0	0.00%
Total Directors' Shareholdings	2,131,548,053	8.89%
Other Influential Shareholdings		
NIL	0	0.00%
NIL	0	0.00%
Total Other Influential Shareholdings	0	0.00%
Free Float in Units and Percentage	5,811,303,778	24.22%
Free Float in Value	₦ 2,382,634,548.98	

Declaration:

(A) Coronation Insurance Plc with a free float percentage of 24.22% as at 30 June 2022, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

(B) Coronation Insurance Plc with a free float value of N2,382,634,548.98 as at 30 June 2022, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

Analysis of shareholders

The shareholding pattern of the Company as at June 30th 2022 is as stated below:

30 June 2022

Range	Number of Shareholders	No. of shares held	% of number of shareholders	% of number of shares held
1 - 1,000	651,181	127,929,478	79.30	0.53
1,001 - 5,000	123,488	264,319,384	15.04	1.10
5,001 - 10,000	21,237	153,981,427	2.59	0.64
10,001 - 50,000	19,807	405,873,419	2.41	1.69
50,001 - 100,000	2,550	176,136,793	0.31	0.73
100,001 - 500,000	2,145	433,164,178	0.26	1.81
500,001 - 1,000,000	322	232,219,771	0.04	0.97
1,000,001 - 5,000,000	326	631,337,817	0.04	2.63
5,000,001 - 10,000,000	49	340,399,428	0.01	1.42
10,000,001 - 50,000,000	41	825,023,995	0.00	3.44
50,000,001 - 100,000,000	10	771,039,371	0.00	3.21
100,000,001 - 500,000,000	7	1,188,668,158	0.00	4.95
500,000,001 - 1,000,000,000	2	1,373,723,049	0.00	5.73
1,000,000,001 - 5,000,000,000	2	2,261,492,220	0.00	9.43
5,000,000,001 & Above	2	14,806,371,018	0.00	61.71
	821,169	23,991,679,506	100.00	100.00

Consolidated and Seperate Statements of Financial Position

	Notes	Group	Group	Company	Company
		2022 30-Jun N'000	2021 31-Dec N'000	2022 30-Jun N'000	2021 31-Dec N'000
ASSETS					
Cash and cash equivalents	9	9,077,715	7,058,446	6,782,304	4,221,508
Financial assets	10	11,060,522	9,727,384	2,709,495	1,879,313
Trade receivables	11	440,937	184,633	394,588	178,560
Reinsurance assets	12	5,849,525	5,548,949	3,925,898	4,110,000
Deferred acquisition cost	13	454,728	276,629	202,524	151,576
Other receivables & prepayments	14	1,667,816	757,920	1,251,131	446,639
Investment property	17	82,976	82,976	82,976	82,976
Investment in associates	15	9,968,091	11,216,496	5,423,440	5,423,440
Investment in subsidiaries	16	-	-	9,259,506	9,259,506
Intangible assets	19	654,932	444,887	269,947	319,818
Property and equipment	18	3,616,080	3,406,549	3,237,897	3,175,602
Right of use asset	14b	79,205	132,908	-	-
Current income tax asset	14	-	-	-	-
Deferred tax asset	23a	239,052	239,052	239,052	239,052
Statutory deposit	20	802,586	725,064	300,000	300,000
TOTAL ASSETS		43,994,165	39,801,890	34,078,757	29,787,989
LIABILITIES					
Insurance contract liabilities	25	14,879,651	13,636,718	9,533,107	9,174,769
Investment contract liabilities	26	1,054,812	1,034,638	-	-
Trade payables	21	107,956	330,085	7,730	158,738
Other payables	22	6,927,520	2,928,145	5,875,634	2,962,042
Lease liability	22b	33,584	23,488	911,274	-
Current income tax	24	296,042	260,039	109,008	134,896
TOTAL LIABILITIES		23,299,565	18,213,113	16,436,755	12,430,445
EQUITY					
Equity attributable to owners					
Share capital	27	11,995,952	11,995,952	11,995,952	11,995,952
Share premium	28	4,612,938	4,612,938	4,612,938	4,612,938
Contingency reserves	29	3,906,343	3,659,242	3,220,028	2,989,058
Other reserves	30	(1,617,805)	1,752,455	679,624	1,393,020
Retained earnings	31	1,797,171	(431,810)	(2,866,539)	(3,633,423)
TOTAL EQUITY		20,694,600	21,588,777	17,642,003	17,357,544
TOTAL LIABILITIES AND EQUITY		43,994,165	39,801,890	34,078,757	29,787,989

These financial statements were approved by the board of directors (BOD) on 28th July 2022 and signed on behalf of the board of directors by the directors listed below:



Mutiu Sunmonu
FRC/2014/IODN/00000006187
Chairman



Olamide Olajolo
FRC/2013/CIIN/00000000877
Managing Director

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Coronation Insurance Plc
Consolidated Statements of Profit

(All amounts in Naira thousands unless otherwise stated)

	Note	GROUP				COMPANY			
		2022	2021	2022	2021	2022	2021	2022	2021
		3 Months Jun	3 Months Jun	YTD JUN	YTD JUN	3 Months Jun	3 Months Jun	YTD JUN	YTD JUN
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Gross written premium	1a	3,900,094	3,085,667	11,509,906	8,314,065	2,562,427	1,950,711	7,698,985	4,905,401
Movement in Unearned premium	1b	639,802	452,649	(2,219,857)	(1,315,760)	621,622	188,506	(1,209,756)	(654,581)
Gross premium income		4,539,896	3,538,317	9,290,049	6,998,305	3,184,049	2,139,218	6,489,229	4,250,820
Reinsurance expenses	1c	(2,253,240)	(1,243,444)	(3,575,141)	(2,386,330)	(2,001,836)	(797,046)	(2,874,889)	(1,595,318)
Net premium income	1	2,286,656	2,294,873	5,714,908	4,611,975	1,182,213	1,342,172	3,614,340	2,655,502
Fees and commission income	3	266,852	206,821	543,443	434,976	214,865	120,334	385,892	270,959
Net underwriting income		2,553,508	2,501,694	6,258,351	5,046,951	1,397,077	1,462,506	4,000,232	2,926,461
Claims Paid	2a	(1,451,047)	(1,225,276)	(3,175,558)	(2,863,811)	(819,334)	(544,774)	(1,926,680)	(1,452,237)
Movement in Outstanding Claims	2b	125,716	(2,078,814)	1,050,814	(1,834,207)	94,400	(1,806,464)	1,043,585	(1,418,191)
Claims expense recoverable	2c	482,863	1,658,101	694,851	1,799,401	319,132	1,337,107	155,373	1,256,121
Net claims expenses	2	(842,469)	(1,645,989)	(1,429,893)	(2,898,617)	(405,802)	(1,014,131)	(727,722)	(1,614,306)
Underwriting expenses	4	(534,038)	(719,338)	(1,302,066)	(1,255,024)	(297,785)	(421,087)	(859,392)	(805,803)
Increase in individual life fund	1b	-	(168)	(1,072)	(1,262)	-	-	-	-
Total underwriting expenses		(1,376,507)	(2,365,495)	(2,733,031)	(4,154,903)	(703,586)	(1,435,218)	(1,587,114)	(2,420,110)
Total underwriting profit		1,177,001	136,199	3,525,319	892,048	693,491	27,287	2,413,118	506,352
Investment income	5a	330,162	599,449	663,956	1,018,191	225,058	471,164	314,941	516,625
Net realized gain on financial assets	5b	-	-	-	-	-	329,984	-	429,772
Net FV Gain/Loss on Financial Asset	5b	39	(1)	-	-	39	(1)	-	-
Profit on deposit administered contracts	5f	49,127	23,700	65,966	56,108	-	-	-	-
Other operating income	6	92,455	352,122	376,450	820,182	108,023	830	107,661	243,819
Total investment and other income		471,783	975,270	1,106,371	1,894,481	333,120	801,977	422,603	1,190,216
Net income		1,648,783	1,111,468	4,631,691	2,786,529	1,026,611	829,265	2,835,721	1,696,568
Impairment on other assets	12 & 14	-	(25,589)	-	(25,589)	-	(25,589)	-	(25,589)
Impairment on financial assets (ECL)	7	7,324	-	7,324	-	-	-	-	-
Employee benefit expenses	8	(309,069)	(310,079)	(580,207)	(592,790)	(153,480)	(163,464)	(287,811)	(313,292)
Other operating expenses	7	(1,385,972)	(1,252,180)	(2,774,763)	(2,327,961)	(893,532)	(787,567)	(1,768,754)	(1,418,830)
Total operating expenses		(1,687,716)	(1,587,849)	(3,347,646)	(2,946,340)	(1,047,012)	(976,620)	(2,056,565)	(1,757,711)
Operating profit		(38,933)	(476,380)	1,284,045	(159,811)	(20,400)	(147,356)	779,155	(61,144)
Share of Profit of Associate	5d	(292,346)	222,924	(670,236)	565,470	-	-	-	-
Profit before tax		(331,279)	(253,456)	613,808	405,658	(20,400)	(147,356)	779,155	(61,144)
Income tax		11,607	11,937	(123,339)	(7,816)	-	(14,693)	-	(19,972)
Profit after tax		(319,671)	(241,519)	490,470	397,842	(20,400)	(162,048)	779,155	(81,115)
Other Comprehensive Income, net of tax:		-	-	-	-	-	-	-	-
Exch. Diff. on translation of foreign operation		-	-	-	-	-	-	-	-
Net fair value gain/(loss) on AFS financial asset		(612,302)	141,389	(212,101)	(152,547)	(94,955)	70,306	(56,706)	(80,969)
Share of Other Comprehensive Income of Associate	5e	(122,780)	(336,758)	(421,886)	(930,302)	-	-	-	-
Total Other Comprehensive Income		(735,082)	(195,369)	(633,987)	(1,082,849)	(94,955)	70,306	(56,706)	(80,969)
Total comprehensive income/loss		(1,054,753)	(436,888)	(143,517)	(685,007)	(115,355)	(91,742)	722,450	(162,085)
Basic Earning Per Share (Kobo)		2	2	2	2	0	0	0	(0)

