

**GUINEA INSURANCE PLC
SEPTEMBER 30, 2017
MANAGEMENT ACCOUNT**

GUINEA INSURANCE PLC
MANAGEMENT ACCOUNT FOR PERIOD ENDED SEPTEMBER 30, 2017
FINANCIAL HIGHLIGHTS

	30/09/2017	30/09/2016	%	Dec-16
	N'000	N'000	Change	N'000
Major Statement Of Financial Position Items				
As At 30 September 2017				
Total Assets	3,963,747	3,969,875	0	3,982,125
Total liabilities	956,132	1,026,474	7	1,084,380
Insurance Contract liabilities	555,561	686,386	19	600,378
Shareholder's Funds	3,007,615	2,943,402	2	2,897,745
Major Statement Of Profit Or Loss Items				
For The Period Ended 30 September 2017				
Gross Premium Written	759,082	664,005	14	
Gross Premium Income	719,462	661,143	9	
Net Premium Income	523,032	466,368	12	
Claims Expenses	(21,970)	(63,289)	-65	
Profit/ (Loss) Before Tax	85,755	54,567	57	
Taxation	(15,845)	(17,462)	9	
Profit/ (Loss) For The Year	91,218	43,449	110	

GUINEA INSURANCE PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		JUL-SEPT 2017	JUL-SEPT 2016	JAN -SEPT 2017	JAN -SEPT 2016	
	FOR THE PERIOD ENDED 30 SEPTEMBER, 2017					% VARIANCE ACTUAL 2017 TO ACTUAL 2016
	Notes	=N=000	=N=000	=N=000	=N=000	
Gross premium written	1	154,937	155,827	759,082	664,005	14
Changes in unearned premium	1	92,639	137,859	(39,621)	(2,862)	1,284
Gross premium income	1	247,576	293,686	719,462	661,143	9
Reinsurance expenses	1.2	(66,470)	(89,423)	(196,429)	(194,775)	(1)
Net premium income	1.2	181,105	204,263	523,032	466,368	12
Fees and commission income	2	20,523	25,371	52,748	47,659	11
Net underwriting Income		201,628	229,634	575,780	514,027	12
Claims expenses	3	6,956	(57,354)	(21,970)	(63,289)	65
Underwriting expenses	4	(70,113)	(76,483)	(179,009)	(153,358)	(17)
Underwriting result		138,472	95,797	374,801	297,381	26
Investment Income	5	45,616	121,983	130,653	182,593	(28)
Net realized gains and losses	6	-	20	-	80	(100)
Net fair value gains	7	-	-	-	-	
Other operating income	8	9,381	3,377	63,605	3,412	1,764
Impairment reversal / charge	9.1	-	-	-	-	
Finance cost		-	(766)	(737)	(2,044)	(64)
Management expenses	9	(181,806)	(191,564)	(482,567)	(426,854)	13
Profit/(Loss) before taxation		11,662	28,849	85,755	54,567	57
Income tax expenses	11	(3,732)	(9,232)	(15,845)	(17,462)	(9)
Profit/Loss after taxation		7,930	19,617	69,910	37,106	88
Other comprehensive income						
Net gain/(loss) on available-for-sale financial assets	13	17,023	7,791	21,308	6,343	236
Remeasurement gains on defined benefit						
Income tax relating to OCI						
Total comprehensive(loss)/Profit for the year, net of tax		24,953	27,408	91,218	43,449	110
Contingency Reserve		4,648	4,675	22,772	19,920	14
Earning/(Loss) per share Basic(kobo)	12	0.1	0.3	1.1	1.1	

