

**GUINEA INSURANCE PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30th SEPTEMBER 2015**

	Note	30/09/2015 =N=000	30/09/2014 =N=000	%
Gross premium written	1	711,283	776,642	(8)
Changes in unearned premium	1	97,901	(199,682)	(149)
Gross premium income	1	809,184	576,959	40
Reinsurance expenses	1.2	(175,903)	(161,087)	9
Net premium income	1.2	633,281	415,872	52
Fees and commission income	2	39,927	35,600	12
Net underwriting Income		673,207	451,472	49
Claims expenses	3	(118,430)	(108,785)	9
Underwriting expenses	4	(189,077)	(101,257)	87
Underwriting result		365,700	241,430	51
Investment Income	5	183,527	102,299	79
Net realized gains and losses	6	439	676	
Net fair value gains	7	-	-	
Other operating income	8	1,410	1,983	(29)
Impairment loss	9.1	-	-	
Management expenses	9	(485,494)	(488,077)	(1)
Profit/(Loss) before taxation		65,583	(141,690)	(146)
Income tax expenses	11	(20,987)	(45,341)	(54)
Profit/Loss after taxation		44,597	(187,030)	(124)
<b>Other comprehensive income</b>				
Net gain/(loss) on available-for-sale	13	(3,657)	612	(698)
Contingency Reserve		(21,338)	(23,299)	(8)
<b>Other comprehensive income/(loss) for the year, net of tax</b>				
<b>Total comprehensive( loss)/Profit for the year,</b>		<u>19,602</u>	<u>(209,718)</u>	(109)
<b>Earning/(Loss) per share</b>				
Basic(kobo)	12	<u>0.7</u>	(3.0)	

**GUINEA INSURANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST September 2015**

	<b>Note</b>	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>	<b>31/12/2014</b> <b>=N=000</b>
<b>Assets</b>				
Cash and cash equivalents	14	1,593,492	1,333,635	1,048,755
Financial assets:				
Available-for-sale financial assets	15	129,156	141,116	132,812
Trade receivables	16	2,605	4,725	10,575
Reinsurance assets	17	99,041	178,302	135,265
Deferred acquisition costs	18	47,256	54,942	65,860
Other receivables and prepayments	19	321,157	41,723	624,859
Investment properties	20	1,310,000	1,050,000	1,310,000
Intangible Asset	21.3	15,791	43,286	36,149
Property, plant and equipment	22	801,510	955,384	885,453
Statutory deposit	23	315,000	315,000	315,000
<b>Total assets</b>		<b>4,635,007</b>	<b>4,118,113</b>	<b>4,564,728</b>
<b>Liabilities and Equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	24	602,544	631,790	758,956
Trade payables	25	95,968	92,099	113,189
Other payables and accruals	26	208,466	212,813	276,686
Employee benefit obligations	27	10,815	4,270	16,570
Current tax payable	21.1	183,420	274,305	297,699
Deferred tax liabilities	21.2	78,073	78,434	78,074
Financial liabilities		18,186	27,866	27,126
Advances for increase in share capital		500,000		100,000
<b>Total liabilities</b>		<b>1,697,471</b>	<b>1,321,577</b>	<b>1,668,300</b>
<b>Equity</b>				
Issued share capital	29	3,070,000	3,070,000	3,070,000
Share premium	30	337,545	337,545	337,545
Contingency reserve	31	327,727	329,688	339,191
Retained losses		(833,593)	(980,655)	(884,988)
Available-for-sale reserve		35,856	39,958	34,680
<b>Total equity</b>		<b>2,937,536</b>	<b>2,796,536</b>	<b>2,896,428</b>
<b>Total liabilities and equity</b>		<b>4,635,007</b>	<b>4,118,113</b>	<b>4,564,728</b>

**GUINEA INSURANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31ST SEPTEMBER 2015**

For the period ended 30th September 2015	Issued share capital	Retained earnings	Share premium	Contingency reserve	Available-for- sale financial assets	Total equity
	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
<b>As at 1 January 2015</b>	3,070,000	(856,851)	337,545	306,389	39,347	2,896,430
Profit for the year	-	44,597	-	-	-	44,597
Transfer to contingency reserve	-	(21,338)	-	21,338	-	-
Other comprehensive income	-	-	-	-	(3,491)	(3,491)
Issues	-	-	-	-	-	-
<b>As at 30th September 2015</b>	<b><u>3,070,000</u></b>	<b><u>(833,593)</u></b>	<b><u>337,545</u></b>	<b><u>327,727</u></b>	<b><u>35,856</u></b>	<b><u>2,937,536</u></b>