Coronation Insurance Plc

Statement of Changes in Equity for the Period ended June 2022

(All amounts in Naira thousands unless otherwise stated)

Company

	Share capital	Share premium	Other reserves	Statutory contingency reserve	Retained earnings	Total
	-	-				
As at 1 January 2022	11,995,952	4,612,938	736,329	2,989,058	(3,588,886)	16,745,391
						-
Profit for the period					779,155	779,155
Other comprehensive income			(56,706)			(56,706)
Total comprehensive income	-	-	(56,706)	-	779,155	722,450
	11,995,952	4,612,938	679,624	2,989,058	(2,809,731)	17,467,841
Issue of shares	-	-				-
Revaluation gain						-
Fair value gain on investment properties						-
Fair value gain on available for sale assets			-			-
Recycling to PorL on Eurobond disposal						-
reconciliation reserves reserves			-		-	-
Transfer from IPL						-
Foreign currency translation						-
Transfer to life fund						-
Bonus issue reserve						-
Transfer contingency reserve				230,970	(230,970)	-
Dividend Paid					-	-
Deferred tax						-
						-
As at period end	11,995,952	4,612,938	679,624	3,220,028	(3,040,700)	17,467,841

Group

	Share capital	Share premium	Other reserves	Statutory contingency reserve	Retained earnings	Total
As at 1 January 2022	11,995,952	4,612,938	2,549,744	3,311,312	2,498,910	24,968,856
Profit for the period					490,470	490,470
Other comprehensive income			(633,987)			(633,987)
Total comprehensive income	-	-	(633,987)	-	490,470	(143,517)
	11,995,952	4,612,938	1,915,757	3,311,312	2,989,380	24,825,339
Issue of shares	-	-				-
Revaluation gain						-
Fair value gain on investment properties						-
Fair value gain on available for sale assets			-			-
Interim appropriation adjustment			(49,00)		78,573	78,524
Foreign currency translation				(7,143)		(7,143)
Adjustment in opening balance			-	-	169,937	169,937
Recycling to PorL on Eurobond disposal			-			-
Translation Reserve			(1,670,226)			(1,670,226)
Transfer contingency reserve				320,564	(320,564)	-
reconciliation reserves reserves			-	(18,544)	(21,358)	(39,902)
Dividend paid						-
Deferred tax						-
						-
As at period end	11,995,952	4,612,938	245,482	3,606,189	2,895,968	23,356,529

Statement of cash flows for the period ended 30 June 2022

	Group 2022 30-Jun N'000	Group 2021 31-Dec N'000	Company 2022 30-Jun N'000	Company 2021 31-Dec N'000
Operating activities				
Premiums received	11,253,602	13,216,418	7,482,957	8,726,264
Fees and commission received	701,926	915,490	433,706	658,963
Fees and commission paid	(1,526,038)	(2,858,897)	(983,673)	(1,734,009)
Reinsurance premiums paid	(3,797,270)	(5,052,780)	(2,874,889)	(3,879,052)
Gross claims paid to policy holders	(3,175,558)	(5,247,601)	(1,926,680)	(2,517,190)
Reinsurance recoveries on claims	1,092,727	1,376,612	704,943	950,595
Payments to employees	(580,207)	(1,416,382)	(287,811)	(835,722)
Other operating cash payments	(3,684,773)	(2,682,824)	(675,388)	(1,701,046)
Other operating cash receipts	607,749	126,609	484,418	325,477
Receipts from Investment contract	427,783	616,558	-	-
Payments to Investment contract	(372,939)	(694,924)	-	-
Premium received in advance	286,130	923,301	220,373	902,990
Cash paid for statutory deposit	-	-	-	-
Tax paid	(159,342)	(166,160)	(25,887)	(83,678)
Net cash generated from operating activities	1,073,791	(944,580)	2,552,068	813,592
Cash flows from investing activities				
Disposal of deposit for shares	-	-	-	-
Purchases of property and equipment	(419,735)	(418,990)	(183,585)	(265,795)
Purchases of intangible assets	(289,831)	(101,749)	(28,519)	(99,204)
Proceeds from sale of property and equipment	-	55,034	-	-
Purchases of investment in associates and subsidiaries	-	-	-	-
Purchases of investment securities	(3,796,749)	(8,501,916)	(1,321,414)	(2,579,058)
Proceeds from redemption of investment securities	4,341,766	13,404,646	1,224,825	4,718,984
Proceeds from sale of investment properties	-	-	-	-
Rental income received	-	5,025	-	5,025
Dividend income received	139,092	425,004	139,092	425,004
Other dividend income received	8,920	7,884	8,920	7,884
Interest income received	663,956	634,052	169,409	223,017
Net cash used in investing activities	647,418	5,508,990	8,728	2,435,857
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	-
Principal payment on lease	-	(49,471)	-	-
Lease payments (interest)	-	(13,996)	-	-
Net cash used in financing activities	-	(63,467)	-	-
Cash and cash equivalents at beginning of year	7,063,452	2,410,920	4,223,582	838,199
Effect of exchange rate fluctuations on cash held	-	15,230	-	15,230
Reclassification of money market instruments from unquoted equity	-	136,360	-	120,704
Net increase in cash and cash equivalents	1,721,209	4,500,942	2,560,795	3,249,448
Cash and cash equivalent at end of year	8,784,661	7,063,452	6,784,378	4,223,582

Summary of Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents is as follows:

	Group 2022 30-Jun N'000	Group 2021 31-Dec N'000	Company 2022 30-Jun N'000	Company 2021 31-Dec N'000
Cash at bank and in hand	3,168,654	736,720	2,659,743	381,382
Money market placements	5,616,007	6,190,372	4,124,635	3,721,497
Reclassification	-	136,360	-	120,704
	8,784,661	7,063,452	6,784,378	4,223,582

1. Reporting entity

Coronation Insurance Plc (formerly Wapic Insurance Plc) (“Wapic” or “the Company”) together with its subsidiaries (collectively “the Group”) is a public liability company domiciled in Nigeria with operations in Nigeria and Ghana. Coronation Insurance Plc (formerly Wapic Insurance Plc) was incorporated on 14 March 1958 as a private limited liability Company under the name of West African Provincial Insurance Company Limited. It became a public limited liability company in 1990 when the Company’s shares were listed on the Nigerian Stock Exchange. The Group secured a life insurance business license from the National Insurance Commission (NAICOM) in 2000, and became a composite insurance business. The Group separated the life business and transferred the related assets and liabilities to its subsidiary, Intercontinental Life Assurance Limited (now Coronation Life Assurance Limited (formerly Wapic Life Assurance Limited)), on 1 March 2007 through which it continues to provide life assurance services. Coronation Insurance Ghana Limited (formerly Wapic Insurance Ghana Limited), a wholly owned subsidiary of Coronation Insurance Plc (formerly Wapic Insurance Plc), was incorporated on 21 January 2008 to carry on general insurance business in Ghana from 19 February 2008. The address of the Group’s corporate office is 119, Awolowo Road, Ikoyi. The Group is principally engaged in the business of underwriting life and non-life insurance risks and also issues a diversified portfolio of investment contracts products to provide its customers with asset management solutions for their savings and target investment

Going concern

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

2. Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, relevant National Insurance Commission (NAICOM) guidelines and circulars and the Financial Reporting Council of Nigeria Act (FRCN Act), to the extent that these laws are not in conflict with the requirement of IFRS.

