

**Guinea Insurance Plc
Interim Financial Statement
31st December, 2021**


GUINEA INSURANCE PLC
INTERIM FINANCIAL STATEMENTS, 31 DECEMBER 2021
CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT N
OF 2007

We the undersigned hereby certify the following with regards to

- We have reviewed the report;
- To the best of our knowledge, the report does not contain:
 - Any untrue statement of a material fact, or
 - Omit to state a material fact, which would make the statements,
- To the best of our knowledge, the financial statements and other
- We:
 - Are responsible for establishing and maintaining internal controls.
 - Have designed such internal controls to ensure that material
 - Have evaluated the effectiveness of the Company's internal
 - Have presented in the report our conclusions about the
- We have disclosed to the auditors of the Company and audit committee:
 - All significant deficiency in the design or operation of internal
 - Any fraud, whether or not material, that involved management or
- We have identified in the report whether or not there were



Mr. Ademola Abidogun
Managing Director
FRC/2016/CIIN/00000014549



Mr. Pius Edobor
Executive Director
FRC/2013/ICAN/0000000046

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
for the period ended 31 December, 2021	JAN - DEC 2021	JAN - DEC 2020	OCT - DEC 2021	OCT - DEC 2020
In thousands of Naira	31/Dec/21	31/Dec/20	THREE MONTHS	THREE MONTHS
Gross premium written	1,356,556	1,081,507	262,245	285,731
Movement in unearned premium	(268)	(29,571)	96,119	(14,479)
Gross premium income	1,356,288	1,051,936	358,364	271,252
Reinsurance expenses	(457,620)	(317,982)	(114,920)	(94,428)
Net premium income	898,668	733,954	243,444	176,824
Fees and commission income on reinsurance	71,513	80,484	24,703	24,087
Net underwriting Income	970,181	814,438	268,147	200,911
Claims expenses	(38,574)	(155,214)	(23,830)	21,886
Underwriting expenses	(350,885)	(285,127)	(76,503)	(84,698)
Underwriting profit	580,722	374,097	167,814	138,099
Investment Income	82,262	104,826	20,703	2,544
Fair value gains on investment properties	-	7,000	-	7,000
Other operating income/(loss)	62,608	25,394	10,618	12,101
Revaluation loss	-	-	-	-
Impairment (charge)/reversal	(0)	-	-	-
Finance cost	-	-	-	-
Other operating expenses	(717,379)	(736,287)	(197,005)	(246,416)
Profit/(Loss) before taxation	8,213	(224,970)	2,131	(86,671)
Income tax (expense)/credit	(1,232)	(2,704)	(320)	1,867
Profit/(Loss) after taxation	6,981	(227,674)	1,811	(84,804)
Other comprehensive income				
Items within OCI that may be reclassified to the profit or loss:				
Gain/(loss) on available-for-sale financial assets	1,002	47,218	1,614	53,808
Related tax				-
Revaluation gains on land and building	-	23,786	-	23,786
Total other comprehensive income	1,002	71,004	1,614	77,594
Total comprehensive profit for the year, net of tax	7,984	(156,670)	3,425	(7,210)
Contingency Reserve	40,697	32,445	7,867	11,888
Earnings/(Loss) per share - Basic and Diluted (kobo)	0.11	(4.00)	0.03	(2.34)

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

STATEMENTS OF FINANCIAL POSITION
As At 31ST DEC, 2021

In thousands of Naira	31/12/2021	31/12/2020
Assets		
Cash and cash equivalents	307,353	671,661
Financial assets:		
Available-for-sale financial assets	264,236	263,233
Held to maturity	939,446	886,042
Trade receivables	0	-
Reinsurance assets	392,009	300,328
Deferred acquisition costs	66,904	62,932
Other receivables and prepayments	63,891	55,675
Investment properties	85,000	85,000
Intangible Asset	5,942	4,742
Property and equipment	950,744	841,484
Statutory deposit	333,654	333,654
Total assets	3,409,179	3,504,751
Liabilities		
Insurance contract liabilities	771,420	902,593
Trade payables	53,910	-
Other payables and accruals	159,787	134,073
Employee benefit obligations	11,171	1,743
Current tax payable	24,320	85,756
Deferred tax liabilities	111,311	111,311
Deposit for shares	151,400	151,400
Total liabilities	1,283,319	1,386,876
Equity		
Issued share capital	3,070,000	3,070,000
Share premium	337,545	337,545
Contingency reserve	592,020	551,323
Accumulated losses	(2,053,128)	(2,019,412)
Available-for-sale reserve and others	113,734	112,730
Other reserves	65,688	65,688
Total equity	2,125,859	2,117,875
Total liabilities and equity	3,409,179	3,504,751