**For the period ended 30 September 2014**

	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
As at 1 January 2014	3,070,000	(770,326)	337,545	306,389	39,347	2,982,955
<b>Profit for the year</b>	-	(187,030)	-	-	-	(187,030)
Transfer to contingency reserve	-	(23,299)	-	23,299	-	-
Issues	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	612	612
<b>Issues</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>As at 30 September 2014</b>	<b><u>3,070,000</u></b>	<b><u>(980,655)</u></b>	<b><u>337,545</u></b>	<b><u>329,688</u></b>	<b><u>39,959</u></b>	<b><u>2,796,537</u></b>



**GUINEA INSURANCE PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31ST SEPTEMBER 2015**

	<u>Note</u>	<u>30/09/2015</u> <u>=N=000</u>	<u>30/09/2014</u> <u>=N=000</u>
<b>Operating activities:</b>			
Premium received		711,283	787,393
Commission received		39,927	35,600
Commission paid		(128,449)	(85,580)
Reinsurance premium paid		(175,903)	(161,087)
Gross claim paid net of recoveries		(118,430)	(108,785)
Payments to employees		(239,154)	(577,388)
Other operating cash receipts/(payments)		(293,528)	
Other income received		1,850	2,659
Tax paid		(135,267)	(71,422)
<b>Net cash flow from operating activities</b>		<b><u>(337,672)</u></b>	<b><u>(178,610)</u></b>
<b>Investing activities:</b>			
Investment income received		183,527	102,299
Purchase of property and equipment		(1,558)	-62,053
Proceed from sale of property and equipment		439	676
Purchase of investments property			
Proceed from loans and receivables(chrome and starcrest)		300,000	0
Cash and cash equivalents absorbed from life business		-	0
Additions to investment properties		-	-
<b>Net cash flows from investing activities</b>		<b><u>482,409</u></b>	<b><u>40,921</u></b>
<b>Financing activities:</b>			
Deposit for shares		400,000	
<b>Net cash flows from financing activities</b>		<b><u>400,000</u></b>	
Net increase in cash and cash equivalents		544,737	(137,688.26)
Cash and cash equivalents at 1 January		1,048,755	1,471,323.00
Cash and cash equivalents at 30th September 2015		<b><u>1,593,492</u></b>	<b><u>1,333,635</u></b>