The financial statements were authorised for issue by the directors on xxxx.

(b) Functional and presentation currency

The financial statements are presented in Nigerian currency (Naira) which is the Group’s functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value;
- financial instruments at fair value through other comprehensive income are measured at fair value;
- investment properties are measured at fair value;
- land and building are carried at revalued amount; and
- Insurance liabilities are measured at present value of future cashflows.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 4 of the financial statements.

(e) Regulation

The Group is regulated in Nigeria by the National Insurance Commission (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

- i) section 22 (1b) requires maintenance of contingency reserves for life business at specified rates as set out under note 3.12 to cover fluctuations in securities and variation in statistical estimates;
- ii) section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;
- iii) section 10(3) requires insurance companies in Nigeria to deposit 10 per centum of the minimum paid up share capital with the Central Bank of Nigeria.

iv) section 25 (1) requires an insurance company operating in Nigeria to invest and hold investments in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.

v) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported at the end of the year under review under section 20 (1b). However, claims incurred but not reported liabilities have been estimated in line with accounting policy 3.12 to comply with IFRS;

vi) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a) as actuarial valuations on life insurance liabilities are currently carried out on a yearly basis in line with IFRS.

Section 59 of the Financial Reporting Council of Nigeria Act, (FRCN Act) provides that in matters of financial reporting, if there is any inconsistency between the FRCN Act and other Acts which are listed in section 59(1) of the FRCN Act, the FRCN Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRCN Act has promulgated IFRS as the national financial reporting framework of Nigeria. Consequently, the provisions of section 20(1b) and 22(1a) of the National Insurance Act, which conflict with the provisions of IFRS have not been adopted:

i) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported (IBNR) at the end of the year under review under section 20 (1b);

ii) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a).

(f) Reporting period

The statement of financial position has been prepared for a 12 month period.

(g) Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

Standards and interpretations effective for the first time for 31 December 2021 year end

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform

IBOR reform refers to the global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates (IBOR) with alternative benchmark rates. The Board identified two groups of accounting issues arising from IBOR reform that could affect financial reporting and divided its project, IBOR Reform and its Effects on Financial Reporting, into two phases:

pre-IBOR reform: where uncertainty could arise in the run-up to transition (Phase 1 amendments); and

post-IBOR reform: when that uncertainty goes away but companies update the rates in their contracts and the details of their hedging relationships (Phase 2 amendments). The Phase 2 amendments principally address the following issues.

Under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the income statement. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate.

A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.

The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting. For example, a company will not need to discontinue existing hedging relationships because of changes to hedge documentation required solely by IBOR reform. Therefore, when a hedged risk changes due to benchmark reform, a company may update the hedge documentation to reflect the new benchmark rate and the hedge may be able to continue without interruption.

However, similar to the Phase 1 amendments, there is no exception from the measurement requirements that apply for the hedged items and hedging instruments under IFRS 9 or IAS 39 Financial Instruments: Recognition and Measurement. Once the new benchmark rate is in place, the hedged items and hedging instruments are remeasured based on the new rate and any hedge ineffectiveness will be recognised in profit or loss. So that users of financial statements can understand the effect of the reform on a company's financial instruments and risk management strategy, a company will need to provide additional information about:

the nature and extent of risks to which the company is exposed arising from financial instruments subject to IBOR reform and how it manages those risks; and

the company's progress in completing its transition to alternative benchmark rates and how it is managing that transition.

The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. This amendment had no impact on the financial statements of the Company.

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

In May 2020, the Board issued COVID-19-Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance.

The practical expedient introduced in the 2020 amendments only applies to rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2021. If the Board had taken no further action, the practical expedient would have expired in a few months.

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The Board has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. In effect, it is available to be applied now, subject to any local endorsement requirements. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f)1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application.

The original version of the practical expedient was, and remains, optional. However, the 2021 amendments are, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendments has to consistently apply the extension to eligible contracts with similar characteristics and in similar circumstances. This means that lessees will need to reverse previous lease

Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2022 or later periods:

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that costs of fulfilling a contract comprise both:

- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

This clarification is applicable for companies that apply the 'incremental cost' approach and they will need to recognise bigger and potentially more provisions.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 to contracts at the date when the amendments are first applied.

The company is currently understudying the effect of this amendment to its financial statement and has not early adopted this amendment

Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41: Annual improvements 2018-2020

IFRS 1 First Time Adoption of International Financial Reporting Standards - The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

IAS 41 Agriculture - The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use by management. As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin. The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The company has not early adopted this amendments for the comparative period and is still understudying the impact of this amendment to its financial statement

Amendments to IFRS 3: Reference to the Conceptual Framework

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and
- added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. The Company has not early adopted this amendment.

IFRS 17 including amendments Initial application of IFRS 17 and IFRS 9 – Comparative Information: Insurance

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model (“general model”) for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity’s financial statements. The standard is effective for annual periods beginning on or after 1 January 2023. The Company is still studying the effect of this amendment on its financial statement

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure Initiative: Accounting Policies

The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements;

The amendments are consistent with the refined definition of material: “Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.

The amendments are effective from 1 January 2023. The Company is understudying the effect of this amendment on its accounting policy

Amendments to IAS 1: Classification of liabilities as current or non-current

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted. The Company has not early adopted this amendment and is currently understudying the potential impact of the amendment on its financial statement

Amendments to IAS 8: Definition of Accounting Estimates

This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarifies the following:

- an entity develops an accounting estimate to achieve the objective set out by an accounting policy.
- developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique.
- a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The Company is still understudying the effect of this amendment on its financial statement

Amendment to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions.

The standard is effective for annual periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

Amendment to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting.

Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or Joint Venture. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely.

3 Significant accounting policies

Except for the changes explained above, the significant accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value and are 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.

For the purpose of cashflow, cash and cash equivalents comprise of cash in hand and bank, short term bank deposits and treasury bills/bonds with a maturity of 90 days or less.

3.2 Financial instruments

Recognition and derecognition

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instrument.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Company parts with or receives economic resources for the purchase or sale of the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or re-pledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

i) Financial assets

(a) Classification

The Company's financial assets include cash and short term deposits, loan and other receivables, staff loans, quoted and unquoted equity instruments, treasury bills and bonds. The Company classifies its financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI) and
- Fair value through profit or loss (FVTPL)

Classification of debt instruments

Management classifies its financial assets into any of the asset categories above on the basis of both:

- The Company's business model for managing the financial assets.
- The contractual cash flows characteristics of the financial assets.

1. Business Model Assessment

The business model assessment is one of the two steps to classify financial assets. The business model assessment of the Company's financial instruments is performed at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Judgment is needed to determine the level of aggregation to which the business model assessment is applied. That determination is made on the basis of how the Company manages its business, it is not made at the level of an individual asset, rather the Company performs this assessment at a higher level of aggregation which is at a portfolio level.

If cash flows are realised in a way that is different from the Company's expectations at the date that the Company assessed the business model (for example, if the Company sells more or fewer financial assets than it expected when it classified the assets), this does not:

- give rise to a prior period error in the Company's financial statements (as defined in IAS 8 Accounting policies, changes in accounting estimates and errors)
- change the classification of the remaining financial assets held in that business model (i.e., those assets that the Company recognised in prior periods and still holds), as long as the Company has considered all relevant information that was available at the time that it made the business model assessment.

However, when the Company assesses the business model for newly originated or newly purchased financial assets, it considers information about how cash flows were realised in the past, along with all other relevant information. Where there was a change in the way that cash flows are realised, then this will affect the classification of new assets recognised in the future.

