

GOLDLINK INSURANCE PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

DOYIN OWOLABI & CO.
(Chartered Accountants)
14, Falolu Street
Surulere,
Lagos.

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Corporate Information

Certificate of incorporation number RC192814
Date of incorporation 15 April, 1992
Registrars Pace Registrars Limited
NAICOM license number RIC -033

Board of Directors and Management

Mr. Oluwole Onasanya Chairman (Resigned with effect from 31 May 2021)
Mrs. Oyindamola Unuigbe Chairman(Appointed 8 June, 2021; Deceased -18 October 2022)
Ms. Saratu Umar Garba Interim Chairman
Mr Olusina Opeolu Managing Director/CEO
Mr Paul Ibe Non-Executive Director(Resigned with effect from 8 June,2023)
Mr Patrick Azurunwa Non-Executive Director
Mr Adebayo Oniwinde Non-Executive Director
Chief Franklin Igbodo Non-Executive Director(Resigned with effect from 1 Jan,2022)
Mr. Olasunkanmi Adekeye Non-Executive Director(Nominee, awaiting NAICOM approval)
Mrs Fatima Adojo Non-Executive Director(Nominee,awaiting NAICOM final approval)

Bankers and other professional advisors

Bankers:
Guaranty Trust Bank PLC
Access Bank PLC
Zenith Bank PLC
Sterling Bank PLC
First Bank PLC
United Bank for Africa
Union Bank of Nigeria Plc
Ecobank Nigeria Limited
Wema Bank Plc
Keystone Bank Limited
Unity Bank Plc
First City Monument Bank Ltd
Polaris Bank Plc

Company Secretary: Ovoke Borlokor
FRC/2024/PRO/NBA/004/843577

Registered Office: 6, Emmanuel Street, Maryland, Lagos

Auditor: Doyin Owolabi & Co.
(Chartered Accountants)
14, Falolu Street
Off Itire Road
Surulere
Lagos.
FRC/2012/ICAN/0000000101

Reinsurers: African Reinsurance Corporation
WAICA Reinsurance Ltd
Continental Reinsurance Plc

Actuary: Logic Professional Services
FRC/2016/NAS/00000015016

Estate Surveyor and Valuer: Foluke Ismail & Associates
(Estate Surveyors and Valuers)
FRC/2013/NIESV/0000001701

Directors' Report

For the year ended 31 December 2021

The Directors hereby present the annual report on the affairs of Goldlink Insurance PLC ("the Company") together with the audited financial statements and the auditor's report for the year ended 31 December 2021.

Legal form and principal activity

The Company was incorporated on 15 April 1992 as a private limited liability company. The Company obtained an insurance license from the National Insurance Commission on 8 September 1993 and commenced business on 1 January 1994. Following the recapitalization exercise, the Company converted to a Public Liability Company on 11 May 2007 and was listed on the Nigerian Stock Exchange by way of introduction on 12 February 2008.

The Company's principal activity continues to be the provision of risk underwriting and related financial services to its customers. Such services include provision of life and general insurance services to both corporate and individual customers.

Operating results

The following is a summary of the Company's operating results for the year ended 31 December 2021:

In thousands of Naira	Company 2021	Company 2020
Gross premium written	502,939	728,210
Loss before income tax	(431,077)	(124,950)
Taxation	(2,515)	(3,137)
Loss after taxation	(433,592)	(128,087)
Loss attributable to equity holders	(433,592)	(128,087)
Transfer to statutory contingency reserve	(12,220)	(40,417)
Shares surrendered	-	-
Transfer to retained losses	(445,812)	(168,504)
Shareholders' deficit	(7,676,656)	(7,344,645)
Loss per share (k) - Basic	(18)	(5)
Loss per share (k) - Diluted	(18)	(5)

Dividends

No dividend was proposed for the year ended 31 December 2021 (2020 : Nil).