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

<b>1 Net insurance premium revenue</b>	Notes	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>			
<b>1.1 Gross premium income on insurance contracts</b>						
Gross premium written in the year		711,283	776,642			
Change in unearned premiums provision		97,901	-199,682			
<b>Total gross premium income</b>		<b>809,184</b>	<b>576,959</b>			
<b>1.0 Gross Premium Income</b>						
		<b>Increase/ (Decrease) in Unearned premium</b>	<b>Gross premium income</b>			
	Gross premium written					
	<b>30/09/2015</b>	<b>30/09/2015</b>	<b>30/09/2015</b>			
	N'000	N'000	N'000			
<b>Motor</b>	151,577	5,085	146,492			
<b>Fire</b>	167,371	(26,581)	193,952			
<b>Marine &amp; Aviation</b>	35,367	(47,775)	83,142			
<b>Miscellaneous General Accident</b>	356,968	(28,630)	385,598			
	<b>711,283</b>	<b>-97,901</b>	<b>809,184</b>			
<b>1.1 Changes In unearned Premium per class of insurance bus</b>						
	<b>Unearned Premium As At</b>	<b>Increase/ (Decrease) in Unearned premium</b>	<b>Unearned Premium As At</b>			
	<b>01/01/2015</b>	<b>30/09/2015</b>	<b>30/09/2015</b>			
	N'000	N'000	N'000			
<b>Motor</b>	74,657	5,085	79,742			
<b>Fire</b>	75,326	(26,581)	48,745			
<b>Marine &amp; Aviation</b>	70,430	(47,775)	22,655			
<b>Miscellaneous General Accident</b>	199,590	(28,630)	170,959			
	<b>420,002</b>	<b>-97,901</b>	<b>322,101</b>			
	<b>Gross premium written</b>	<b>Increase/ (Decrease) in Unearned premium</b>	<b>Gross premium income</b>			
	<b>30/09/2014</b>	<b>30/09/2014</b>	<b>30/09/2014</b>			
	N'000	N'000	N'000			
<b>Motor</b>	120,074	17,007	103,067			
<b>Fire</b>	178,337	81,397	96,940			
<b>Marine &amp; Aviation</b>	93,568	20,985	72,583			
<b>Miscellaneous General Accident</b>	384,663	80,294	304,369			
	<b>776,642</b>	<b>199,682</b>	<b>576,959</b>			
<b>1.2 Re-insurance expenses</b>		<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>			
Premiums ceded to reinsurers		151,530	201,763			
Change in unearned premiums ceded to reinsurers		24,373	-40,676			
<b>Total reinsurance expenses</b>		<b>(175,903)</b>	<b>(161,087)</b>			
<b>Total net insurance premium revenue</b>		<b>633,281</b>	<b>415,872</b>			
<b>2 Fees and commission income</b>		<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>			
Reinsurance commission income		39,927	35,600			
<b>Total fees and commission income</b>		<b>39,927</b>	<b>35,600</b>			
<b>3 Claims expenses</b>		<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>			
Gross claims paid		174,832	232,562			
Claims ceded to reinsurers		2,065	(22,866)			
Gross change in outstanding claims		(58,466)	(100,911)			
		<b>118,430</b>	<b>108,785</b>			
<b>4 Underwriting expenses</b>						
	Note	<b>Fire</b>	<b>Motor</b>	<b>General accident</b>	<b>Marine and aviation</b>	<b>Total</b>
		<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>
2015						
Amortised aquisition cost (Note 18)		40,651	14,482	57,080	16,236	128,449
Maintenance cost		1,715	19,115	36,314	3,484	60,628
		<b>42,366</b>	<b>33,597</b>	<b>93,395</b>	<b>19,720</b>	<b>189,077</b>
2014						
Amortised aquisition cost (Note 18)		19,611	11,487	40,136	14,347	85,580
Maintenance cost		1,632	4,311	8,728	1,008	15,678
		<b>21,242</b>	<b>15,797</b>	<b>48,864</b>	<b>15,354</b>	<b>101,257</b>

<b>5 Investment income</b>	<b>30/09/2015</b>	<b>30/09/2014</b>
	<b>=N=000</b>	<b>=N=000</b>
Rental income from investment properties	6,595	6,525
<b>Available-for-sale financial assets:</b>		
Dividend income	13,813	16,376
Interest income on statutory deposit	23,411	22,413
Interest income on cash and cash equivalents	139,708	56,984
	<b><u>183,527</u></b>	<b><u>102,299</u></b>

<b>5.1 Interest income on cash and cash equivalents</b>	<b>30/09/2015</b>	<b>30/09/2014</b>
	<b>=N=000</b>	<b>=N=000</b>
Due to Policy holders	29,555	56,984
Due to shareholders	110,153	-
	<b><u>139,708</u></b>	<b><u>56,984</u></b>

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

<b>6</b>	<b>Gain on sale of property, plant and equipment</b>	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>
	<b>Property, plant and equipment:</b>		
	Realised gains on disposal	439	676
	<b>Total net realised gains and losses</b>	<b>439</b>	<b>676</b>
<b>7</b>	<b>Net fair value gains on investment properties</b>	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>
	Fair value gains on investment properties (Note 20)	-	-
<b>8</b>	<b>Other operating income</b>	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>
	Recoveries from trade receivables	1,407	1,974
	Sundry income	3	9
		<b>1,410</b>	<b>1,983</b>
9.1	Impairment charge	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>
	Trade receivables		
	Available for sale financial assets (Note 16b)		
	Revaluation deficit on Investment property	-	-
	Revaluation deficit on building		
		-	-
		<b>-</b>	<b>-</b>
<b>9</b>	<b>Management expenses</b>	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>
	Depreciation on property, plant and equipment	106,849	113,315
	Auditors' remuneration	7,180	7,375
	Employee benefits expense (Note 9.2)	239,154	207,821
	Exchange differentials	-	-
	Legal and professional fees	12,443	10,157
	Rent and Rates	6,738	13,131
	Administrative	113,129	136,276
	<b>Total management expenses</b>	<b>485,494</b>	<b>488,077</b>
9.2	Employee benefits expense	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>
	Wages and salaries	230,933	206,510
	Defined benefit plan cost	-	-
	Pension costs	8,221	1,311
	<b>Total employee benefits expense</b>	<b>239,154</b>	<b>207,821</b>