GUINEA INSURANCE PLC
STATEMENT OF FINANCIAL POSITION
As At 30 September 2017

	Note	9/30/2017 =N=000	9/30/2016 =N=000	% Change %	31/12/2016 =N=000	31/12/2015 =N=000
Assets						
Cash and cash equivalents	14	889,976	941,894	-6	872,559	886,970
Financial assets:						
Available-for-sale financial assets	15	155,082	149,805	4	133,775	158,097
Trade receivables	16	2,595	399	550	18,922	3,331
Reinsurance assets	17	150,373	156,072	-4	176,901	180,143
Deferred acquisition costs	18	52,717	39,975	32	39,095	42,257
Other receivables and prepayments	19	123,430	244,482	-50	137,153	325,438
Investment properties	20	1,572,500	1,420,500	11	1,572,500	1,413,000
Intangible Asset	21	1,202	5,566	-78	1,806	8,439
Property, plant and equipment	22	682,218	709,139	-4	714,414	780,114
Statutory deposit	23	333,654	315,000	6	315,000	315,000
Total assets		3,963,747	3,982,831	0	3,982,125	4,112,788
Liabilities and Equity						
Liabilities						
Insurance contract liabilities	24	555,561	686,386	19	600,378	812,900
Trade payables	25	45,339	32,233	-41	59,121	14,334
Other payables and accruals	26	170,621	154,673	-10	149,137	151,116
Employee benefit obligations	27	9,658	18,794	49	12,895	16,872
Current tax payable	21	68,490	52,457	-31	131,815	103,769
Deferred tax liabilities	21	106,463	90,081	-18	130,237	88,085
Financial liabilities		-	4,806	100	797	15,556
Advances for increase in share capital		-	-		-	-
Total liabilities		956,132	1,039,430	8	1,084,380	1,202,631
Equity						
Issued share capital	29	3,070,000	3,070,000	0	3,070,000	3,070,000
Share premium	30	337,545	337,545	0	337,545	337,545
Contingency reserve	31	388,072	385,220	1	392,501	365,300
Retained losses		(855,412)	(901,808)	-5	(940,667)	(922,619)
Available-for-sale reserve		67,409	52,444	29	38,366	59,932
Total equity		3,007,615	2,943,402	2	2,897,745	2,910,157
Total liabilities and equity		3,963,747	3,982,831	0	3,982,125	4,112,788



MR. PIUS EDOBOR
ED, FINANCE & ADMIN
 FRC/2013/ICAN/000000004638



MRS ISIOMA OMOSHIE-OKOKUKU
CHIEF COMPLIANCE OFFICER
 FRC/2014/NBA/00000000928

GUINEA INSURANCE PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2017

	Not 30/09/2017 =N=000	30/09/2016 =N=000
Operating activities:		
Premium received	756,487	663,606
Commission received	52,748	47,659
Commission paid	(126,521)	(85,120)
Reinsurance premium paid	(196,429)	(160,550)
Gross claim paid net of recoveries	(21,970)	(63,289)
Payments to employees	(233,729)	(224,246)
Other operating cash receipts/(payments)	(339,229)	(288,786)
Other income received	63,605	3,492
Tax paid	(48,762)	(68,773)
Net cash flow from operating activities	(93,801)	(176,006)
Investing activities:		
Investment income received	130,653	182,593
Purchase of property and equipment	(37,900)	(4,812)
Proceed from sale of property and equipment	-	80
Purchase of Intangible Assets		
Proceed from loans and receivables(chrome and starcrest)	20,000	65,863
Additions to investment properties	-	
Net cash flows from investing activities	112,753	243,724
Financing activities:		
Deposit for shares		
Interest repayment on finance lease	(737)	(2,044)
principal repayment on finance lease	(797)	(10,750)
Net cash flows from financing activities	(1,534)	(12,794)
Net increase in cash and cash equivalents	17,417	54,924
Effect of exchange rate changes on cash and cash equivalent		
Cash and cash equivalents at 1 January	872,559	886,970
Cash and cash equivalents at 30 September, 2017	889,976	941,894

GUINEA INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER, 2017

	Issued share capital	Retained earnings	Share premium	Contingency reserve	Available-for-sale financial assets	Total equity
For the period ended 30 September, 2017	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
As at 1 January 2017	3,070,000	(921,203)	337,545	365,300	46,101	2,897,743
Profit / Loss for the year	-	88,564	-	-	-	88,564
Transfer to contingency reserve	-	(22,772)	-	22,772	-	-
Other comprehensive income	-	-	-	-	21,308	21,308
Issues/ reclassification	-	-	-	-	-	-
As At 30 September 2017	3,070,000	(855,412)	337,545	388,072	67,409	3,007,615
For the period ended 30 September 2016	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
As at 1 January 2016	3,070,000	(918,993)	337,545	365,300	46,101	2,899,953
Profit for the year	-	37,106	-	-	-	37,106
Transfer to contingency reserve	-	(19,920)	-	19,920	-	-
Other comprehensive income	-	-	-	-	6,343	6,343
Issues	-	-	-	-	-	-
As at 30 September 2016	3,070,000	(901,808)	337,545	385,220	52,444	2,943,402