These financial statements were approved by the Board of Directors on 28th January 2022 and signed on behalf of the Board of directors by:



Ademola Abidogun
Managing Director/Chief Executive Officer
FRC/2016/CIIN/00000014549



Pius Edobor
Executive Director, Finance
FRC/2013/ICAN/00000004638

STATEMENTS OF CHANGES IN EQUITY
for the period ended 31st December, 2021

In thousands of Naira	Issued share capital	Accumulated Losses	Share premium	Contingency reserve	AFS Reserves	Asset revaluation	Defined benefit	Total equity
As at 1 January 2021	3,070,000	(2,019,412)	337,545	551,323	112,731	65,688	-	2,117,876
Loss for the year	-	6,981	-	-	-	-	-	6,981
Other comprehensive income:								
Reversal of prior year fair value loss								
Fair value changes on AFS	-	-	-	-	1,002	-	-	1,002
Revaluation gain on PPE								
Employee defined benefit								
Income tax impact on OCI								
Total comprehensive income for the year	-	6,981	-	-	1,002	-	-	7,984
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(40,697)	-	40,697	-	-	-	-
Reclassification								
	-	(40,697)	-	40,697	-	-	-	-
As at 31st Dec, 2021	3,070,000	(2,053,128)	337,545	592,020	113,734	65,688	-	2,125,859

for the Period ended 31st Dec,2020

In thousands of Naira

As at 1 January 2020	3,070,000	(1,679,406)	337,545	518,878	65,513	-	0	2,312,529
Profit for the year	-	(128,579)	-	-	-	-	-	(128,579)
Transfer to contingency reserve								-
Other comprehensive income:								
Reversal of prior year fair value loss								-
Fair value changes on AFS	-	-	-	-	1,839	-	-	1,839
Changes in valuation of land and building								-
Reclassification								-
Income tax impact on OCI								-
Total comprehensive income for the year	3,070,000	(1,807,985)	337,545	518,878	67,352	-	0.00	2,185,789
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(29,500)	-	29,500	-	-	-	-
								-
As at 31st Dec, 2020	3,070,000	(1,837,485)	337,545	548,377	67,352	-	0.00	2,185,789

STATEMENT OF CASH FLOWS
for the period ended 31st December, 2021

In thousands of Naira		31/Dec/21	31/Dec/20
Operating activities:	Note		
Premium received	45.1	1,356,288	1,086,733
Commission received	45.2	63,214	83,779
Commission paid	21	(216,997)	(182,484)
Reinsurance premium paid	45.3	(495,391)	(334,402)
Gross claim paid	45.4	(257,689)	(271,589)
Reinsurance recoveries	45.4	87,675	212,822
Payments to employees	45.5	(328,316)	(322,619)
Other operating cash payments	45.6	(420,870)	(442,188)
Other income received	45.8	-	47
Tax paid	24.1	(19,368)	(6,456)
Net cash flow from operating activities		(231,455)	(176,356)
Investing activities:			
Investment income received	45.7	82,262	84,245
Purchase of property and equipment	26	(164,680)	(81,854)
Proceed from sale of property and equipment		2,969	3,704
Purchase/sales of financial assets		(53,403)	161,381
Proceed/(purchase) of investment properties		-	-
Net cash flows from investing activities		(132,853)	167,476
Financing activities:			
Deposit for shares	33	-	-
Interest repayment on finance lease		-	-
principal repayment on finance lease		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		(364,308)	(8,880)
Effect of exchange rate changes on cash and cash equivalent		-	-
Cash and cash equivalents at 1 January		671,661	680,541
Cash and cash equivalents at 31st December 2021		307,353	671,661

1	Gross premium income		
	In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
	Gross premium written	1,356,556	983,319
	Movement in unearned premium (see note 28.4)	(268)	(29,765)
		<u>1,356,288</u>	<u>953,555</u>

(a)	Gross Premium Income Movement	premium written	Movement in unearned premium (see note 28.4)	Gross premium income
	In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/21</u>	<u>31/Dec/21</u>
	Motor	326,433	(20,942)	347,375
	Fire	287,871	(11,981)	299,852
	Marine and aviation	74,433	8,425	66,008
	General Accident	321,734	249	321,485
	Oil and Gas	346,084	24,516	321,568
		<u>1,356,556</u>	<u>268</u>	<u>1,356,288</u>

2	Re-insurance expenses		
	-	<u>31/Dec/21</u>	<u>31/Dec/20</u>
	Gross premium ceded to reinsurers	484,721	480,002
	Movement in reinsurance expense	(27,101)	(201,854)
	Reinsurance expense for the year	<u>457,620</u>	<u>278,148</u>