Administrative expenses is made up of NAICOM dues, bank charges, subscription, ICT expenses, corporate gifts, directors remunerations/expenses, car repairs and maintenance, traveling expenses.



**GUINEA INSURANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

<b>10 Income tax</b>	Notes	<b>2015</b> <b>=N=000</b>	<b>2014</b> <b>=N=000</b>
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The major components of income tax expense for the period are

**10.1 Income tax expense**

**Per profit or loss**

**Current income tax:**

Company income tax	19,675	42,507
Education tax	1,312	2,834
Underprovision for tax in the prior years	-	-
	<u>20,987</u>	<u>45,341</u>

**Deferred tax**

Fair value gains/losses on investment properties

Employee benefits

Property, plant and equipment

Revaluation loss on building

-	-
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**Income tax expense reported in profit or loss**

<u>20,987</u>	<u>45,341</u>
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**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

-	-
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**Income tax expense charged to OCI**

<u>-</u>	<u>-</u>
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**10.2 Reconciliation of tax charge**

	N'000	N'000
<b>Profit/(Loss) before taxation</b>	65,583	(141,690)
Tax at Nigerian's statutory income tax rate of 30%	<u>19,675</u>	<u>42,507</u>
Income not subject to tax		
Non-deductible expenses		
Minimum tax	-	-
Tax effect of capital allowance		
Education tax @ 2% of assessable profit	1,312	2,834
Unused tax losses		
Adjustment in respect of current income tax of prior year	-	-
<b>Total tax charge for the year</b>	<u>20,987</u>	<u>45,341</u>

**11 Dividends paid and proposed**

No dividend was proposed or paid by the Company for the period ended 30th September 2015

**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 year 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:

	<b>30/09/2015</b> <b>=N=000</b>	<b>30/09/2014</b> <b>=N=000</b>
(loss)/profit attributable to ordinary shareholders (N'000)	<b>44,597</b>	<b>(187,030)</b>
Weighted average number of ordinary shares for basic EPS ('000)	6,140,000	6,140,000
Basic and diluted (loss)/earnings per ordinary share (kobo)	<b>0.7</b>	<b>(3.0)</b>

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

	<b>2015</b> <b>=N=000</b>	<b>2014</b> <b>=N=000</b>
Unrealised (loss)/gains on available-for-sale financial assets	<b>(3,657)</b>	<b>612</b>
Reclasification adjustments to gains included in profit or loss	-3,657	612
	-	-
Total net unrealised (loss)/gains on available-for-sale financial assets	<b>-3,657</b>	<b>612</b>

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

<b>14 Cash and cash equivalents</b>	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
Cash at banks and on hand	175,313	-17,893
Short-term deposits (including demand and time deposits)	1,418,179	1,351,528
<b>Total cash and cash equivalents</b>	<b>1,593,492</b>	<b>1,333,635</b>
<b>Representing:</b>		
Policyholder's fund	602,544	720,000
Shareholder's fund	990,948	613,635
	<b>1,593,492</b>	<b>1,333,635</b>

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**

	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
Available-for-sale financial assets	129,156	141,116
<b>Total financial instruments</b>	<b>129,156</b>	<b>141,116</b>

**15.1 Available-for-sale financial assets comprises:**

	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
Listed equity securities at fair value	91,352	103,312
Unlisted equity securities at cost	37,803	37,803
<b>Total available-for-sale financial assets</b>	<b>129,156</b>	<b>141,116</b>