Hold-to-collect business model

Where the Company's objective is to hold the asset (or portfolio of assets) to collect the contractual cashflows, the asset (or portfolio of assets) are classified under the 'hold to collect' business model. Financial assets that are held within this business model are measured at amortised cost (provided the asset also meets the contractual cash flow test – see below). Such assets are managed to realise cash flows by collecting contractual payments over the life of the instrument.

In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Company considers the frequency and value of sales in prior periods, the timing of the sale of assets, the reasons for those sales, and the Company's expectations about future sales activity.

In accordance with IFRS 9, sales in themselves do not determine the business model and cannot be considered in isolation. However, information about past sales and expectations about future sales provide evidence related to how the Company's stated objective for managing the financial assets is achieved and, specifically, how cash flows are realised.

Hold-to-collect contractual cash flows and sell

Where the Company's objective is to hold a group of financial assets to collect the contractual cashflows and then to sell those financial assets, the portfolio of assets are classified under the 'hold to collect and sell' business model. The FVOCI measurement category is mandatory for portfolios of financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (provided the asset also meets the contractual cash flow test).

Collecting contractual cash flows and selling are fundamental to achieving the objective of the business model.

Compared to the business model with an objective to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective rather than only incidental to it. There is no threshold for the frequency or value of sales that can or must occur in this business model.

Other business models

IFRS 9 requires financial assets to be measured at fair value through profit or loss (FVTPL) if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

A business model that results in measurement at FVTPL is where the financial assets are held for trading or where the assets are managed on a fair value basis. In each case, the Company manages the financial assets with the objective of realising cash flows through the sale of the assets. The Company makes decisions based on the assets' fair values and manages the assets to realise those fair values.

2. The contractual cash flows assessment – the Solely Payments of Principal and Interest (SPPI) test

This assessment aims to identify whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The SPPI test is based on the premise that it is only when the variability in the contractual cash flows arises to maintain the holder's return in line with a 'basic lending arrangement' that the application of the effective interest method provides useful information about the uncertainty, timing and amount of the financial asset's contractual cashflows.

The effective interest method is essentially to spread interest revenue or expense over time. Amortised cost or FVOCI measurement is only appropriate for simple cash flows that have low variability such as those of loans and receivables and debt securities.

Classification of equity instruments

Investment in equity instruments are always measured at fair value. Equity investments that are held for trading (including all equity derivative instruments such as warrants and rights issues) are required to be classified at fair value through profit or loss.

The Company may acquire an investment in an equity instrument that is not held for trading. At initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to present changes in fair value in other comprehensive income rather than profit or loss.

Amounts presented in OCI are not subsequently transferred to profit or loss, even on derecognition. However, the cumulative gain or loss may be transferred within equity. Equity investments are not subject to any impairment requirements.

Dividends from such investments should be recognised in profit or loss when the right to receive payment is probable and can be measured reliably, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income.

(b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Amortised Cost

Financial instruments are measured at amortised cost, using the effective interest rate method.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the carrying amount. The impairment loss is reported as a deduction from the carrying value of the loan (using an allowance account) and recognised in profit or loss as 'loan impairment charges'.

Effective interest rate method

The effective interest method is a method used in calculating the amortised cost of a financial asset or financial liability and in the allocation and recognition of the interest income or expense in profit or loss over the relevant period.

The effective interest method differs from the straight-line method in that the amortisation under the effective interest method reflects a constant return on the carrying amount of the asset or the liability. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts, over the expected life of the financial instrument to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. It is the internal rate of return of the financial asset or liability for that period.

ii) Fair value through Other Comprehensive Income

For the Company's investment in debt instruments measured at FVOCI, all movements in fair value should be taken through other comprehensive income except for the recognition of impairment losses, interest revenue in line with the effective interest rate method, foreign exchange gains and losses arising on derecognition of the asset which are recognised in the profit or loss.

Therefore, fair value changes will be split in the interest income on an effective interest basis (which are posted to profit or loss) and fair value gains or losses (which are posted to other comprehensive income).

All equity investments held by the Company are required to be measured at fair value through profit or loss. However, the Company can make an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

iii) Fair value through profit or loss

These assets and liabilities are measured at fair value, with the unrealised gains and losses arising from changes in fair value included directly in profit or loss and are reported as 'Net gains/ (losses) on financial instruments classified as held for trading'

The carrying value of trading positions in financial instruments includes accrued interest. Fair value changes recognised through profit or loss in the statement of comprehensive income on such instruments includes items such as interest and dividends, if related to those trading

(d) Impairment of financial assets

The Company will assess on a forward looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts.

No impairment is recognised on equity investments. This is because the fair value changes would incorporate impairment gains or losses if any.

General Approach

Under the general approach, at each reporting date, the Company recognises a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis or when a loan becomes credit impaired respectively.

Staging

Stage 1: On origination, a financial asset (provided that it is not a purchased or originated credit impaired asset) will be in stage 1 of the general model for expected credit losses. Financial assets that have not had a significant increase in credit risk since initial recognition or that (upon assessment and option selected by the Company) have low credit risk at the reporting date remain in stage 1.

For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the Company) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised and interest revenue is still calculated on the gross carrying amount of the asset.

Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the Company is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.

The Company, when determining whether the credit risk on a financial instrument has increased significantly, considers reasonable and supportable (both historical and forward-looking) information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

Stage 3: This includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance). This is done by applying the EIR in subsequent reporting periods to the amortised cost of the financial asset.

When the Company has no reasonable expectations of recovering the financial asset, then the gross carrying amount of the financial asset can be directly reduced in its entirety via a write off. A write-off constitutes a derecognition event.

Simplified approach

The simplified approach does not require the Company to track the changes in credit risk, but, instead, requires the Company to recognise a loss allowance based on lifetime ECLs at each reporting date, right from origination.

The Company recognizes lifetime ECLs at each reporting period for trade receivables or other receivables that result from transactions within the scope of IFRS 15 and that do not contain a significant financing component.

Measurement of expected credit losses

The standard defines credit loss as the difference between all contractual cash flows that are due to the Company in accordance with the

ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument (i.e., the weighted average of credit losses with the respective risks of a default occurring as the weights).

When measuring ECLs, in order to derive an unbiased and probability-weighted amount, the Company should evaluate a range of possible outcomes. This involves identifying possible scenarios that specify:

- a. The amount and timing of the cash flows for particular outcomes
- b. The estimated probability of these outcomes
- c. Exposure at default (EAD): The EAD estimates the percentage of exposure the Company might lose if the borrower defaults.

3.3 Other receivables and prepayments

Other receivables are measured at amortised cost less accumulated impairment losses while prepayment are carried at cost less accumulated impairment losses.

3.4 Reinsurance assets and reinsurance liabilities

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The details of recognition and measurement of reinsurance contracts assets and liabilities have been set out under note 3.17 (e).

3.5 Deferred acquisition cost

Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the generation and conclusion of insurance contracts. The proportion of acquisition costs that correspond to the unearned premiums are deferred as an asset and recognized in the subsequent period. They are recognised on a basis consistent with the related provisions for unearned premiums.

3.6 Investment property

Investment property comprises investment in land or buildings held primarily to earn rental income or capital appreciation or both. Investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. Investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, registered with the Financial Reporting Council (FRC) of Nigeria as well as holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.

Investment properties are disclosed separately from the property and equipment used for the purposes of the business.

The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.

3.7 Intangible assets

Software

Recognition of software acquired is only allowed if it is probable that future economic benefits attributable to this intangible asset will flow to the Group.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortization and any accumulated impairment losses. Maintenance costs should not be included.

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalized costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life with the estimated useful life of software being five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Upon disposal of software or when no future economic benefits are expected to flow from its use, such software are derecognise from the books. Gains or losses arising on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognised in profit or loss in the year of derecognition.

3.8 Property and equipment

Recognition and measurement

All items of property and equipment except land and buildings are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Land and buildings are initially recognised at cost and subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

Depreciation

Depreciation is calculated on property and equipment on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

No depreciation is charged on items of property and equipment until they are available for use.

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.

Depreciation is computed as follows:

Land	- Over the lease period
Buildings	- Over 50 years
Office equipment	- Over 5 years
Computer hardware	- Over 3 years
Furniture and fittings	- Over 5 years
Motor vehicles	- Over 4 years

Revaluation of land and building

Land and building is valued on an open market basis by qualified property valuers at least once every 3 years if there are evidences of significant changes in the carrying value.