3	Fees and commission income on reinsurance		
	-	<u>31/Dec/21</u>	<u>31/Dec/20</u>
	Commission received on treaty reinsurance	42,707	38,698
	Commission received on facultative reinsurance	28,506	30,658
	Over-riding commission received.	300	796
		<u>71,513</u>	<u>70,152</u>

4	Claims expenses		
	-	<u>31/Dec/21</u>	<u>31/Dec/20</u>
	Claims paid during the year	257,689	262,743
	Movement in outstanding claims	(131,441)	38,535
	Movement in IBNR	-	-
	Total claims incurred for the year	<u>126,249</u>	<u>301,277</u>
	Recoveries from reinsurers	(87,675)	(144,302)
	Movement in reinsurance share of outstanding claims	-	7,661
	Movement in reinsurance share of outstanding claims IBNR	-	-
		<u>38,574</u>	<u>164,637</u>

5	Underwriting expenses		
	-	<u>31/Dec/21</u>	<u>31/Dec/20</u>
	Aquisition cost (see note 21 and see (a) below)	216,997	154,906
	Underwriting cost	133,888	97,301
		<u>350,885</u>	<u>252,207</u>

6 Investment income	31/Dec/21	31/Dec/20
Rental income - property	9,858	7,073
Dividend income on AFS equity	9,091	7,268
Interest income on statutory deposit with CBN	4,994	36,650
Interest Income- Team deposit	1,024	12,889
Interest income on treasury bills	57,295	54,402
	82,262	118,282
Gain from sale of investment property	-	-
	82,262	118,282

7 Net fair value gains

In thousands of Naira	31/Dec/21	31/Dec/20
(a) Fair value gains on investment properties	-	-
	-	-

8 Other operating income

In thousands of Naira	31/Dec/21	31/Dec/20
Recoveries from other receivables	-	47
Revaluation (loss)/gain on building (See note 25)	-	-
Realized forex gains/(loss)	12	-
Gain/(loss) from disposal of company's	12,619	1,856
Unrealized forex gains	57	11,390
Sundry Income /(loss)	49,920	-
	62,608	13,293

The amount of N43.3m in sundry income relate to excess tax provision in prior year. The write back of this amount was duly approved by the Board.

9 Other operating expenses

In thousands of Naira	31/Dec/21	31/Dec/20
Depreciation and amortization	58,231	47,491
Auditors' remuneration	5,000	4,583
Staff cost	337,744	290,547
Legal and professional fees	48,496	35,783
Rent and Rates	9,422	10,121
Administrative expenses (see note 9c)	258,485	195,772
	717,379	584,297

Administrative expenses include car repairs and maintenance, ICT expenses, office maintenance,

(a) Impairment (charge)/reversal

In thousands of Naira	31/Dec/21	31/Dec/20
Available for sale financial asset		
Other receivables (see note 22.1)	-	-
Reinsurance Assets	(0)	-
	(0)	-

(b) Staff cost

In thousands of Naira	31/Dec/21	31/Dec/20
Wages and salaries	324,186	278,744
Defined benefit plan cost	-	(0)
Pension costs	13,558	11,803
	337,744	290,547

(c) Administrative expenses (see note 9c)

In thousands of Naira	31/Dec/21	31/Dec/20
OFFICE MAINTAINANCE	4,584	2,737
CAR PETROL & DIESEL	19,878	13,712
CAR REPAIRS & MAINTENANCE	11,620	8,539
BOOKS AND PERIODCLS	32	12
OFFICE CONSMBLS AND STAT'RY	3,842	2,403
POSTAGE & COURIER SERVICES	1,042	974
EQUIPMENT REPAIRS & MAINTAINANCE	3,343	3,072
TELEPHONE, TELEX & FAX	6,112	6,572
TRANSPORT EXPENSES	731	753
TOUR & TRAVEL	10,492	6,584
OFFICE EXPENSES	4,324	4,148
ELECTRICITY & ENERGY	205	37
ENTERTAINMENT EXPENSES	757	733
ICT EXPENSES	20,312	18,103
PRINTING	5,751	4,203
OFFICE SERVICE CHARGE	8,623	11,706
TRANSPORT EXPENSE UBER	4,143	4,565
DIRECTORS REMUNERATION	8,200	
DIRECTORS EXPENSES	19,514	12,456
ANNUAL GENERAL MEETING	6,055	5,921
SUBSCRIPTION	5,188	4,406
ADVERTISING	5,105	4,428
CORPORATE GIFTS	15,906	8,852
DONATION & CONTRIBUTIONS	100	1,000
PUBLIC RELATION	-	
STATUTORY LEVY	12,476	19,533
NAICOM & ASSOCIATED DUES	12,764	2,568
TAX CONSULTANCY FEES	-	
BANK CHARGES	9,287	6,326
NIGERIA INSURANCE ASSOCIATION - NIA	3,333	
NIGERIA STOCK EXCHANGE	2,500	
PAYE	2,713	
INDUSTRIAL TRAINING FUND - ITF	2,909	2,802
FINANCIAL REPORTING COUNCIL OF NIGERIA - FRCN	2,158	
WTH TAX EXPENSES		2,967
GOVERNMENT LEVY	913	
VAT	0	
NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT FU	-	
NATIONAL INFORMATION TECHNOLOGY		
DEVELOPMENT FUND (NITDF) LEVY		
INSURANCE	8,876	6,633
STAMP DUTY	434	106
CONTRACTORS - OUTSOURCED STAFF	20,378	19,289
HMO EXPENSES	12,583	9,635
FINES & PENALTIES	1,300	
	258,485	195,772