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

	JUL-SEPT 2017 =N=000	JUL-SEPT 2016 =N=000	JAN -SEPT 2017 =N=000	JAN -SEPT 2016 =N=000
1 Net insurance premium revenue				
1.1 Gross premium income on insurance contracts				
Gross premium written in the year	154,937	155,827	759,082	664,005
Change in unearned premiums provision	92,639	137,859	(39,621)	(2,862)
Total gross premium income	247,576	293,686	719,462	661,143
1		Increase/ (Decrease) in	Gross premium Income	
Gross Premium Income	JUL-SEPT 2017 N'000	JUL-SEPT 2017 N'000	JUL-SEPT 2017 N'000	
Motor	37,852	(10,474)	48,326	
Fire	23,923	(31,758)	55,682	
Marine & Aviation	15,651	4,071	11,580	
Miscellaneous General Accident	59,255	(27,208)	86,463	
Oil and Gas	18,255	(27,269)	45,524	
	154,937	-92,639	247,576	
1.1 Changes In unearned Premium per class of insurance business	Unearned Premium As At	Increase/ (Decrease) in Unearned premium	Unearned Premium As At	
	##### N'000	N'000	30/09/2017 N'000	
Motor	83,967	(10,474)	73,493	
Fire	82,644	(31,758)	50,886	
Marine & Aviation	9,314	4,071	13,385	
Miscellaneous General Accident	139,513	(27,208)	112,305	
Oil and Gas	118,537	(27,269)	91,268	
	433,974	-92,639	341,335	
1		Increase/ (Decrease) in Unearned premium	Gross premium Income	
Gross Premium Income	JUL-SEPT 2016 N'000	JUL-SEPT 2016 N'000	JUL-SEPT 2016 N'000	
Motor	38,418	(23,423)	61,841	
Fire	34,025	(50,833)	84,859	
Marine & Aviation	28,436	9,025	19,411	
Miscellaneous General Accident	54,947	(72,628)	127,575	
	155,827	(137,859)	293,686	
1		Increase/ (Decrease) in Unearned premium	Gross premium Income	
Gross Premium Income			JAN -SEPT 2017 N'000	JAN -SEPT 2017 N'000
Motor			124,271	(16,779)
Fire			152,252	(15,820)
Marine & Aviation			32,240	8,145
Miscellaneous General Accident			281,262	31,957
Oil and Gas			169,058	32,118
			759,082	39,621
				719,462

1.1 **Changes In unearned Premium per class of insurance business**

	Unearned Premium As At	Increase/ (Decrease) in Unearned premium	Unearned Premium As At
	01/01/2017 N'000	N'000	JAN -SEPT 2017 N'000
Motor	90,271	(16,779)	73,493
Fire	66,706	(15,820)	50,886
Marine & Aviation	5,240	8,145	13,385
Miscellaneous General Accident	50,348	31,957	82,305
Oil and Gas	59,149	32,118	91,268
	271,714	39,621	311,335

	Gross premium written JAN -SEPT 2016 N'000	Increase/ (Decrease) in Unearned premium JAN -SEPT 2016 N'000	Gross premium Income JAN -SEPT 2016 N'000
Motor	142,145	160	141,985
Fire	157,682	(30,886)	188,568
Marine & Aviation	48,682	6,498	42,184
Miscellaneous General Accident	315,496	27,090	288,406
	664,005	2,862	661,143

1.2 Re-insurance expenses	JUL-SEPT 2017 =N=000	JUL-SEPT 2016 =N=000	JAN -SEPT 2017 =N=000	JAN -SEPT 2016 =N=000
Total reinsurance expenses	<u>(66,470)</u>	<u>(89,422.69)</u>	<u>(196,429)</u>	<u>(194,775)</u>
Total net insurance premium revenue	<u>181,105</u>	<u>204,263</u>	<u>523,032</u>	<u>466,368</u>

2 Fees and commission income

Reinsurance commission income	<u>20,523</u>	<u>25,371</u>	<u>52,748</u>	<u>47,659</u>
Total fees and commission income	<u>20,523</u>	<u>25,371</u>	<u>52,748</u>	<u>47,659</u>