Directors and their interest

The Directors of the Company who held office during the year had no direct or indirect interest in the share capital of the Company as at 31 December 2021 (2020: Nil)

Retirement and Appointment of Directors

The following Directors served during the year under review:-

Mr Wole Onasanya*	Chairman	Resigned 31 May 2021
Mrs Oyindamola Unuigbe	Chairman	Appointed 8 June 2021 (Deceased – 18 October, 2022)
Ms Saratu Umar Garba	Chairman	Interim, Appointed 1 December 2022
Mr Roland Awoyinfa*	Managing Director/CEO	Resigned 1 November 2021
Mr Paul Ibe*	Non Executive Director	Resigned 8 June 2023
Mr Patrick Azurunwa*	Non Executive Director	
Mr Adebayo Oniwinde*	Non Executive Director	
Chief Franklin Igbodo*	Non Executive Director	Resigned 1 January 2022
Mr. Olusina Opeolu**	Managing Director/CEO	Appointed 17 August 2021

* Board Members constituted 10 November 2020

** Appointed in August 2021 to succeed the retiring erstwhile Managing Director/CEO

Directors' Report

For the year ended 31 December 2021

Contracts

In accordance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the Directors has notified the Company of any declarable interest in contracts during the year.

Significant Shareholding

According to the Register of Members, no shareholder other than the under-mentioned held more than 5% of the issued share capital of the Company as at 31 December 2021:

	2021				2020			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Unity Kapital Assurance Plc	1,268,064,351	51.53%	-	-	1,268,064,351	51.53%	-	-

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

Share range	No of holdings	2021	Percentage of holdings
001-1000	916,782		0.04%
1001-10000	25,825,592		1.05%
10001-50000	72,212,401		2.93%
50001-100000	42,000,541		1.71%
100001-500000	119,974,787		4.88%
500001-1000000	59,161,202		2.40%
1000001 & Above	2,140,826,684		86.99%
Total	2,460,917,989		100.00%

Share range	No of holdings	2020	Percentage of holdings
001-1000	916,782		0.04%
1001-10000	25,825,592		1.05%
10001-50000	72,212,401		2.93%
50001-100000	42,000,541		1.71%
100001-500000	119,974,787		4.88%
500001-1000000	59,161,202		2.40%
1000001 & Above	2,140,826,684		86.99%
Total	2,460,917,989		100.00%

Share capital history

As at 31 December 2021, the Company's authorized share capital was N4,550,000,000 (2020: 4,550,000,000) with paid up share capital of N1,230,459,000 (2020: N 1,230,459,000) divided into 2,460,917,989 (2020: 2,460,917,989) ordinary shares

Property and equipment

Information relating to changes in property and equipment during the year is given in Note 12 to the financial statements.

Donations and charitable gifts

The Company identifies with the aspirations of the community as well as the environment within which it operates and made donations to the under-listed organization amounting to ₦1,500,000 (2020: NIL) during the year as follows:

Organisation:	2021	2020
	₦	₦
University of Ibadan	1,500,000	-
	<u>1,500,000</u>	<u>-</u>

Directors' Report

For the year ended 31 December 2021

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

Employment of disabled persons

The Company is committed to providing equal opportunities and does not discriminate in considering applications from suitably qualified persons, including disabled persons. However, as at 31 December 2021, no disabled persons were in the employment of the Company (31 December 2020: Nil).

Health, safety and welfare of employees

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Health, safety and fire drills are regularly organized to keep employees alert at all times. Employees are adequately insured against occupational hazards.

Employee involvement and training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. Towards this end, the Company provides opportunities for employees to deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower. Consequently, the Company sponsored its employees for various training courses in the year under review.

Events after the reporting date

i. Assessment of the impact of COVID-19

More than a year after the coronavirus outbreak was declared a global pandemic by the World Health Organization, COVID-19 had claimed over 4 million lives and infected over 200 million people worldwide. The pandemic's impact touched almost every aspect of modern life, overwhelming public health systems, the global economy, travel, as well as community and social ties. It also impacted how work is now done. According to the International Monetary Fund (IMF) estimates, the global economy shrank by 4.4% in 2021 dragging the vast majority of nations around the world into recession.

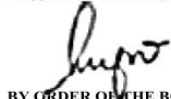
The Company operates within the global economy and therefore cannot be totally shielded from the consequent effects on the Company's financial position and operating results. However, the Company still considers this outbreak to be a non-adjusting subsequent event and the Directors do not consider it practicable to provide a quantitative estimate of its potential impact. The Directors will continue to monitor the situation closely and will respond to mitigate the impacts as they present.

ii. Minimum Capital Requirement

In June 2020, the National Insurance Commission (NAICOM) released an updated circular announcing the extension of the deadline for compliance with the minimum paid up share capital policy for Insurance companies. According to the new circular, Life insurers are required to maintain a new minimum paid share capital of N8bn, General insurers are required to maintain N10bn while Composite insurers and Reinsurers are required to increase capital to N18bn and N20bn respectively – see Note 37

Auditors

Messrs. Doyin Owolabi & Co, (Chartered Accountants) have indicated their willingness to continue in office as Auditors to the Company and have therefore been re-appointed in accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria.