Office running expenses includes car repairs and maintenance, ICT expenses and office maintenance.

10 Finance cost

In thousands of Naira	31/Dec/21	31/Dec/20
	-	-
	-	-

This represent interest charged on motor vehicles purchased on finance lease.

11 Current tax

11.1 Charge for the year

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Recognised in profit or loss		
Income tax	(1,232)	(4,571)
Minimum tax	-	-
Tertiary education tax	-	-
NITDA	-	-
Prior year under provision	-	-
	(1,232)	(4,571)
Deferred tax (credit)/charge (see note 24.2)	-	(6,456)
	<u>(1,232)</u>	<u>(11,027)</u>

11.2 Reconciliation of effective tax rate

In thousands of Naira		<u>31/Dec/21</u>		<u>31/Dec/20</u>	
	Tax rate	Amount	Tax rate	Amount	
	%		%		
Profit/ (loss) before tax		6,981		(801,642)	
Income tax using the domestic corporation tax rate	30%	-	30%	-	
Non-deductible expenses	0%	-	0%	-	
Minimum tax		-		-	
Tax exempt income	0%	-	0%	-	
Impact of Industry tax law	0%	-	0%	-	
Unrelieved loss	0%	-	0%	-	
Changes in estimates related to prior years	0%	-	0%	-	
	<u>30%</u>	<u>-</u>	<u>30%</u>	<u>-</u>	

12 Dividends paid and proposed

No dividend was proposed or paid by the Company for the period ended December 31, 2020 (2019: nil).

13 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year outstanding at the reporting date. There are no potential diluted shares

	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Profit attributable to ordinary shareholders (N'000)	6,981	(128,579)
	Unit	Unit
Weighted average number of ordinary shares issued ('000)	6,140,000	6,140,000

There were no dilutive shares during the year

Basic and diluted earnings per ordinary share (Kobo)	<u>0.11</u>	<u>(2.09)</u>
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14 Net unrealized (loss)/gains on available-for-sale financial asset	<u>31/Dec/21</u>	<u>31/Dec/20</u>
In thousands of Naira		
Unrealised (loss)/gains on available-for-sale financial assets	1,002	1,839
Reclassification adjustments to gains included in profit or loss	-	-
	<u>1,002</u>	<u>1,839</u>

15 Net unrealized (loss)/gains on ppe - land & building		
In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Unrealised (loss)/gains on ppe - land & building	-	-
Reclassification adjustments to gains included in profit or loss	<u>-</u>	<u>-</u>

16 Cash and cash equivalents		
In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Cash and cash equivalent comprises :		
Cash in Hand	-	-
Balance held with banks in Nigeria	-25,129	661,137
Placements	<u>332,482</u>	<u>10,524</u>
	<u><u>307,353</u></u>	<u><u>671,661</u></u>

Representing:

Policyholder's fund	155,953	520,261
Shareholder's fund	<u>151,400</u>	<u>151,400</u>
	<u><u>307,353</u></u>	<u><u>671,661</u></u>

Placements comprise deposits with maturity periods of less than 90 days from the value date of the instruments. All placements are subject to an average variable interest rate of 2.0% (2019: 8.0%) obtainable in the market.

reporting date and are all current balances

17 Available-for-sale financial assets comprises:		
In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Available-for-sale financial assets	<u>264,236</u>	<u>263,233</u>
	<u><u>264,236</u></u>	<u><u>263,233</u></u>

17.1 Available-for-sale financial assets comprises:	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Equity securities		
Quoted (see (a) below)	57,823	56,820
Unquoted (see (b) below)	209,582	209,582
Impairment loss	(3,168)	(3,168)
Treasury bills	-	-
	<u><u>264,236</u></u>	<u><u>263,234</u></u>

(a) Quoted Equities:		
In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	56,820	53,500
Fair value gain/(loss)	<u>1,002</u>	<u>3,320</u>
	<u><u>57,823</u></u>	<u><u>56,820</u></u>

(b) Unquoted Equities:		
In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	209,582	165,684
Addition through rights issue	-	-
Fair value gain	<u>-</u>	<u>43,898</u>
	<u><u>209,582</u></u>	<u><u>209,582</u></u>

The valuation of unquoted shares is stated as at 31/12/2020 the current valuation is ongoing and will reflect on the Audited Financial Statement

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.