3 Claims expenses

Gross claims paid	51,109	45,496	117,576	170,533
Claims ceded to reinsurers	(28,709)	(16,170)	(37,106)	(28,611)
Gross change in outstanding claims	(21,704)	(9,525)	(87,616)	(116,186)
Change in outstanding claims ceded to reinsurers	<u>(7,651)</u>	<u>37,553</u>	<u>29,116</u>	<u>37,553</u>
	<u>-6,956</u>	<u>57,354</u>	<u>21,970</u>	<u>63,289</u>

4 Underwriting expenses

Note	Fire	Motor	General accident	Marine and aviation	Total 2017	2016
2017 JULY TO SEPT.						
Amortised acquisition cost (Note 18)	11,454	5,664	22,061	1,291	40,469	46,632
Maintenance cost	3,606	4,549	21,466	22	29,644	29,851
	<u>15,060</u>	<u>10,213</u>	<u>43,527</u>	<u>1,313</u>	<u>70,113</u>	<u>76,483</u>
2017 JAN TO SEPT.						
Amortised acquisition cost (Note 18)	34,506	16,506	57,365	4,522	112,899	103,723
Maintenance cost	14,168	15,388	36,228	326	66,109	49,635
	<u>48,674</u>	<u>31,894</u>	<u>93,592</u>	<u>4,848</u>	<u>179,009</u>	<u>153,358</u>

5 Investment income

Rental income from investment properties	<u>-</u>	<u>-</u>	<u>(0)</u>	<u>1,297</u>
Rental income from land and building	734	9,908	3,929	9,908
Available-for-sale financial assets:				
Dividend income	87	1,180	23,725	10,220
Interest income on statutory deposit		5,667	43,685	5,667
Interest income on cash and cash equivalents	44,795	109,947	59,315	155,500
	<u>45,616</u>	<u>121,983</u>	<u>130,653</u>	<u>182,593</u>

5 Interest income on cash and cash equivalents

Due to Policy holders	29,491	80,123	37,027	113,318
Due to shareholders	15,304	29,824	22,288	42,183
	<u>44,795</u>	<u>109,947</u>	<u>59,315</u>	<u>155,500</u>

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS -

	JUL-SEPT 2017 =N=000	JUL-SEPT 2016 =N=000	JAN -SEPT 2017 =N=000	JAN -SEPT 2016 =N=000
6 Gain on sale of property, plant and equipment				
Property, plant and equipment:				
Realised gains on disposal	-	20	-	80
Total net realised gains and losses	<u>-</u>	<u>20</u>	<u>-</u>	<u>80</u>
7 Net fair value gains on investment properties				
Fair value gains on investment properties (Note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8 Other operating income				
Recoveries from other receivables and sundry Income	-	3,377	54,005	3,377
Provision no longer required	-	-	-	-
Exchange gain	9,600	-	9,600	-
Travel insurance/ Sundry Income	(219)	-	(0)	34
	<u>9,381</u>	<u>3,377</u>	<u>63,605</u>	<u>3,412</u>
9.1 Impairment charge				
Trade receivables				
Available for sale financial assets (Note 16b)				
Available for sale for sale financial asset	-	-	-	-
Impairment	-	-	-	-
Impairment of other receivables	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9 Management expenses				
Depreciation on property, plant and equipment	20,354	31,631	58,621	77,636
Amortisation of Software	-	2,873	604	2,873
Auditors' remuneration	5,500	3,000	8,250	6,750
Employee benefits expense (Note 9.2)	76,949	103,074	233,729	224,246
Exchange differentials	-	-	-	-
Legal and professional fees	4,096	6,671	20,112	7,416
Rent and Rates	2,997	6,461	10,431	11,048
Administrative	71,911	37,854	150,820	96,886
Total management expenses	<u>181,806</u>	<u>191,564</u>	<u>482,567</u>	<u>426,854</u>
9.2 Employee benefits expense				
Wages and salaries	75,959	99,552	228,825	215,964
Defined benefit plan cost	-	-	-	-
Pension costs	990	3,521	4,904	8,281
Total employee benefits expense	<u>76,949</u>	<u>103,074</u>	<u>233,729</u>	<u>224,246</u>
9.3 Finance cost				
	-	766	737	2,044
	<u>-</u>	<u>766</u>	<u>737</u>	<u>2,044</u>