BY ORDER OF THE BOARD

Ovoke Borlorok

FRC/2024/PRO/NBA/004/843577

Company Secretary

6, Emmanuel Street Maryland, Lagos

17 October, 2025

Statement of Directors' Responsibilities in relation to the financial statements for the year ended 31 December 2021

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, Cap C.20, Laws of the Federation of Nigeria, 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission ("NAICOM") circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead other than as disclosed in Note 38 to the financial statements.

SIGNED ON BEHALF OF THE DIRECTORS BY:



Mr. Olusina Opeolu - Managing Director/CEO
FRC/2023/PRO/DIR/003/493355
17 October, 2025



Ms. Saratu Umar Garba
FRC/2019/PRO/00000019159
17 October, 2025

Corporate Governance Report

Introduction

Goldlink Insurance Plc has in place, corporate policies and standards to encourage good and transparent corporate governance framework in order to avoid potential conflicts of interest between all stakeholders whilst promoting ethical business practices.

The Company strives to carry out its business operations on the principles of integrity and professionalism whilst enhancing shareholders value through transparent conduct with the adoption of applicable regulatory standards as well as international best practices in corporate governance, service delivery and value creation for all.

In order to ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice to align with NAICOM's Code of Corporate Governance with particular reference to compliance, disclosures and structure.

NAICOM's Code of Corporate Governance also requires that an annual Board appraisal report should be submitted to NAICOM. The Board appraisal is to be conducted by an Independent Consultant appointed by the Company.

Governance Structure

The governance of the Company resides with the Board of Directors who are accountable to shareholders for creating and delivering sustainable value by managing the Company's businesses. The Board is responsible for the efficient operations of the Company and ensures that the Company fully discharges its legal, financial and regulatory responsibilities.

The Board also reviews corporate performance, monitors the implementation of corporate strategy and sets the Company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to Management. These oversight functions of the Board of Directors are exercised through its various Committees. In the course of the period under review, the Board had four (4) Committees focused on ensuring the proper management and direction of the Company via interactive dialogue on a regular basis.

The Board comprises six (6) members, including the Chairman, the Managing Director, and four (4) Non-Executive Directors. They are made up of seasoned professionals, who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board. The effectiveness of the Board and Management derives from the appropriate balance and mix of skills and experience of the Directors. The Board had 6 meetings during the year.

Responsibilities of the Board

The Board determines the strategic objectives of the Company in delivering long-term growth and short-term goals. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conforming with governance principles and economic performance.

The powers reserved for the Board include the following;

- determination of Company's structure, size and composition, including appointment, succession planning for the senior management and Board Committee membership.
- approval of mergers and acquisitions, branch expansion, approval of remuneration policy and packages of the Board members
- approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate governance and anti-money laundering.
- approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars prospectus and principal regulatory filings with the regulators.
- approval of major change to the Company's corporate structure (excluding internal reorganizations) and changes relating to the Company's capital structure or its status as a public limited company
- approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices
- approval of the Company's strategy, medium and short term plans and its annual operating and capital expenditure budget; and
- recommendation to shareholders on the appointment or removal of auditors and the remuneration of auditors.

Roles of Key Members of the Board

The position of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

The Chairman

The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions, monitor effectively and provide advice to promote the success of the Company.

The Chairman is also responsible for promoting effective relationships and open communication, between Executive and Non- Executive Directors.

The Chairman strives to ensure that any disagreements on the Board are resolved amicably.

The Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Chief Executive Officer (CEO), who is responsible for leading Management and for making and implementing operational decisions. The CEO is responsible to the Board of Directors and in ensuring that the Company complies strictly with regulations and policies of both the Board and Regulatory Authorities.

The CEO has the overall responsibility for the optimization of the Company's resources and for the Company's financial performance.