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.

18 Held to maturity financial assets

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Held to maturity financial assets	939,446	886,042
	<u>939,446</u>	<u>886,042</u>
18.1 Held to maturity financial assets comprises:	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Treasury bills	886,042	886,042
Addition	53,403	-
	<u>939,446</u>	<u>886,042</u>
18.2 Classification	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Current	939,446	886,042
Non-current	-	-
	<u>939,446</u>	<u>886,042</u>

19 Trade receivables		
In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Gross insurance receivables	0.00	-
Impairment allowance		-
	<u>0</u>	<u>-</u>

The carrying amounts disclosed above approximate fair value at the reporting date. Impairment allowance involves all trade receivables aged over 30 days.

19.1 Impairment of trade receivables are as follows

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Insurance companies	-	
Broker	-	
	<u>-</u>	<u>-</u>

Impairment allowance involves all trade receivables aged over 30 days.

Classification	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Current	0.00	-
Non-current	-	-
	<u>0.00</u>	<u>-</u>

20 Reinsurance asset

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Prepaid reinsurance	158,343	125,012
Reinsurance share of paid claims	79,581	18,337
Reinsurance share of outstanding claims	123,627	126,521
Reserve for IBNR (see note (a))	30,458	30,458
	<u>392,009</u>	<u>300,328</u>

Prepaid reinsurance represents the unexpired risk on premium ceded to reinsurer

Classification	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Current	392,009	300,328
Non-current	-	-
	<u>392,009</u>	<u>300,328</u>

21 Deferred acquisition cost

This represent the unexpired portion of the commission paid to brokers and agents at the reporting date.

	Fire	Motor	General accident	Marine and aviation	Total
In thousands of Naira					
As at 1 January 2021	18,321	14,507	29,676	4,400	66,904
Additional Acquisition cost for the year	25,284	10,768	151,183	29,762	216,997
Amortization for the year (see note 5)	(25,284)	(10,768)	(151,183)	(29,762)	(216,997)
As at 31 December, 2021	18,321	14,507	29,676	4,400	66,904
2021					
Current	18,321	14,507	29,676	4,400	66,904
Non-current	-	-	-	-	-
	18,321	14,507	29,676	4,400	66,904
2020					
Current	19,578	17,909	22,832	2,613	62,932
Non-current	-	-	-	-	-
	19,578	17,909	22,832	2,613	62,932

22 Other receivables and prepayment

In thousands of Naira

	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Due from Insurance Company	-	-
Prepaid staff expense	13,102	4,244
Accrued interest on statutory deposit	11,014	10,491
Rent receivable		
Deposit for computerization	93,880	93,880
Withholding tax receivable	9,832	9,279
Prepayments	32,816	34,536
	<u>160,645</u>	<u>152,430</u>
Impairment charged on other receivables (see note 22.1)	(96,754)	(96,754)
	<u><u>63,891</u></u>	<u><u>55,676</u></u>

22.1 Movement on impairment

As 1 January	(96,754)	(96,754)
Impairment (charge)/reversal during the year	-	-
	<u><u>(96,754)</u></u>	<u><u>(96,754)</u></u>

23 Investment properties

In thousands of Naira

	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Reconciliation of carrying amount		
At 1 January	85,000	78,000
Disposal	-	-
Impairment loss	-	-
Fair value adjustment (see note 7)	-	7,000
	<u>85,000</u>	<u>85,000</u>

Investment properties are stated at fair value, which has been determined based on valuations performed by Ubsi Eleh & Co.(FRCN/2014/NIESV/0000003997), accredited independent valuers, 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.

The valuation of investment property is stated at as 31/12/2020 the current valuation is on-going and will reflect on the Audited Financial Statement

24 Current Tax Liability

The movement on tax payable account during the year is as follows:

24.1 Current tax payable

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	85,757	89,508
Payments during the year	(19,368)	(6,456)
Write back	(43,300)	-
Charge for the year (see note 11.1)	1,232	2,704
	-	-
	<u>24,320</u>	<u>85,756</u>

24.2 Deferred tax liabilities

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	115,300	112,657
Charge to profit or loss for the year (see note 11.2)	-	-
Recognized in OCI	-	2,643
	<u>115,300</u>	<u>115,300</u>
Deferred Income Tax Asset	(3,989)	(3,989)
	<u>111,311</u>	<u>111,311</u>

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2019: 10%) on investment properties and 30% (2019: 30%) on other items.