NOTES TO THE FINANCIAL STATEMENTS - Continued

15 Financial assets - continued

15.2 Carrying values of financial instruments

	Available- for-sale =N=000	2015 Total =N=000
At 1 January 2014	140504	140,504
Impairment	-3,025	-3,025
Fair value loss recorded in OCI	<b>(4,667)</b>	<b>(4,667)</b>
At 31 December 2014	<b>132,812</b>	<b>132,812</b>
Impairment	-	-
Fair value loss recorded in OCI	<b>(3,657)</b>	<b>(3,657)</b>
<b>At 30th September 2015</b>	<b>129,156</b>	<b>129,156</b>

***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

15.3 Financial assets - continued

At 30th September 2015

	<u>Level 1</u> <u>=N=000</u>	<u>Level 2</u> <u>=N=000</u>	<u>Level 3</u> <u>=N=000</u>	<u>Total</u> <u>=N=000</u>
<b>Available-for-sale financial assets:</b>				
Equity securities	91,352	-	-	91,352
<b>Total financial assets</b>	<u>91,352</u>	<u>-</u>	<u>-</u>	<u>91,352</u>

16 Trade receivables

	<u>2015</u> <u>=N=000</u>	<u>2014</u> <u>=N=000</u>
Gross insurance receivables	13,417	15,170
Impairment allowance	-10,812	-10,445
<b>Total trade receivables</b>	<u>2,605</u>	<u>4,725</u>

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

16.1 Movement in impairment allowance:

At beging of the year	10,812	10,445
Additions	-	-
Impairment written off	-	-
<b>At end of the year</b>	<u>10,812</u>	<u>10,445</u>

17 Reinsurance asset

	<u>2015</u> <u>=N=000</u>	<u>2014</u> <u>=N=000</u>
Reinsurers's share of reserve for outstanding	16,393	
Prepaid reinsurance	82,648	178,302
<b>Total reinsurance asset</b>	<u>99,041</u>	<u>178,302</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.

Note	Fire	Motor	General accident	Workmen Compensatio n	Marine and aviation	Total
	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
<b>At 1 January 2014</b>	<b>7,063</b>	<b>6,202</b>	<b>7,535</b>	-	<b>6,930</b>	<b>27,729</b>
Commission incurred during the year	35,595	11,874	46,894	-	18,424	112,786
Amortisation (Note 4)	(19,611)	(11,487)	(40,129)	-	(14,347)	(85,573)
At 1 January 2015	<b>16,336</b>	<b>5,916</b>	<b>29,592</b>	-	<b>14,015</b>	65,860
Commission incurred during the year	34,207	17,393	51,488	-	6,758	109,846
Amortisation (Note 4)	(40,651)	(14,482)	(57,080)	-	(16,236)	(128,449)
At 30th September 2015	<b>9,891</b>	<b>8,827</b>	<b>24,000</b>	-	<b>4,538</b>	<b>47,256</b>

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NOTES TO THE FINANCIAL STATEMENTS - Continued

	2015 =N=000	2014 =N=000
<b>19 Other receivables and prepayment</b>		
Staff upfront and advances	13,158	12,738
Due from Global Scansystems	283,307	-
Deposit for computerization	93,002	99,201
Others	2,202	
Prepayments	<u>22,777</u>	<u>23,075</u>
	414,447	135,014
Impairment charged on other receivables	(93,291)	(93,291)
Impairment on staff salary advances	-	-
	<u>321,157</u>	<u>41,723</u>

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.

	2015 =N=000	2014 =N=000
<b>20 Investment properties</b>		
At the beginning of the year	1,310,000	1,050,000
Fair value adjustments	-	-
<b>At the end of the year</b>	<u><u>1,310,000</u></u>	<u><u>1,050,000</u></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, as at 31 December 2014. The valuer is a specialist in valuing these types of investment properties. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific peculiarities corroborated with available data derived from previous experiences.

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

Representing:	2015 N'000	2014 N'000
Policyholders' funds	400,000	-
Shareholders' funds	910,000	-
	<u>1,310,000</u>	<u>0</u>
	<b>2015 N'000</b>	<b>2014 N'000</b>
Opening balance at 1 January	1,310,000	1,050,000
Fair value adjustments	-	-
Closing balance at 30 September	<u>1,310,000</u>	<u>1,050,000</u>

**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. (Open Market Basis Approach)

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.