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

10	Income tax	Notes	JUL-SEPT 2017 =N=000	JUL-SEPT 2016 =N=000	JAN -SEPT 2017 =N=000	JAN -SEPT 2016 =N=000
	The major components of income tax expense for the period are					
10	Income tax expense					
	Per profit or loss					
	Current income tax:					
	Company income tax		(3,732)	(8,655)	(15,845)	(16,370)
	Education tax			(577)		(1,091)
	Underprovision for tax in the prior years					
			<u>(3,732)</u>	<u>(9,232)</u>	<u>(15,845)</u>	<u>(17,462)</u>
	Deferred tax					
	Fair value gains/losses on investment properties				-	
	Employee benefits					
	Property, plant and equipment					
	Revaluation loss on building				-	
	Income tax expense reported in profit or loss		<u>(3,732)</u>	<u>9,323</u>	<u>(15,845)</u>	<u>(17,462)</u>
	Reported in other comprehensive income					
	Deferred tax relating to items recognised in other comprehensive income (OCI) during the year:					
	Re-measurement gains on defined benefit plans		-	-	-	
	Income tax expense charged to OCI		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10	Reconciliation of tax charge					
			N'000	N'000	N'000	N'000
	Profit/(Loss) before taxation		<u>11,662</u>	<u>28,849</u>	<u>85,755</u>	<u>54,567</u>
	Tax at Nigerian's statutory income tax rate of 30%			(8,655)		(16,370)
	Income not subject to tax					
	Non-deductible expenses					
	Minimum tax		(3,732)	-	(15,845)	-
	Tax effect of capital allowance					
	Education tax @ 2% of assessable profit		-	(577)	-	(1,091)
	Unused tax losses					
	Tax rate differential on fair value gains		-		-	-
	Total tax charge for the year		<u>(3,732)</u>	<u>(9,232)</u>	<u>(15,845)</u>	<u>(17,462)</u>

11 Dividends paid and proposed

No dividend was proposed or paid by the Company for the period ended September 30, 2017

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

12 (Loss)/earnings per share (LPS)/EPS

Basic (LPS)/EPS amounts are calculated by dividing the (loss)/profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.

The following reflects the income and share data used in the basic and diluted (LPS)/EPS computations:

	JUL-SEPT 2017 =N=000	JUL-SEPT 2016 =N=000	JAN -SEPT 2017 =N=000	JAN -SEPT 2016 =N=000
(loss)/profit attributable to ordinary shareholders (N'000)	7,930	19,617	69,910	37,106
Weighted average number of ordinary shares for basic EPS ('000)	6,140,000	6,140,000	6,140,000	6,140,000
Basic and diluted (loss)/earnings per ordinary share (kobo)	0.1	0.3	1.1	0.6

13 Net unrealized (loss)/gains on available-for-sale financial assets

	JUL-SEPT 2017 =N=000	JUL-SEPT 2016 =N=000	JAN -SEPT 2017 =N=000	JAN -SEPT 2016 =N=000
Unrealised (loss)/gains on available-for-sale financial assets	17,023	7,791	21,308	6,343
Reclassification adjustments to gains included in profit or loss	17,023	7,791	21,308	6,343
	-	-	-	-
Total net unrealised (loss)/gains on available-for-sale financial assets	17,023	7,791	21,308	6,343

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

14 Cash and cash equivalents	2017 =N=000	2016 =N=000
Cash at banks and on hand	58,192	6,992
Short-term deposits (including demand and time deposits)	831,784	934,902
Total cash and cash equivalents	889,976	941,894
Representing:		
Policyholder's fund	555,561	686,386
Shareholder's fund	334,415	255,508
	889,976	941,894

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company. All placements are subject to an average variable interest rate obtainable in the market.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

15 Financial assets

	2017 =N=000	2016 =N=000
Available-for-sale financial assets	155,082	149,805
Total financial instruments	155,082	149,805

15 Available-for-sale financial assets comprises:

	2017 =N=000	2016 =N=000
Listed equity securities at fair value	117,279	112,001
Unlisted equity securities at cost	37,803	37,803
Total available-for-sale financial assets	155,082	149,805

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

15 Financial assets - continued

	Available-for-sale	2017 Total
	<u>=N=000</u>	<u>=N=000</u>
15.2 Carrying values of financial instruments		
At 1 January 2016		-
Fair value loss recorded in OCI		
At 1 January 2017	133,775	133,775
Impairment	-	-
Fair value gain /(loss) recorded in OCI	21,308	21,308
	-	-
As At September 30, 2017	155,082	155,082

Fair value of financial assets and financial liabilities not carried at fair values
The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets for which fair value approximates carrying value
For financial assets and financial liabilities that have less than three month's maturity such as demand deposits and those without specified maturity such as statutory deposit, other receivables and other payables, the carrying amounts approximate to their fair value.