25 Intangible Asset

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	4,742	5,393
Additions	2,144	-
Amounts recorded in the income statement	-	-
	<u>6,886</u>	<u>5,393</u>
Accumulated amortisation and impairment:		
At 1 January	944	651.13
Amortization	-	0
	<u>944</u>	<u>651</u>
Carrying amount:		
At 31 August	-	-
The intangible assets are non-current.	<u>5,942</u>	<u>4,742</u>

26 Property, Plant and equipment

In thousands of Naira	Motor Vehicles	Building	Land	Computer Equipment	Office Furniture and Fittings	Work in progress	Total
Cost/Revalued Amount							
At 1 January 2021	194,259	525,000	276,000	116,352	114,067	-	1,225,678
Additions	154,553	2,300	-	1,779	8,348	-	166,980
Revaluation surplus Adjustment	-	-	-	-	-	-	-
Revaluation loss	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Disposals	(2,969)	-	-	-	-	-	(2,969)
As At 31st December, 2021	<u>345,843</u>	<u>527,300</u>	<u>276,000</u>	<u>118,131</u>	<u>122,415</u>	<u>-</u>	<u>1,389,689</u>
Accumulated depreciation							
At 1 January 2021	172,028	(0)	-	115,933	99,970	-	387,930.34
Depreciation for the period	22,606	26,298	-	4,000	1,384	-	54,287.33
	<u>194,634</u>	<u>26,298</u>	<u>-</u>	<u>119,933</u>	<u>101,353</u>	<u>-</u>	<u>442,218</u>
Reclassification	-	-	-	-	-	-	-
Adjustment	-	-	-	-	(244)	-	(244)
Disposals	-	-	-	(3,029)	-	-	(3,029)
As At 31st December, 2021	<u>194,634</u>	<u>26,298</u>	<u>-</u>	<u>116,904</u>	<u>101,110</u>	<u>-</u>	<u>438,945</u>
Carrying amount							
As At 31st December, 2021	<u>151,209</u>	<u>501,002</u>	<u>276,000</u>	<u>1,227</u>	<u>21,306</u>	<u>-</u>	<u>950,744</u>
As at 31 December, 2020	<u>22,231</u>	<u>525,000</u>	<u>276,000</u>	<u>5,007</u>	<u>13,246</u>	<u>-</u>	<u>841,484</u>

- 26.1 All categories of property and equipment are initially recorded at cost. Subsequently, land and building are measured using revaluation model. The elimination adjustment shows the netting-off of accumulated depreciation against the carrying amount (previous revalued amount) in order to show the net book value as at the day of revaluation.
- A valuation was conducted by Ubosi Eleh & Co.(FRC/2013/NIESV/0000001493). They have relevant recognized professional qualification and experience in the property being valued. The property was valued using the OMV basis as at 31 December 2020. The valuation method is the comparable method.

27 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria as at July 31, 2021, 2020: ₦333,654,000) in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 10% per annum and this has been included within investment income.

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Statutory deposit	<u>333,654</u>	<u>333,654</u>

28 Insurance contract liabilities

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Provision for reported claims by policyholders	275,933	407,374
Provisions for claims incurred but not reported (IBNR)	91,668	91,668
Outstanding claims provisions	<u>367,601</u>	<u>499,042</u>
Provision for unearned premiums	403,819	403,551
	<u>771,420</u>	<u>902,593</u>

The cash and cash equivalents as described in note 16 serves as a cash cover for the insurance contract liabilities.

28.2 Outstanding reported claims provision

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	407,374	351,960
Movement during the year	(131,441)	55,414
	<u>275,933</u>	<u>407,374</u>

28.3 IBNR provision

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	91,668	118,599
Movement during the year	-	(26,931)
	<u>91,668</u>	<u>91,668</u>

28.4 Provision for unearned premiums

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
At 1 January	403,819	373,981
Movement during the year (see note 28.5)	-	29,571
	<u>403,819</u>	<u>403,552</u>

28.5 Movement during the year (see note 1)

	<u>31/Dec/21</u>	Movement	<u>31/12/2020</u>
Unexpired Risk - Aviation	180	-	180
Unexpired Risk - Agric	-	-	-
Unexpired Risk - Bonds	151	-	151
Unexpired Risk - Engineering	58,894	-	58,894
Unexpired Risk - Fire	95,380	-	95,380
Unexpired Risk - General Accident	47,130	-	47,130
Unexpired Risk - Marine Cargo	9,231	-	9,231
Unexpired Risk - Marine Hull	12,607	-	12,607
Unexpired Risk - Motor	123,990	-	123,990
Unexpired Risk - Oil And Gas	56,255	-	56,255
	<u>403,819</u>	<u>-</u>	<u>403,819</u>

29 Trade payables

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
This represents the amount payable to insurance companies on facultative placements	53,910	-
	<u>53,910</u>	<u>-</u>

Trade payables are recognised when due. These include amount due to agents, brokers and insurance and reinsurance contract holders. Trade payables are measured on initial recognition at the fair value of the consideration received and subsequently measured at amortized cost.