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 and loss.

Derecognition

An item of property and equipment is derecognised when it is disposed of or where no future economic benefits are expected from its use or disposal. Gains and losses arising on derecognition are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss as other income. Where a revalued asset is disposed or scrapped, the revaluation reserve balance in respect of that asset is transferred as a reserve reclassification from other reserves to retained earnings.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are considered to be impaired when there exist any indication that the asset's recoverable amount is less than the carrying amount, it is then assessed for impairment to determine the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which they are separately identifiable cash flows (cash generating units). Impairment losses are recognised in profit or loss.

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 since the impairment loss was recognised. 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 amortization, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

3.9 Statutory deposit

These deposits represent bank balances required by the insurance regulator of the Group to be placed with the Central Bank of Nigeria (and the Central bank of Ghana for its subsidiary) and are based on 10% of the statutory minimum capitalisation. These deposits are not available for day to day use and are stated at amortised cost.

3.10 Share capital, dividend on ordinary shares, earnings per share, retained earnings & revaluation reserve

(i) Share capital

The Group classifies ordinary shares as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

(ii) Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(iii) Earnings per share

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

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued. A diluted earnings per share is determined where appropriate.

(iv) Diluted Earnings per share

The Group determines diluted earnings per share based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for effect of all dilutive potential ordinary shares

(v) Retained earnings/(deficit)

This account accumulates net profits or losses from operations.

(vi) Revaluation reserve

Revaluation reserve represents the fair value differences on the revaluation of items of property, plant and equipment as at the balance sheet date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an assets carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss, however, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in respect of an item of property, plant and equipment is transferred to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed and some of the surplus are transferred to retained earnings as the asset is used by the entity. The amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation reserve to retained earnings are not made through profit or loss.

3.11 Life insurance contract liabilities

The recognition and measurement of insurance contracts have been set out under note 3.17. Insurance contracts.

The reserves include Incurred But Not Reported (IBNR), Unearned Premium Reserve (UPR) and Life fund and these liabilities arising from life insurance contracts are determined as follows:

(a). Life fund

This is made up of liabilities on life policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in profit and loss.

(b). Reserving methodology and assumptions

Data segmentation

The data used for reserving is segmented into the 2 classes as follows:

Individual business

Group business

Valuation and assumptions

The valuation for both the individual business and Group business utilises various assumptions which include:

- the valuation age is taken as Age Last Birthday at the valuation date;
- the period to maturity is taken as the full term of the policy less the expired term.
- full credit is given to premiums due between valuation date and the end of the premium paying term.

For all individual risk business, the gross premium method of valuation was used.

Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments. Future cashflows were discounted back to the valuation date at the valuation rate of interest.

An unexpired premium reserve (UPR) was included for Group life business after allowing for acquisition expenses at a ratio of 15% of premium. The UPR is tested against an Additional Unexpired Risk Reserve (AURR) for adequacy and an AURR may also be held to allow for any inadequacies in the UPR for meeting claims in respect of the unexpired period. The claim rates underlying the AURR were based on pooled historical scheme claims experience. Allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on a loss ratio approach, which uses historical claims experience to estimate the expected claims, from which the IBNR portion is determined.

3.12 Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Nigerian Insurance Act to cover fluctuations in securities and variations in statistical estimates. For life business, the reserve is calculated at the rate equal to the higher of 1% of gross premiums and 10% of net profit while for Non-Life business, the reserve is calculated at the rate equal to the higher of 3% of gross premiums and 2% of net profit.

3.13 Liability adequacy test

The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cash flows considered and the discounting and aggregation practices adopted have been set out as part of note 3.11.

The recognition of liability for investment contracts have been set out under note 3.18. Reserve for investment contract liabilities have been taken as the amount standing to the credit of the policy holders at the valuation date.

3.14 Trade and other payables

Trade Payables:

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

Other payables:

Other payables are initially recognised at fair value and subsequently measured at amortised cost.

3.15 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.16 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of the asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realizable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is possible that future profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different 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 utilized.

3.17 Insurance contracts

The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

Life insurance contracts are issued to indemnify the insured life, the dependent or other thirdparty in the event of death, permanent disability, loss of job or on survival to maturity of the contract with the sums assured. These contracts insure events associated with human life (for example, death or survival) over a long duration.

In addition, the Group has short term life insurance contracts which protect the policyholders from the consequences of events (such as death or disability) over usually an annual period. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary.

Recognition and measurement

(a) Gross premium written

Premiums and annuity considerations written and/or receivable under life insurance contracts are stated gross of commission and recognised when due. Premium written relates to risks assumed during the period.

(b) Claims expenses

Claims and benefits relating to life insurance contracts are recognised as expense on notification. The measurement of life insurance contract liabilities has been set out under note 3.11. Claims expenses are expenses related to the settlement of insurance risk obligations.

(c) Claims expenses recoverable

Claims expenses recoverable are amounts recoverable on the gross claims expenses. This is estimated in manner consistent with the outstanding claims provision and claims incurred associated with the policies and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Group reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in profit or loss as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(d) Deferred income

Deferred income represents a portion of commission received on reinsurance contracts which are booked during the financial year and are deferred based on the tenor of the underlying contracts. It is calculated by applying the reinsurance commission income ratio of prepaid reinsurance to reinsurance cost.

(e) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the definition requirements for insurance contracts are reclassified as reinsurance contracts. Insurance contracts entered into by the Group under which the contract holder is another insurer are covered as insurance contracts.

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 reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts. Reinsurance liabilities are primarily premiums payable for the reinsurance contracts and are recognised as an expense when due. The Group had the right to set-off re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

Reinsurance expense represents outward reinsurance premiums and are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

(f) Unearned premiums

Unearned premiums are those proportions of premiums written in the year that relate to periods of risks after the reporting date. It is computed separately for each insurance contract using a time proportionate basis, or another suitable basis for uneven risk contracts.

3.18 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

3.19 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are recognised as liabilities and are measured at amortised cost at amount payable at each reporting date. The Group does not have contracts with discretionary participating features.

Individual deposit-based business comprises the various Wapic Trust, Wapic Gold, Wapic Cash and Wapic Val policies and their reserve comprises of the amount standing to the credit of the policyholders (account balance) at the valuation date. The life cover element (and corresponding risk premiums where applicable) was unbundled from the deposit components and reserves were calculated using a gross premium cash flow approach as described above. The rate of return applied on the policyholders balance are also in accordance with the terms and conditions of each product.

3.20 Fees and commission income

Fees and commissions are recognized on ceding business to the re-insurer and undertaking policy administration for collectively administered policies. Commission are earned and credited to profit or loss over the period the service is provided.

3.21 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.

Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

3.22 Income recognition

(i) Gross premium income

Gross written premiums recognised for assumed insurance risks during the year are amortised over the period of the insurance contract. The gross premiums written are recognised as gross premiums income by adjusting for the movement in the unearned premiums reserves for insurance risks brought forward from the last year at the beginning of the year and the required unearned premiums reserves for the outstanding insurance risks at the end of the year. The recognised gross premiums income represent the earned portion of all insurance contracts in force during the year both from preceeding years and the current year.

(ii) Fees and commission income

Fees and commission income are recognised on the commission and policy admin fees received in respect of businesses ceded out to reinsurance companies and other insurance companies and fees earned from other related financial services during the period.

(iii) Investment income

Investment income comprise interest income earned on short-term deposits, rental income, and income earned on trading of securities including all realized and unrealized fair value changes, dividends and foreign exchange differences. Investment income, other than interest income, is recognised at fair value and on an accrual basis.

Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

(iv) Other operating income

Other operating income comprises of profit from sale of property and equipment, interest income earned on staff loans and net foreign exchange gain. Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method.

(v) Dividend income

Dividend is recognized when the Group's right to receive the dividend has been established. The right to receive dividend is established when the dividend has been duly declared.

3.23 Employee benefits**Short-term benefits**

Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These expenses are recognised in the profit or loss for the related period.

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay a minimum fixed percentage contribution of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognized in the profit and loss.

Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after reporting sheet date are discounted to present value.

3.24 Foreign currency transactions

The Nigerian Naira is the Group's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting sheet date; the resulting foreign exchange gain or loss is recognized in profit or loss.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value and are recognised in equity (translation reserve). For a non-monetary financial asset held for trading or designated at fair value through profit or loss, unrealized exchange differences are recognized in profit or loss. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded in other comprehensive income and transfer to equity when the asset is sold or becomes impaired.