The Chief Financial Officer

The Chief Financial Officer is responsible for presenting and reporting timely financial information of the Company. He is also responsible for financial planning and managing the financial risks of the Company. He reports directly to the CEO and the Board on all strategic financial matters.

The Company Secretary

The Company Secretary is the point of reference and support for all Directors who updates the Directors with all requisite information promptly and regularly.

The Board may through the Company Secretary obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.

The Company Secretary is further responsible to assist the Chairman and Chief Executive Officer to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organize Board meetings and ensure that the Board's discussions and decisions are documented in the minutes of meetings.

Induction and Continuous Training of Board Members

On appointment, Board members receive a formal induction tailored to meet their individual requirements. Management further strives to acquaint the Directors with the operations of the Company via trainings and seminars to the extent desired by Directors to enable them function in their position. The training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the insurance industry and operating environment.

Remuneration of Non-Executive Directors

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NAICOM Code of Corporate Governance which stipulate that the Non-Executive Directors' remuneration should be limited to Directors' fees and reimbursable travel and hotel expenses. Directors' fees and sitting allowances paid to only Non-Executive Directors are recommended by the Board Governance, Audit and Compliance Committee.

Dealings in Issuer's Shares

The Board is making efforts to adopt a code of conduct regarding securities transactions by its Directors, however the Directors have confirmed that none of the serving Directors transacted or dealt in the Company's shares during the period under consideration.

Share Dealing Policy

In accordance with the Post-Listing Rules of the Nigerian Stock Exchange, Goldlink Insurance Plc has a share dealing policy. The Policy regulate securities transactions by its Directors, Employees and other Insiders on terms which are no less than the required standard set out in the Nigerian Stock Exchange Rules. The Policy and Closed Periods were communicated periodically to drive compliance. In respect of the year ended 31 December 2021, the Directors of Goldlink Insurance Plc. hereby confirm that specific enquiry of all Directors has been made during the reporting period and there is no incidence of non-compliance with the listing rules of the Nigerian Stocks Exchange and Nigeria's Code of conduct, regarding securities transactions by Directors.

Complaints Management Policy

In compliance with the Securities and Exchange Commission Rules relating to the Complaints Management Framework of the Nigerian Capital Market (SEC Rules) issued on 16 February, 2015 and the Nigerian Stock Exchange Directives (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies issued on 22 April, 2015, Goldlink Insurance Plc. has further strengthened its complaints management procedure. The Company has in place a formal Complaints Management Policy by virtue of which complaints arising from issues covered under the Investment and Securities Act 2007 (ISA) are registered and promptly resolved.

Board Committees

The Board carries out its responsibilities through its Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has four (4) Committees, namely; Board Statutory Audit Committee; Board Governance, Audit & Compliance Committee; Board Investment, Finance & General Purposes Committee and the Board Enterprise Risks Management & Technical Committee. Through these Committees, the Board is able to more effectively deal with complex and specialized issues and fully utilize its expertise to formulate strategies for the Company.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated below:

(i) Board Statutory Audit Committee

The Committee shall be responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.

The Committee shall provide oversight functions over the Company's financial statements, its internal control and risk management functions. The Committee is responsible for ensuring compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor and performance of the Company's internal audit function as well as that of external auditors.

The Committee Chairman reports formally to the Board on its proceedings after each meeting on all matters within its functions and responsibilities. The Committee makes whatever recommendations to the Board it deems appropriate on any area within its ambit where action or improvement is needed. The Board Statutory Audit Committee now comprised the following members:

1 Mr. Samuel Adedoyin	Chairman (Shareholders' Representative)
2 Mr Bayo Oniwinde	Member (Non-Executive Director)
3 Mr Tajudeen Olawuyi	Member (Shareholders' Representative)
4 Ms Saratu Umar Garba	Member(Non- Executive Director)

(ii) Board Finance Investment & General Purposes Committee

The Board Finance, Investment and General Purposes Committee is responsible for the approval of investment decisions made by Management of the Company and the related portfolio limits by Management of the Company. This Committee shall have supervisory functions over investment and other finance-related issues such as capital & funding requirements.

The main function of the Committee is to approve all investments above the limit of the Management. Where it is not expedient for the members of the Committee to meet, an investment approval can be obtained through circularization of the approval. The Committee is also responsible for the review and approval of the investment manual on a periodic basis and to further identify specific areas for review as approved by the Board, in particular the financial implications of new and major investment strategies/initiatives.