The Company enters into operating leases for one of its investment properties. The rental income arising during the year amounted to **N2,900,000** (period ended 30 September 2014: **N6,525,000.00**) and which is included in investment income.

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.

	2015 N'000	2014 N'000
Rental income derived from investment properties	2,900	6,525
Direct operating expenses (including repairs & maintenance)	-	-
Profit arising from investment properties carried at fair value	<u>2,900</u>	<u>6,525</u>

**GUINEA INSURANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**21 Taxation**

<b>2015</b>	<b>2014</b>
<b>=N=000</b>	<b>=N=000</b>

**21.1 Current tax payable**

At the beginning of the year	297,700	301,217
Amounts recorded in the income statements	20,987	45,341
Tax on extra-ordinary item	-	-
Payments made on-account during the year	-135,267	(71,422)
wht tax asset		(831)
<b>At the end of the year</b>	<b>183,420</b>	<b>274,305</b>

**Income Statement**

**Deferred tax expense/(credit)**

Fair value gains/(losses) on investment properties		-
Fair value gains/(losses) on investment properties		
Origination of temporary difference		
<b>Total deferred tax expense/(credit)</b>	<b>-</b>	<b>-</b>

**Statement of financial position**

**21.2 Deferred tax liabilities/(assets)**

Fair value gains/(losses) on investment properties	78,073	78,434
Origination of temporary difference	-	
<b>Deferred tax liabilities</b>	<b>78,073</b>	<b>78,434</b>

Reconciliation of deferred tax liabilities is as shown below:

At the beginning of the year	78,073	78,434
Amounts recorded in the income statement	-	
Reclassified to/from deferred tax asset		
<b>At the end of the period</b>	<b>78,073</b>	<b>78,434</b>

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	-	
<b>At the end of the period</b>	<b>-</b>	<b>-</b>

**21.3 Intangible Asset**

	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
As at 30th September 2015	<b>15,791</b>	<b>43,286</b>

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

22 Property, Plant and equipment

Note

	<b>Motor Vehicles =N=000</b>	<b>Land &amp; Building =N=000</b>	<b>Computer Equipment =N=000</b>	<b>Equipment, Office Furniture and Fittings =N=000</b>	<b>Total =N=000</b>
<b>Cost</b>					
<b>At 1 January 2015</b>	226,355	700,000	122,878	112,515	1,161,748
Additions	0	0	593	965	1,558
Disposals	0		(20,683)	(13,660)	(34,343)
<b>At 30th September 2015</b>	<b>226,355</b>	<b>700,000</b>	<b>102,788</b>	<b>99,820</b>	<b>1,128,963</b>
<b>Accumulated depreciation</b>					
<b>At 1 January 2015</b>	151,646	-	72,008	52,640	<b>276,294</b>
Depreciation for the period	20,837	28,029	23,329	13,509	85,704
<b>At 30th September 2015</b>	172,483	28,029	95,337	66,149	361,998
Disposals	0		(20,289)	(14,255)	(34,544)
<b>At 30th September 2015</b>	<b>172,483</b>	<b>28,029</b>	<b>75,048</b>	<b>51,894</b>	<b>327,453</b>
<b>Carrying amount</b>					
<b>At 30th September 2015</b>	<b>53,872</b>	<b>671,971</b>	<b>27,740</b>	<b>47,926</b>	<b>801,510</b>
<b>At 30st September 2014</b>	<b>82,953</b>	750494.4	<b>58,425</b>	<b>63,511</b>	<b>955,384</b>

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 30 September 2015 (30 September 2014: N315,000,000) in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 12.39% per annum (2014: 13.14%) and this has been included within investment income.