The company has the right to set-off reinsurance payables against the amount due from reinsures and brokers in line with the agreement between both parties. Trade payables includes reinsurance liabilities which are primarily premiums payable on reinsurance contracts entered into by the company and are recognised as at when incurred. Commissions payables to the brokers also form part of trade payables.

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

30 Other payables and accruals

In thousands of Naira	<u>31/Dec/21</u>	<u>31/Dec/20</u>
Accrued expenses	36,900	38,168
Deferred revenue (see note 31)	8,073	3,151
Deferred commission income	39,993	31,694
Statutory payables	11,171	1,743
Other payables	63,650	59,318
	<u>159,787</u>	<u>134,074</u>
Due within 12 months	159,787	134,074
Due after 12 months	-	-
	<u>159,787</u>	<u>134,074</u>

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

31 Deferred Revenue

In thousands of Naira	31/Dec/21	31/Dec/20
At 1 January	3,151	3,347
Deferred rental income	14,780	8,654
Amount released to the income statement	(9,858)	(8,850)
	8,073	3,151

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

32 Employee benefit obligations**Defined benefit****Employee Benefit**

In thousands of Naira	31/Dec/21	31/Dec/20
End of service benefit plan (see note (a) below)	1,743	4,316
Defined benefit plan	9,428	(2,573)
	11,171	1,743
Classified as;		
Current	11,171	1,743
Non-Current	-	-
	11,171	1,743

The end of service benefit plan qualify as a defined benefit obligation and was actuarially determined at year end upto December 31, 2020. This obligation has been settled fully in the year 2021. The balance of N1,743,000 standing in the account as at December 31, 2020 represents the defined benefits plan for staff.

33 Deposit for shares

In thousands of Naira	31/Dec/21	31/Dec/20
Deposit for shares	151,400	151,400
	151,400	151,400

Deposit for shares represents funds from three parties for subscription to the equity shares of the Company.

34 Share capital and reserve**34.1 Authorised and issued share capital**

In thousands of Naira	31/Dec/21	31/Dec/20
Authorised share capital	4,000,000	4,000,000
8.0 billion Ordinary shares of N0.50k each		

34.2 Issued and fully paid

In thousands of Naira	31/Dec/21	31/Dec/20
At 1 January	3,070,000	3,070,000
Issued during the period	-	-
Issued and fully paid	3,070,000	3,070,000

35 Share premium

In thousands of Naira	31/Dec/21	31/Dec/20
At 1 January	337,545	337,545
Share premium	337,545	337,545

35.1 SHAREHOLDING STRUCTURE**S/N Shareholding Structure/Free Float Status**

S/N	Description	30-Jun-21		30-Jun-20
		Unit	Percentage	Unit
1	Issued Share Capital	6,140,000,000	100%	6,140,000,000
	Substantial Shareholdings (5% and above)			
2	Mr. Anthony Achebe (Indirect - representing the interest of Chrome Oil Services Limited)	2,798,514,210	45.58%	2,798,514,210
	Mr. Emeka Uzoukwu (Indirect - representing the interest of Nimek Investments Limited.)	1,288,252,777	20.98%	1,288,252,777
	Total Substantial Shareholdings	4,086,766,987	66.56%	4,086,766,987

Declaration:

Not applicable (NA)

36 Statutory contingency reserve

In accordance with the Insurance Act of Nigeria, a contingency reserve is credited with the greater of 3% of total premium or 20% of profit of general insurance business and 1% of total premium or 10% profit for life business. This shall accumulate until it reach the amount of greater of minimum paid up capital or 50% of net premium.

In thousands of Naira	31/Dec/21	31/Dec/20
At 1 January	551,323	518,878
Transfer from Profit and Loss A/C 3% of gross premium	40,697	32,445
Transfer from Profit and Loss A/C 20% of Net Profit	1,396	
	<u>40,697</u>	
	<u>592,020</u>	<u>551,323</u>

37 Accumulated Losses

In thousands of Naira	31/Dec/21	31/Dec/20
At 1 January	(2,019,412)	(1,759,294)
Profit/loss for the year	6,981	(227,673)
Transfer to contingency reserve	(40,697)	(32,445)
Transfer from employee benefit reserves	-	-
	<u>(2,053,128)</u>	<u>(2,019,412)</u>

38 Available-for-sale Financial Assets Reserve

In thousands of Naira	31/Dec/21	31/Dec/20
At 1 January	112,731	65,513
Reversal of prior year fair value loss		
Fair value changes - Quoted Equity	7,298	3,320
Fair value changes - Unquoted Equity (See (a) below)	-	43,898
	<u>120,029</u>	<u>112,731</u>

39 Employment benefit reserve

At the beginning of the period	-	-
For the period	-	-
Reclasification	-	-
	<u>-</u>	<u>-</u>

A valuation of the Company's unquoted equity was conducted by Pedabo (FRC/2013/ICAN/00000000904). They have relevant recognized professional qualification and experience.