Unquoted investments carried at cost
Certain unquoted investments for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these financial instruments, fair value information are therefore not available, this makes it impracticable for the Company to fair value these investments. They have therefore been disclosed at cost less impairment. The carrying amount is the expected recoverable amount on these investments. The Company does not intend to dispose of these investments.

15.3 Determination of fair value and fair values hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- ▶ Level 1: Quoted (unadjusted) prices in active markets for identical assets
- ▶ Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and
- ▶ Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

15 Financial assets - continued

As At 30 September 2017

	Level 1 <u>=N=000</u>	Level 2 <u>=N=000</u>	Level 3 <u>=N=000</u>	Total <u>=N=000</u>
Available-for-sale financial assets:				
Equity securities	117,279	-	-	117,279
Total financial assets	<u>117,279</u>	<u>-</u>	<u>-</u>	<u>117,279</u>

16 Trade receivables

	<u>2017</u> <u>=N=000</u>	<u>2016</u> <u>=N=000</u>
Gross insurance receivables	12,493	10,297
Impairment allowance	(9,898)	(9,898)
Total trade receivables	<u>2,595</u>	<u>399</u>

The carrying amounts disclosed above approximate fair value at the reporting date and are net of impairment charges.

16 Movement in impairment

At beginning of the year	9,898	9,898
Additions	-	-
Impairment Reversal	-	-
At end of the year	9,898	9,898

17 Reinsurance asset

	<u>2017</u> <u>=N=000</u>	<u>2016</u> <u>=N=000</u>
Reinsurers's share of reserve for outstanding claims	52,981	63,399
Prepaid reinsurance	97,391	92,673
Total reinsurance asset	<u>150,373</u>	<u>156,072</u>

Reinsurance assets are not impaired as balances are set-off against payables from retrocession at the end of every quarter.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

18 Deferred acquisition cost

These represents commission paid to brokers on unearned premium relating to the unexpired tenure of risks.

	Fire	Motor	General accident	Marine and aviation	Total
At 1 January 2017	13,634	10,602	13,819	1,040	39,095
Commission incurred during the year	31,576	14,540	74,550	5,854	126,521
Amortisation (Note 4)	(34,506)	(16,506)	(57,365)	(4,522)	(112,899)
As At September 30, 2017	10,704	8,636	31,005	2,371	52,717
At 1 January 2016	14,800	7,172	17,933	2,436	42,341
Commission incurred during the year	32,261	16,291	43,557	9,248	101,357
Amortisation (Note 4)	(38,286)	(16,033)	(41,299)	(8,105)	(103,723)
As At September 30, 2016	8,775	7,431	20,190	3,579	39,975

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

19 Other receivables and prepayment	2017 =N=000	2016 =N=000
Due from starcrest	0	0
Loan to Guinea coop	6,559	-
Staff upfront and advances	5,052	4,547
Accrued interest	9,866	5,667
Due from Global Scansystems	197,444	217,444
	95,379	93,691
Deposit for computerization		
Others	5,382	3,931
Prepayments	9,223	12,493
	328,905	337,773
Impairment charged on other receivables	(205,476)	(93,291)
Impairment on staff salary advances	-	-
	123,430	244,482

The carrying amounts disclosed above reasonable approximate the fair value at the reporting date. All other receivable amounts are collectible within one year and the prepayment utilisable within one year.

20 Investment properties	2017 =N=000	2016 =N=000
At the beginning of the year	1,572,500	1,420,000
Addition	-	-
Fair value adjustments	-	-
At the end of the year	<u>1,572,500</u>	<u>1,420,000</u>

Investment properties are stated at fair value, which has been determined based on valuations performed by Yinka Kayode&Co.(FRCN/2013/00000000001197), accredited independent valuers,The valuer is a specialist in valuing these types of investment properties. The determination of fair value ofthe investment property was supported by market evidence. The modalities and process of valuationutilized extensive analysis of market data and other sectors specific peculiarities corroborated withavailable data derived from previous experiences.