	2015	2014
	=N=000	=N=000
Statutory deposit	<u>315,000</u>	<u>315,000</u>

24 Insurance contract liabilities

Insurance contract liabilities consist of the following:

	2015	2014
	=N=000	=N=000
Provision for reported claims by policyholders	210,504	215,928
Provisions for claims incurred but not reported (IBNR)	69,939	21,593
<b>Outstanding claims provisions (Note 24.1)</b>	<u>280,443</u>	<u>237,521</u>
Provision for unearned premiums (Note 24.2)	322,101	394,269
<b>Total insurance contract liabilities</b>	<u><b>602,544</b></u>	<u><b>631,790</b></u>

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

	2015	2014
	=N=000	=N=000
At 1 January	338,953	338,432
Claims incurred in the current accident period year	116,321	131,651
Claims paid during the year	<u>(174,832)</u>	<u>(232,562)</u>
At the end of the year	<u><b>280,443</b></u>	<u><b>237,521</b></u>

24.2 Provision for unearned premiums

At 1 January	420,002	194,586
Premiums written in the year (Note 1)	711,283	776,642
Premiums earned during the year (Note 1)	<u>(809,184)</u>	<u>(576,959)</u>
At the end of the year	<u><b>322,101</b></u>	<u><b>394,269</b></u>

25 Trade payables

	2015	2014
	=N=000	=N=000
Due to brokers	141	
Due to agents	424	
Due to insurance companies	-	
Due to reinsurance companies - local	95,402	92,099
	<u>95,968</u>	<u>92,099</u>

This represents the amount payable to insurance and reinsurance companies

26 Other payables and accruals

Accrued expenses	71,136	53,243
Deferred revenue (Note 26.1)	17,908	7,213
Unearned Commission	12,853	28,308
Other payables (Note 26.2)	106,569	124,050
	<u><b>208,466</b></u>	<u><b>212,813</b></u>

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

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**

<b>Rental Income</b>	<b>2015</b> <b>=N=000</b>	<b>2014</b> <b>=N=000</b>
At the beginning	13,730	11,600
Amount deferred	10,773	-
Amount released to the income statement	(6,595)	(6,525)
<b>Total deferred revenue</b>	<u>17,908</u>	<u>5,075</u>

**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 income statement are as follows:

	<b>2015</b> <b>=N=000</b>	<b>2014</b> <b>=N=000</b>
Interest cost	<u>          </u>	<u>          </u>

**27 Employee benefit obligations - continued**

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

	<b>2015</b> <b>=N=000</b>	<b>2014</b> <b>=N=000</b>
At the beginning of the year	10,815	12,724
Movement in the year	-8,454	-8,454
	<u>10,815</u>	<u>4,270</u>

<b>28 Deposit for shares</b>	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
	<hr/>	<hr/>
As at 31st August 2015	<u>500,000</u>	<u>                    </u>
	<hr/> <hr/>	<hr/> <hr/>
<b>29 Issued share capital</b>		
<b>Authorised and issued share capital</b>	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
	<hr/>	<hr/>
Authorised share capital	<u>3,200,000</u>	<u>3,200,000</u>
6.4 billion Ordinary shares of N0.50k each	<hr/> <hr/>	<hr/> <hr/>
<b>Ordinary shares issued and fully paid</b>		
	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
	<hr/>	<hr/>
At 1 January	<u>3,070,000</u>	<u>3,070,000</u>
Issued during the year	<u>-</u>	<u>                    </u>
As at 31st August 2015	<u>3,070,000</u>	<u>3,070,000</u>
	<hr/> <hr/>	<hr/> <hr/>
<b>30 Share premium</b>		
	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
	<hr/>	<hr/>
At 1 January	<u>337,545</u>	<u>337,545</u>
	<u>                    </u>	<u>-</u>
<b>As at 31st August 2015</b>	<u>337,545</u>	<u>337,545</u>
	<hr/> <hr/>	<hr/> <hr/>

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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.

	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
At the beginig of the period	<u>306,389</u>	<u>306,389</u>
For the period	21,338	23,299
	<u><u>327,727</u></u>	<u><u>329,688</u></u>

	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
Retained Earnings		
At the beginig of the period	<u>(856,851)</u>	<u>(770,326)</u>
For the period	23,258	-187,030
	<u><u>(833,593)</u></u>	<u><u>(957,356)</u></u>

**32 Available-for-sale financial assets**

	<b>2015</b>	<b>2014</b>
	<b>=N=000</b>	<b>=N=000</b>
At the beginning of the period	<u>39,347</u>	<u>39,347</u>
For the period	-3,657	612
	<u><u>35,690</u></u>	<u><u>39,958</u></u>