The Committee shall make recommendations of investment policies for consideration and adoption by the Board, including proposed ethical positions with respect to appropriate investments and shall conduct a review of the performance of the major assets in the Company's investment portfolios on a quarterly basis.

The Board Finance Investment & General Purposes Committee now comprised the following members:

1 Mr. Bayo Oniwinde	Chairman (Non-Executive Director)
2 Ms. Saratu Umar Garba	Member (Non-Executive Director)
3 Mr. Olusina Opeolu	Member (Managing Director / CEO)

(iii) Enterprise Risks Management & Technical Committee

This Committee has supervisory functions over the entity-wide risk management including management of business risks relating to underwriting as well as the Company's risks reward strategy.

The main functions of the Committee are to assist in the oversight of the review and approval of the Company's risks management policy including risk appetite and risk strategy; to oversee management's process for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms.

The Committee is also charged with the review of large underwritten risks for adequacy of reinsurance and other risks management techniques including environmental & social management system.

The Board Enterprise Risks Management & Technical Committee now comprised the following members:

- | | |
|-------------------------|-----------------------------------|
| 1 Mr. Patrick Azurunwa | Chairman (Non-Executive Director) |
| 2 Ms. Saratu Umar Garba | Member (Non-Executive Director) |
| 3 Mr. Olusina Opeolu | Member (Managing Director / CEO) |

(iv) Governance, Audit & Compliance Committee

The Committee has supervisory functions over the whole Company’s recruitment strategy and ensuring corporate governance compliance. The Committee is responsible for establishing the criteria for Board Committee memberships, review candidates qualifications and any potential conflict of interest and make recommendations to the Board.

The Board Governance, Audit & Compliance Committee now comprised the following members:

- | | |
|-------------------------|-----------------------------------|
| 1 Mr. Patrick Azurunwa | Chairman (Non-Executive Director) |
| 2 Ms. Saratu Umar Garba | Member (Non-Executive Director) |
| 3 Mr. Bayo Oniwinde | Member (Non-Executive Director) |
| 4 Mr. Olusina Opeolu | Member (Managing Director / CEO) |

Changes on the Board

The erstwhile Managing Director/CEO resigned and a new Managing Director/CEO was appointed in the period under review in the report. There were also other resignations and new appointments to the Board subsequent to the period under review in the report.

Attendance at Board and Board Committee Meetings

The onset of Covid-19 and the subsequent worldwide lockdown seriously impacted on every sphere of the Company’s operations. The limited scope of physical contacts adopted around the time and the strict enforcement of the nose/face mask regime in addition to the limitation imposed on Public Companies by the CAMA Act 2020 Section 240 (2) meant that the Company’s Secretariat could not function hence, Board Meetings and Board Committee Meetings could not hold for a significant portion of the period under review.

The tables below show the frequency of meetings of the Board of Directors, the Statutory Audit Committee, Board Committees as well as Members’ attendance for the year ended December 31, 2021.

S/N	Name of Director	Designation	Number of Meetings Attended	18-Mar-21	8-Jun-21	23-Jul-21	11-Sep-21	3-Nov-21	7-Dec-21
1	Mr. Wole Onasanya*	Chairman	1	✓	x	x	x	x	x
2	Mrs. Oyindamola Unuigbe**	Chairman	6	✓	✓	✓	✓	✓	✓
3	Mr. Paul Ibe***	Director	6	✓	✓	✓	✓	✓	✓
4	Mr. Patrick Azurunwa	Director	6	✓	✓	✓	✓	✓	✓
5	Mr. Adebayo Oniwinde	Director	6	✓	✓	✓	✓	✓	✓
6	Chief Franklin Igbodo****	Director	2	✓	✓	x	x	x	x

7	Ms. Saratu Umar Garba	Director	1	x	x	x	x	x	✓
8	Mr. Roland Awoyinfa** ***	Ag. MD/CEO	4	✓	✓	✓	✓	x	x
9	Mr. Olusina Opeolu	MD/CEO	2	x	x	x	x	✓	✓