Valuations are performed on an annual basis and the fair value gains and losses were recorded withinthe profit or loss.

Representing:	2017 N'000	2016 N'000
Policyholders' funds		400,000
Shareholders' funds	1,572,500	1,020,000
	<hr/> 1,572,500	<hr/> 1,420,000

	2017 N'000	2016 N'000
Opening balance at 1 January	1,572,500	1,420,000
Fair value adjustments	-	-
	<hr/> 1,572,500	<hr/> 1,420,000
Closing balance as at July 31, 2017	<hr/> 1,572,500	<hr/> 1,420,000

Description of valuation techniques used and key inputs to valuation on investment properties

The valuation of the properties is based on the price for which comparable land and properties are being exchanged hands on or are being marketed for sale. (Investment method) By nature, detailed information on concluded transactions is difficult to come by. We have therefore relied on past transactions and recent adverts in deriving the value of the subject properties. At least, eight properties were analysed and compared with the subject property. There are no restrictions on the reliability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

	2017 N'000	2016 N'000
Rental income derived from investment properties		
Direct operating expenses (including repairs & maintenance)	-	-
	<hr/> -	<hr/> -
Profit arising from investment properties carried at fair value	<hr/> -	<hr/> -

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Taxation	2017 =N=000	2016 =N=000
21.1 Current tax payable		
At the beginning of the year	155,588	103,769
Amounts recorded in the income statements	15,845	17,462
Tax on extra-ordinary item	-	-
Payments made on-account during the year	(48,762)	(68,773)
WHT Tax Asset		
Write back of over provision	(54,181)	-
At the end of the year	68,490	52,457

Income Statement

Deferred tax expense/(credit)

Accelerated depreciation for tax purposes		
Revaluation loss on building		
Fair value gains/(losses) on investment properties	-	-
Employee benefit obligation		
Total deferred tax expense/(credit)	-	-

Statement of financial position
--

21.2 Deferred tax liabilities/(assets)

Fair value gains/(losses) on investment properties	106,463	90,081
Tax credit /expense	-	-
Tax expense during the period through OCI	-	-
Deferred tax liabilities	106,463	90,081

Reconciliation of deferred tax liabilities is as shown below:

At the beginning of the year	106,463	90,081
Amounts recorded in the income statement	-	-
Reclassified to/from deferred tax asset	-	-
At the end of the period	106,463	90,081

Reconciliation of deferred tax asset is as shown below:

At the beginning of the year		
Amounts recorded in the income statement	-	-
Reclassified from/to deferred tax asset	-	-
At the end of the period	-	-

21.3 Intangible Asset

	2017 =N=000	2016 =N=000
Opening		8,439
Additions		
Amounts recorded in the income statement	1,202	(2,873)
As at 30th September 2017	1,202	5,566

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

22 Property, Plant and equipment

	Motor Vehicles =N=000	Land & Building =N=000	Computer Equipment =N=000	Household Equipment, Office Furniture and Fittings =N=000	Total =N=000
Cost					
At 1st January 2017	211,618	726,375	103,999	93,557	1,135,550
Additions	4,869	18,009	1,992	13,031	37,900
Disposals	-	-	(84)	(11,393)	(11,477)
As At 30 September 2017	216,487	744,384	105,907	95,196	1,161,973
Accumulated depreciation					
At 1st January 2017	190,489	64,460	101,852	64,335	421,135
Depreciation for the period 8	16,762	27,348	1,326	14,009	59,446
As At 30 September 2017	207,251	91,808	103,178	78,344	480,581
Disposals	-	-	-	(826)	(826)
As At 30 September 2017	207,251	91,808	103,178	77,518	479,756
Carrying amount					
As At 30 September 2017	9,236	652,575	2,729	17,678	682,218
As at 30 September 2016	26,846	646,591	2,553	33,148	709,139

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

23 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria as at September 30, 2017 (September 30, 2016 ₦315,000,000) in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 11% per annum (2016: 12.39%) and this has been included within investment income.