3.25 Management and other operating expenses

Management and other operating expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

3.26 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. Significant geographical regions have been identified as the secondary basis of reporting.

3.27 Dividends

Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends paid to shareholders are subject to withholding tax deduction at the appropriate rate. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

3.28 Leases

The Company leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options. The lease period ranges from 1 year to 40 years. The lease agreements do not impose any covenants; however, leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

At commencement date of a lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:- fixed payments (including in-substance fixed payments), less any lease incentives receivable- variable lease payment that are based on an index or a rate- amounts expected to be payable by the Company under residual value guarantees- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual period of a lease.

Right of use Assets

Right-of-use assets are measured at cost comprising the following: - the amount of the initial measurement of lease liability- any lease payments made at or before the commencement date less any lease incentives received- any initial direct costs, and- restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

Extension and termination options are included in the property leases. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company.

Operating leases

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are recognised on profit or loss on a straight-line basis over the period of the lease.

3.29 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

3.30 Actuarial valuation

Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to the profit or loss.

3.31 Related party

Related parties refers to persons or entities that are related to the entity preparing the financial statements. At every reporting date, the Group discloses every transaction it had carried out during the period with its related parties.

4 Critical accounting estimates and judgments

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities. The underlying judgments of the selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

(i) Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy 3.2(b). Further disclosures on the Group's valuation methodology have been made on note 6 (Fair value hierarchy). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(ii) Actuarial valuation of insurance contracts liabilities

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims. The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection technique called the Basic Chain Ladder (BCL).

(iii) Expected Credit Loss

The determination of Expected Credit Loss on financial assets requires the use of techniques as described in accounting policy 3.2(a). Further disclosures on the Company's valuation methodology have been made on note 3.2(d) (impairment). Determination of expected credit loss requires varying degrees of judgement on the probability at default, loss given default, uncertainty of forward looking information and other risks affecting the specific instrument.

Coronation Insurance Plc.

Statement of Financial Position as at 30 June 2022

	COMPANY	GROUP
	June 2022	June 2022
	N'000	N'000
1 Net Premium Income		
Gross Written Premium (Note 1a)	7,698,985	11,509,906
Unearned Premium (Note 1b)	(1,209,756)	(2,219,857)
Reinsurance Cost (Note 1c)	(2,874,889)	(3,575,141)
Net Premium Income	<u>3,614,340</u>	<u>5,714,908</u>
a Analysis of Gross Written Premium		
Motor	638,227	1,358,152
Fire	955,408	1,145,213
General Accident	709,010	938,167
Marine	1,164,932	1,186,883
Aviation	-	-
Engineering	1,799,643	1,831,006
Oil & Energy	2,431,765	2,431,765
Bond	-	-
Group Life	-	937,009
Individual Life	-	38,491
Bancassurance Premium	-	663,801
Co-Assurance Premium	-	979,418
	<u>7,698,985</u>	<u>11,509,906</u>
b Analysis of Unearned Premium		
Motor	(178,578)	(319,856)
Fire	(236,788)	(214,395)
General Accident	234,401	206,800
Marine	(116,717)	(115,152)
Aviation	-	-
Engineering	(111,396)	(111,188)
Oil & Energy	(801,382)	(801,382)
Bond	705	705
Group Life	-	(865,390)
Individual Life	-	(1,072)
Sub Total	<u>(1,209,756)</u>	<u>(2,220,929)</u>
c Analysis of Reinsurance Expenses		
Motor	(50,197)	(143,249)
Fire	(387,463)	(506,337)
General Accident	(160,905)	(306,223)
Marine	(377,168)	(392,189)
Aviation	-	-
Engineering	(1,362,869)	(1,379,978)
Oil & Energy	(535,836)	(535,836)
Bond	(450)	(450)
Group Life	-	(44,173)
Individual Life	-	(30,850)
Facultative Outward Group Life	-	(490,409)
Co-assurance Premium (Outward)	-	(9,574)
Movement in Prepaid reinsurance cost - Group life	-	256,255
Movement in Prepaid reinsurance cost - Individual life	-	7,872
Sub Total	<u>(2,874,889)</u>	<u>(3,575,141)</u>

2	Claims Expenses Incurred		
	Gross Claims Paid (Note 2a)	(1,926,680)	(3,175,558)
	Movement in Outstanding Claim (Note 2b & 2c)	1,043,585	1,050,814
	Claims Recoverable (Note 2d & 2e & 2f&e2)	155,373	694,851
	Net Claims Expenses	(727,722)	(1,429,893)
a	Analysis of Gross Claims Paid		
	Motor	(301,289)	(564,328)
	Fire	(1,159,317)	(1,297,403)
	General Accident	(106,862)	(152,776)
	Marine	(293,871)	(296,359)
	Aviation	(5,719)	(5,719)
	Engineering	(21,309)	(71,336)
	Oil & Energy	(38,312)	(38,312)
	Bond	-	-
	Group Life	-	(692,134)
	Individual Life	-	(57,191)
	Sub Total	(1,926,680)	(3,175,558)
b	Analysis of Movement in Outstanding Claims		
	Motor	(76,090)	(105,698)
	Fire	950,428	854,926
	General Accident	(33,158)	(35,950)
	Marine	180,615	181,106
	Aviation	-	-
	Engineering	57,420	52,821
	Oil & Energy	(2,336)	(2,336)
	Bond	-	-
	Group Life	-	197,655
	Individual Life	-	-
	Sub Total	1,076,880	1,142,524
c	Analysis of Movement in Outstanding Claims IBNR		
	Motor	(2,819)	(2,819)
	Fire	7,352	7,352
	General Accident	(28,252)	(28,252)
	Marine	(6,636)	(6,636)
	Aviation	-	-
	Engineering	(5,683)	(5,683)
	Oil & Energy	5,179	5,179
	Bond	(2,436)	(2,436)
	Group Life	-	(58,415)
	Individual Life	-	-
	Total	(33,295)	(91,710)
d	Analysis of Reinsurance Recovery		
	Motor	31,235	161,871
	Fire	480,564	481,045
	General Accident	43,825	67,015
	Marine	140,293	141,679
	Aviation	-	-
	Engineering	9,025	33,994
	Oil & Energy	-	-
	Bond	-	-
	Group Life	-	207,123
	Individual Life	-	-
	Sub Total	704,943	1,092,727

e Analysis of Movement in Outstanding Claims Recoverables

Motor	8,667	41,580
Fire	(413,489)	(384,102)
General Accident	26,038	29,758
Marine	(55,798)	(56,197)
Aviation	(1)	(1)
Engineering	(138,469)	(136,216)
Oil & Energy	-	-
Bond	-	-
Group Life	-	204,508
Individual Life	-	-
Total	<u>(573,051)</u>	<u>(300,670)</u>

f Analysis of Movement in Outstanding Claims IBNR Recoverables

Motor	2,278	5,936
Fire	(3,037)	80,112
General Accident	18,826	20,968
Marine	3,736	3,736
Aviation	(1)	(1)
Engineering	1,655	1,655
Oil & Energy	0	0
Bond	24	24
Group Life	-	(116,124)
Individual Life	-	-
Total	<u>23,482</u>	<u>(3,695)</u>

e Analysis of Movement in Paid Claims Recoverables

Group Life - Outstanding claims	-	-
Group Life - Paid Claim- Treaty Recoveries	-	-
Individual Life	-	-
Non- Life	-	-
Total	-	-

3 Fees and Commission Income

Motor	15,261	26,430
Fire	106,984	141,402
General Accident	53,043	92,125
Marine	113,229	118,062
Aviation	-	-
Engineering	39,100	44,661
Oil & Energy	58,139	58,139
Bond	136	136
Group Life	-	15,461
Coinsurance Commission Reciverables	-	86,966
Individual Life	-	3,125
Policy admin fee income	-	6,520
Coinsurance Commission Reciverables	-	5,751
Deferred fees and commission cost - Group	-	(54,581)
Deferred fees and commission cost - Individual	-	(753)
Total	<u>385,892</u>	<u>543,443</u>

4 Underwriting Expenses

Motor	124,381	223,007
Fire	75,965	102,344
General Accident	124,943	160,465
Marine	93,769	95,843
Aviation	-	-
Engineering	325,485	328,860
Oil & Energy	114,848	114,848
Bond	-	-
Maintenance expenses	-	50,600
Maintenance expenses- Investment Link products	-	120
Bancassurance Commission	-	146,579
Group Life	-	179,194
Individual Life	-	16
Deferred acquisition cost	-	(99,811)
Total	859,392	1,302,066