40 Asset revaluation

At the beginning of the period	65,688	41,902
For the period	-	23,786
	<u>65,688</u>	<u>65,688</u>

41 Contravention of laws and regulations

The Company incurred the following penalty/fine during the year:

Description	31/Dec/21	31/Dec/20
In thousands of Naira	-	-
	-	-

42 Related party disclosures

The Company entered into transaction with shareholders of the company and key management personnel in the normal course of business.

43 Employees and directors

a. Employees

The average number of persons employed by the Company during the year was as follows:

In thousands of Naira	31/Dec/21	31/Dec/20
Executive directors	-	-
Management	-	-
Non-management	-	-
	-	-

The number of employees of the Company, other than non directors, who received emoluments in the following ranges (excluding

	Number	Number
Less than N800,001	-	-
N800,001 - N2,000,000	-	-
N2,000,001 - N2,800,000	-	-
N2,800,001 - N3,500,000	-	-
N3,500,001 - and Above	-	-
	-	-

b. Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:

In thousands of Naira	31/Dec/21	31/Dec/20
Fees and sitting allowances	-	-
Executive compensation	-	-
	-	-

The chairman

The highest paid director

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable

	31/Dec/21	31/Dec/20
	Number	Number
Below N1,600,000	-	-
N1,600,000 - N2,000,000	-	-
N2,000,001 - N2,900,000	-	-
N2,900,001 - N3,400,000	-	-
N3,400,000 - and above	-	-
	-	-

44 Events after the reporting period**45 Reconciliation of Statement of Cash flow**

In thousands of Naira

	31/Dec/21	31/Dec/20
45.1 Premium received		
Gross written premium per income statement	1,356,556	1,081,507
Decrease/(increase) in insurance receivables	(268)	5,226
Impairment of insurance receivable charged during the year	-	-
	1,356,288	1,086,733
45.2 Commission received		
Decrease/(Increase) in deferred commission income	(8,299)	(3,295)
Fees and commission income per income statement	71,513	80,484
	63,214	77,190

45.3	Reinsurance premium paid		
	Reinsurance premium per income instatement	(457,620)	(317,982)
	Change in trade payables	53,910	-
	Decrease/(increase) in reinsurance asset	(91,681)	(16,420)
		<u>(495,391)</u>	<u>(334,402)</u>
45.4	Gross claims paid net of recoveries		
	Claims incurred	87,675	212,822
	Gross claims paid per income statement	(257,689)	(271,589)
		<u>(170,014)</u>	<u>(58,767)</u>
	Analysis of recoveries on claims paid		
	Cash claim recoveries	87,675	320,046
	Claims receivables on claims paid	-	2,573
		<u>87,675</u>	<u>322,619</u>
45.5	Payments to employees		
	Employee benefits expenses	(337,744)	(320,046)
	(Decrease)/Increase in employee benefit obligations	9,428	(2,573)
		<u>(328,316)</u>	<u>(322,619)</u>
45.6	Other operating cash payments		
	Other Operating expenses	(258,485)	(262,509)
	Less: Non Cash Items		
	Decrease/(Increase) in other receivables and prepayments	(8,216)	17,006
	Increase/(Decrease) in other payables	25,714	1,606
	(Increase)/Increase in insurance payables		
	Decrease/(Increase) in other financial liabilities		
	Change in statutory deposit	-	-
		<u>(240,988)</u>	<u>(243,898)</u>
45.7	Investment income received		
	Rental income from land and building	9,858	4,875
	Dividend income on AFS equity	9,091	8,752
	Interest income on statutory deposit with CBN	4,994	13,868
	Interest income on fixed placement	1,024	13,128
	Interest income on treasury bills	57,295	43,623
		<u>82,262</u>	<u>84,245</u>
45.8	Other income received		
	Sundry Income	-	47
	Recoveries from other receivables		
	Sundry Income	-	-
		<u>-</u>	<u>47</u>

46 Dealings in Issuers' Shares

The Company has a Securities Trading Policy which governs the trading of the Company's Securities by Insiders. The Policy has been circulated to all Directors and employees and also uploaded on the Company's website. The Company has contacted the Directors and they confirmed compliance with the Policy and the required provisions set out in Exchange's rule during the quarter under review. This is In compliance with the provisions of Security and Exchange Commission Rule 17.15(d).