	2017 =N=000	2016 =N=000
Statutory deposit	<u>333,654</u>	<u>315,000</u>

24 Insurance contract liabilities

Insurance contract liabilities consist of the following:

Provision for reported claims by policyholders

	2017 =N=000	2016 =N=000
Provision for reported claims by policyholders	244,226	365,425
Provisions for claims incurred but not reported (IBNR)		39,710
Outstanding claims provisions (Note 24.1)	<u>244,226</u>	<u>405,135</u>
Provision for unearned premiums (Note 24.2)	311,335	281,251
Total insurance contract liabilities	<u>555,561</u>	<u>686,386</u>

Provisions for claims incurred but not reported (IBNR)

Outstanding claims provisions (Note 24.1)

Provision for unearned premiums (Note 24.2)

Total insurance contract liabilities

The cash and cash equivalents as described in Note 14 serves as a cash cover for the insurance contract liabilities.

24.1 Outstanding claims provision	2017 =N=000	2016 =N=000
At 1 January	328,664	519,871
Claims incurred in the current accident period year	33,138	55,798
Claims paid during the year	(117,576)	(170,533)
At the end of the period	<u>244,226</u>	<u>405,135</u>
24.2 Provision for unearned premiums	2017 =N=000	2016 =N=000
At 1 January	271,714	278,389
Premiums written in the year (Note 1)	759,082	664,005
Premiums earned during the period (Note 1)	(719,462)	(661,143)
At the end of the period	<u>311,335</u>	<u>281,251</u>
25 Trade payables	2017	2016
Due to brokers	14,408	12,719
Due to agents	424	424
Due to insurance companies		-
Due to reinsurance companies - local	30,506	19,089
	<u>45,339</u>	<u>32,233</u>

This represents the amount payable to insurance and reinsurance companies

26 Other payables and accruals

Accrued expenses	41,620	57,407
Deferred revenue (Note 26.1)	1,549	4,881
Unearned Commission	16,186	15,602
Other payables (Note 26.2)	111,267	76,782
	<u>170,621</u>	<u>154,673</u>

Other payables represent outstanding NAICOM charges, PAYE, NSITF, ITF, NHF, union dues, withholding tax, VAT, travel insurance, stale cheque, unclaimed dividend and other creditors.

26.2

The carrying amounts disclosed above reasonably approximate fair value at the reporting date. All amounts are payable within one year (with the exception of deferred revenue).

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

**26.1 Deferred Revenue
Rental Income**

	2017 =N=000	2016 =N=000
At the beginning	4,292	10,333
Amount deferred	1,186	8,753
Amount released to the income statement	(3,929)	(14,205)
Total deferred revenue	1,549	4,881

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

27 Employee benefit obligations

The amounts recognised in the statement of financial position at the reporting date are, as follows:

	2017 =N=000	2016 =N=000
Defined Contribution payable	8,947	18,794
Defined benefit gratuity payable	711	
	9,658	18,794

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

28 Deposit for shares

	2017 =N=000	2016 =N=000
As at 30 September 2017	0	-

29 Issued share capital

Authorised and issued share capital	2017 =N=000	2016 =N=000
Authorised share capital 6.4 billion Ordinary shares of N0.50k each	3,200,000	3,200,000
Ordinary shares issued and fully paid	2017 =N=000	2016 =N=000
At 1 January	3,070,000	3,070,000
Issued during the period	-	-
As at 30 September 2017	3,070,000	3,070,000

30 Share premium

	2017 =N=000	2016 =N=000
At 1 January	337,545	337,545
As at 30 September 2017	337,545	337,545

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

31 Contingency reserve

Contingency reserve in respect of non-life business is the higher of 20% of net profit and 3% of premium as specified in Section 21(2) of the Insurance Act 2003.

	2017 =N=000	2016 =N=000
At the beginig of the period	365,300	365,300
For the period	22,772	19,920
As at 30 September 2017	388,072	385,220

	2017 =N=000	2016 =N=000
Retained Earnings		
At the beginig of the period	(921,203)	(918,993)
For the period	88,564	37,106
Contingency reserve	(22,772)	(19,920)
As at 30 September 2017	(855,412)	(901,808)

32 Available-for-sale Financial Assets Reserve

	2017 =N=000	2016 =N=000
At the beginning of the period	46,101	46,101
For the period	-	6,343
Reclassification from quoted to unquoted	-	
As at 30 September 2017	46,101	52,444

33 Financial Liabilities

At the beginning of the period	797	15,556
For the period	(797)	(10,750)
As at 30 September 2017	-	4,806