5a Investment income

Interest income	161,962	645,085
Interest on statutory deposit	7,447	12,431
Dividend income from equity investment	8,920	8,920
Dividend income from Associate	139,092	-
Rental income	(2,479)	(2,479)
Gain/(loss) on disposal of investment property	-	-
Net FV Gain /Loss on Financial Asset	-	-
	314,941	663,956
Net realised (loss)/gain on financial assets	-	-
Total	314,941	663,956

5b Fair Value Gain/ Loss through profit or loss

Equity	0	0
Investment Property	-	-
	0	0

5c Fair Value Gain/ Loss through other comprehensive income

Equity securities	-	(10,976)
Fixed income securities	(56,706)	(201,124)
Property and equipment revaluation gain/(loss)	-	-
ECL on FVOCI (reclassification)	-	-
	(56,706)	(212,101)

5d Share of Profit of Associate

Coronation Merchant Bank	-	(743,373)
Coronation Securities Ltd	-	73,136
	-	(670,236)

5e Share of Other Comprehensive income of Associate

Coronation Merchant Bank	-	(299,403)
Coronation Securities Ltd	-	(122,484)
	-	(421,886)

5f Profit on deposit administered contracts

Income:		
Investment income	-	65,966
Other income	-	-
	-	65,966
Less: expenses		
Guaranteed interest	-	-
Policy admin expenses	-	-
Other expenses	-	-
	-	65,966

6 Other Operating Income

Rental income from property Investment	-	-
Gain/(loss) on sale of properties and equipments	-	1
Foreign exchange gain/(loss)	13,339	271,594
Interest on staff loans	-	-
Recoverables from Reinsurance	2,105	2,105
Sundry income	92,217	102,749
	107,661	376,449

7 Operating Expenses

Other staff related expenses	268,179	420,374
Professional Fees	634,998	941,250
Donations & Sponsorship	-	17,212
Corporate Branding	53,889	98,077
Office Expenses	219,932	429,676
Depreciation	121,289	210,204
Amortization of Intangible assets	78,390	79,786
Repairs & Maintenance	8,415	54,287
Running Cost	125,572	134,765
Board Expenses	113,083	119,025
Transport and travels expenses	6,723	11,939
Annual dues	94,356	156,791
Other Expenses	-	10,188
Audit expenses	16,125	35,705
Telephone and postages	13,507	30,488
Electricity and water	6,569	12,053
Printing and stationery	7,727	12,942
Impairment on Financial assets	-	(7,324)
Impairment on Other assets	-	-
	1,768,754	2,767,439

8 Employee Benefit Expense		
Staff Cost	191,775	419,541
Employee Benefit - Below Market Staff Loans	-	-
Pension Cost-Define Contribution Plan	-	-
Directors Emoluments	96,036	160,666
	287,811	580,207
9 Cash and Cash equivalents		
Cash at hand	-	129,749
Cash and call Balance with local banks	2,659,743	2,992,423
Money Market Placement	4,124,635	5,960,549
Interest Receivable on Fixed Deposit	-	-
ECL	(2,074)	(5,006)
	6,782,304	9,077,715
10 Financial Assets		
Held to Maturity (HTM)/ Amortised cost (Note 10a)	388,286	3,315,640
Held for Trading (HFT) (Note 10b)	-	58,209
Available for Sale (AFS) / FVOCI (Note 10c)	2,331,321	7,746,867
	2,719,607	11,120,715
<i>Impairment (ECL)</i>	(10,112)	(60,193)
	2,709,495	11,060,522
a Analysis of HTM Securities		
- Corporate Bonds	388,286	388,286
- Fixed Deposits with Banks	-	1,089,054
- Government Bonds - State	-	-
- Government Bonds - Federal	-	1,838,300
- Unearned Interest on Treasury Bill	-	-
Unearned Discount on Bonds	-	-
Interest Receivable on Bonds	-	-
Carrying amount at amortised cost	388,286	3,315,640
b Analysis of HFT Securities		
- Quoted/ Listed Equities	-	-
- Fair value adjustment	-	58,209
Carrying amount	-	58,209
c Analysis of AFS Securities		
Unquoted/ Unlisted Equities	1,790,642	2,689,450
Quoted Equities	24	24
Fixed Income Securities		-
- Government bond	85,656	2,087,739
- Government eurobond	444,032	598,090
- Corporate eurobond	-	1,940,620
- Treasury bills	10,967	10,967
Carrying amount	2,331,321	7,326,891

11 Trade Receivables		
Due from Agents	194,273	194,273
Due from Brokers	18,035,746	18,056,206
Due from Bancassurance	-	27,477
Due from Reinsurers	-	-
Due from Insurance companies	(17,804,083)	(17,804,083)
	425,936	473,873
Less: Impairment on Trade Receivables	(31,348)	(32,936)
Total	394,588	440,937
Movement in Impairment Allowance		
At start of period	170,658	169,070
Reclassification of provision	-	-
Recoveries during the year	-	-
Write-off during the period	-	-
Exchange difference	-	-
At end of period	170,658	169,070
12 Reinsurance Assets		
Reinsurance Share of IBNR	213,916	408,768
Reinsurance Recoverables from OCR	2,666,662	3,126,267
Reinsurance Recoverables on Return Premium	-	-
Recoverable from Paid Claims	-	589,570
Reinsurance share of AURR	-	-
Reinsurance assets - Prepaid reins (MDP)	21,830	21,830
Treaty receivables	77,983	77,983
Prepaid Reinsurance Asset	946,213	1,625,812
	3,926,603	5,850,231
Less: Impairment allowance	(706)	569
Total	3,925,898	5,850,800
Provision		
At start of period	(706)	(706)
Movements during the period	-	-
Exchange difference	-	-
At end of period	(706)	(706)
13 Deferred Acquisition Cost		
Balance brought forward	372,952	591,923
Addition during the period	206,585	313,091
Amortised during the year	(377,012)	(450,287)
Balance carried forward	202,524	454,728
14 Other Receivables and Prepayments		
Intercompany receivables	22,394	-
Other Debtors	1,285,988	1,862,321
Deposit for Shares	145,804	145,804
Staff Debtors	(52,942)	(52,942)
Prepaid expenses	1,160,904	1,461,787
Current income tax asset	-	-
Other receivables - Related: Dividend Rec Subs	40,879	40,879
	2,603,027	3,457,849
Impairment Allowance	(1,351,896)	(1,790,033)
	1,251,131	1,667,816

14b Right of Use Asset

Right of use asset	-	79,205
Accumulated depreciation of right of use asset	-	-
	<u>-</u>	<u>79,205</u>

Provision		
At start of period	(1,172,763)	(1,172,763)
Reclassification	-	-
Movements during the period	(179,134)	(172,318)
At end of period	<u>(1,351,896)</u>	<u>(1,345,081)</u>

****Breakdown of Other Debtors**

Profund Securities	21,785	21,785
WHT Tax Credit Note Received	75,296	75,296
Summit Finance Limited	3	3
Tropics Finance Limited	728,106	728,106
Triumph Bank Limited	238,194	238,194
Oil View Estate - Olushola Oyinloye	4,000	4,000
Oil Veiv Estate - Okorafor Ebenezer	23,000	23,000
Interest Receivable on Statutory Deposit	12,106	12,106
Receivable from Etuna in Respect of Close Estate	78,434	78,434
Withholding Tax Receivable	53,488	53,488
Expense Recoverable	(0)	(0)
Other Debtors - Others	51,575	554,292
	<u>1,285,988</u>	<u>1,788,704</u>

15 Investment in associates

Coronation Merchant Bank Limited/Coronation Securities Limited		
- Opening balance	5,423,440	11,199,306
- Additions/(disposals)	-	-
- Interim audit adjustment:	-	-
Share of profit during the year	-	-
Share of other comprehensive income during the year		
- Dividend received during the year	-	(139,092)
- Withholding Tax receivable on dividend received	-	-
- Share of profit during the period	-	(670,236)
- Share of other comprehensive income during the period	-	(421,886)
	<u>5,423,440</u>	<u>9,968,091</u>

16 Investment in subsidiaries

Coronation Insurance Ghana Limited	1,460,915	-
Exchange gain/loss	-	-
Coronation Life Assurance Limited	7,798,591	-
	<u>9,259,506</u>	<u>-</u>

17 Investment Properties

Investment Property (Note 16a)	82,976	82,976
Investment Property W.I.P (Note 16b)	-	-
	<u>82,976</u>	<u>82,976</u>

a Investment Properties

- Ocean Garden Lekki Epe	80,000	80,000
- Magboro Estate	2,976	2,976
	<u>82,976</u>	<u>82,976</u>

18a Property, Plant & Equipment

Cost	5,476,780	6,400,862
Accumulated Depreciation	(2,238,883)	(2,784,781)
Net Book Value	<u>3,237,897</u>	<u>3,616,080</u>

19 Intangible Assets

Cost	1,038,535	1,512,599
Accumulated Depreciation	(768,588)	(857,667)
Net Book Value	<u>269,947</u>	<u>654,932</u>

20 Statutory deposit

At start of period	300,000	802,586
Additions during the period	-	-
Exchange Difference	-	-
At end of period	<u>300,000</u>	<u>802,586</u>

21 Trade Payables

Reinsurance	7,737	107,963
Coinsurance	-	-
Brokers/Agents	(7)	(7)
	<u>7,730</u>	<u>107,956</u>

22 Provisions & Other Payables

Premium Deposit	1,357,292	1,358,102
Commission payables	208,438	219,078
Reinsurance Commission Received in advance	-	71,312
Accrued expenses	975,175	1,653,060
Other tax payables	171,636	212,097
Policy deposits and unclaimed bank items	-	71,201
Staff loan deduction	-	9,365
NSITF	-	4
Provident Fund	-	17
Sundry Creditors	3,163,093	3,278,163
Impairment of payable on United Steel	-	55,120
Bank Overdraft	-	-
Transist/Unclaimed Bank Items	-	-
Customers Deposits	-	-
Total	<u>5,875,634</u>	<u>6,927,520</u>

22b Right of Use Liability

Rent Received in Advance	968,228	33,584
Accumulated Amortization of right of use Liability	(56,955)	-
Right of Use Liability	<u>911,274</u>	<u>33,584</u>

****Breakdown of Sundry Creditors**

Other creditors - Withholding tax liability	17,466	17,466
Other creditors - PAYE	96,882	96,882
Other creditors - VAT	57,288	57,288
Other creditors - Unclaimed dividend/Others	117,345	117,345
Other creditors - Others	2,862,957	2,998,188
Stale cheques	1,783	1,783
Unclaimed bank deposits	9,373	9,373
	<u>3,163,093</u>	<u>3,298,324</u>

23	Deferred Income Tax		
	<i>Deferred Tax Assets (Note 23a)</i>	-	55,663
	<i>Deferred Tax Liabilities (Note 23b)</i>	-	-
	Total	-	55,663
a	Deferred Tax Assets		
	At start of period	239,052	247,509
	<i>Exchange difference</i>	-	(648)
	Charge for the period	-	47,854
	Revaluation of property & equipment	-	-
	At end of period	239,052	294,715
24	Current Income Tax liabilities		
	At start of period	-	133,071
	Exchange difference	-	-
	Charge for the period	-	(11,730)
	Payments during the period	109,008	87,487
	Acquisition through business integration	-	-
	At end of period	109,008	208,828
	Tax Charge for the Year		
	Company Income Tax Charge	-	(11,730)
	Interim & Full Year Appropriation Adjustment	-	(111,609)
	Minimum tax	-	-
	Education tax	-	-
	Under/(over) provision from prior year	-	-
	Information Technology Development Levy	-	-
	National fiscal stabilisation levy	-	-
	<i>Total Charge for the period</i>	-	(123,339)
	Deferred tax liability/(assets)charge for the period	-	(47,854)
	Income tax expense	-	(171,193)
25	Insurance Contract Liabilities		
a	Claims payable	-	-
b	Claims reported and loss adjustment expenses (Note 25a)	5,285,633	7,024,471
c	Outstanding claims IBNR (Note 25b)	1,067,230	1,783,222
d	Unearned Premium (Note 25c)	3,180,244	5,269,534
e	Life Fund (Note 25d)	-	802,424
	Total	9,533,107	14,879,651
a	Outstanding claims		
	Motor	173,332	703,617
	Fire	1,337,848	1,486,717
	General accident	724,983	765,983
	Marine	1,666,337	1,683,383
	Aviation	18,024	18,024
	Engineering	369,659	404,802
	Oil and Energy	990,950	990,950
	Bond	4,500	4,500
	Life business: - Group Life	-	966,494
	- Individual Life	-	-
	Total	5,285,633	7,024,471

b Outstanding claims IBNR

Motor	14,465	14,465
Fire	308,597	308,597
General accident	49,940	49,940
Marine	45,982	45,982
Aviation	4,058	4,058
Engineering	53,493	53,493
Oil and Energy	588,259	588,259
Bond	2,436	2,436
Life business: - Group Life:	-	-
- Opening	-	715,992
Interim Audit Adjustment	-	-
- Movement during the year	-	(8,584)
	1,067,230	1,774,638

c Unearned Premium

Motor	479,863	1,043,660
Fire	496,336	635,751
General Accident	557,358	696,423
Marine	330,988	344,316
Aviation	-	-
Engineering	178,220	205,173
Oil and Energy	1,137,479	1,137,479
Bond	-	-
Group Life:	-	-
UPR	-	-
- Opening	-	592,759
- Movement during the year	-	613,973
	3,180,244	5,269,534

d Life fund

At start of year	-	283,173
Opening fund reconciliation adjustment	-	-
Interim Audit Adjustment	-	-
Transfer from revenue account	-	1,072
At the end of year	-	284,245

26 Investment Contract Liabilities

At start of period	-	1,054,812
Additions	-	-
Withdrawals	-	-
Guarantee interest	-	-
Guarantee interest - Interim Audit Adjustment	-	-
Guarantee interest - Full Year Audit Adjustment	-	-
Release of surplus reserves	-	-
Opening fund reconciliation adjustment	-	-
At end of period	-	1,054,812

26.1 Group Deposit Administration - Investment Contract

At start of period	-	54,472
Additions	-	-
Withdrawals	-	-
Guaranteed interest	-	-
At end of period	-	54,472

26.2 Individual Deposit Administration - Investment Contract

At start of period	-	1,000,340
Additions	-	-
Withdrawals	-	-
Guaranteed interest	-	-
At end of period	<u>-</u>	<u>1,000,340</u>
27 Share capital		
	Number	Number
Authorised:	30,000,000,000	30,000,000,000
Issued:	23,991,679,506	23,991,679,506
Issued and fully paid:		
At start of the year	11,995,952	11,995,952
Movements	-	-
At end of year	<u>11,995,952</u>	<u>11,995,952</u>
28 Share premium		
At start of the year	4,612,938	4,612,938
Movements	-	-
At end of year	<u>4,612,938</u>	<u>4,612,938</u>
29 Contingency reserve		
At start of period	2,989,058	3,658,810
Exchange Gain/Loss on Cedi Opening Balance	-	(7,143)
Opening Balance adjustment	-	-
Full Year Appropriation Adjustment	-	-
Appropriation from profit and loss accounts	230,970	320,564
At end of year	<u>3,220,028</u>	<u>3,972,231</u>
30 Other reserves		
At start of period	736,329	685,826
Revaluation reserve	(56,706)	(211,518)
Recycling to PorL on Eurobond disposal	-	-
Available for sale fair value reserve	-	-
Adjustment in opening balance	-	-
Revaluation reserve on property	-	-
Deferred tax on revaluation	-	-
Share of Associate other comprehensive income	-	(421,886)
Reconciliation reserves	-	-
Translation reserve	-	(1,670,226)
At end of year	<u>679,624</u>	<u>(1,617,805)</u>
31 Retained earnings		
At start of the year	(3,588,886)	1,400,113
Interim & Full Year Appropriation Adjustment	(275)	78,573
Transfer from profit or loss	779,155	490,470
Transfer to contingency reserve	(230,970)	(320,564)
Prior year adj	174,437	169,937
Reconciliation reserves	-	(21,358)
Share of Associate profit at start of year	-	-
Dividend paid during the year	-	-
Movement in Share of Associate profit during the year	-	-
Transfer to revaluation Reserve	-	-
At end of year	<u>(2,866,539)</u>	<u>1,797,171</u>