* Resigned 31 May, 2021

**Appointed 8 June, 2021, Deceased, 18 October, 2022

***Resigned 8 June, 2023

****Resigned 1 January, 2022

*****Resigned 1 November, 2021

2. Board Governance, Audit & Compliance Committee

Name of Director	Designation	Number of Meetings Attended	25-Jan-21	20-May-21	23-Jul-21	3-Aug-21	16-Sep-21
Mr. Patrick Azurunwa	Chairman	5	✓	✓	✓	✓	✓
Mr. Adebayo Oniwinde	Member	5	✓	✓	✓	✓	✓
Mr. Roland Awoyinfa	Member	5	✓	✓	✓	✓	✓
Mr. Olusina Opeolu	Member	1	x	x	x	x	✓

3. Enterprise Risk Management & Technical Committee

Name of Director	Designation	Number of Meetings Attended	1-Apr-21	2-Nov-21
Mr. Paul Ibe	Chairman	2	✓	✓
Chief Franklin Igbodo	Member	1	x	✓

Mr. Patrick Azurunwa	Member	1	x	✓
Mr. Roland Awoyinfa	Member	1	✓	x
Mr. Olusina Opeolu	Member	1	x	✓

4. Finance, Investment & General Purposes Committee

Name of Director	Designation	Number of Meetings Attended	12-Mar-21	26-Nov-21
Mr. Adebayo Oniwinde	Chairman	2	✓	✓
Mrs. Oyindamola Unuigbe	Member	1	✓	X
Ms Saratu Umar Garba	Member	1	x	✓
Mr. Roland Awoyinfa	Member	1	✓	X
Mr. Olusina Opeolu	Member	1	x	✓

Shareholders

The General Meeting of the Company is the highest decision making body of the Company. The Company is driven by its desire to deliver significant returns on its shareholders investment. The shareholders have an opportunity to express their concerns (if any) and opinion on the Company's financial results and all other issues at the Annual General Meeting of the Company.

Protection of Shareholders Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

Communication Policy

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner and to enable the Board to carry out its responsibilities.

Furthermore, the Board and Management of the Company ensures that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders and the general public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters.

In order to reach its overall goal on information dissemination, the Company is guided by the principles, legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Insurance Act, the NAICOM Operational Guidelines, the Companies and Allied Matters Act (CAMA) and the Codes of Corporate Governance issued by NAICOM.

The principles that guide the Company's information dissemination include the following:

Efficiency: The Company uses modern communication technologies in a timely manner to convey its messages to its target groups. The Company responds without unnecessary delay to information requests by the media and the public.

Transparency: The Company strives in its communication to be as transparent and open as possible while taking into account the concept of confidentiality between the Company and its customers.

Clarity: The Company aims at clarity, i.e. to send uniform and clear messages on key issues.

Cultural Awareness: The Company operates in a multicultural environment and accordingly recognizes the need to be sensitive to the cultural peculiarities of its operating environment.

Feedback: The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback provides useful guides in shaping the Company's policy directions and service delivery.

Independent Advice

The Board of Directors are at their own discretion and at the Company's expense required to seek independent professional advice when required to enable a Member of the Board effectively perform certain responsibilities.

Management Committees

The Company has five (5) Management Committees which meet once in a month to review the performance of the previous month and as well plan for the coming one.

- 1) Management Committee, comprising the executive management and other senior staff. The Committee usually meets on the first working day of each month. The Management Committee (MC) is set up to identify and make recommendations on strategies that will aid the achievement of the long term objectives of the Company.
- 2) Accounts, Finance and Admin Committee including IT department.
- 3) Technical Committee
- 4) Marketing Committee
- 5) Life Office Committee.

Monitoring Compliance with Corporate Governance

Chief Compliance Officer

The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the Corporate Governance Code of the Company. The Chief Compliance Officer together with the Chief Executive Officer have submitted that the Company was in compliance with the Corporate Governance Codes in the course of the year.

Internal Management Structure: The Company operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility. There is an annual appraisal of the performance of the duties assigned and dedicated to each person.

Report of the Audit Committee
For the year ended 31 December 2021

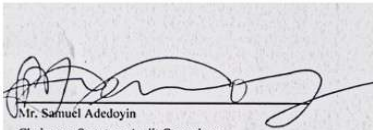
To the Members of **Goldlink Insurance Plc**

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria 2020, the members of the Statutory Audit Committee of Goldlink Insurance Plc hereby report as follows:

We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2021 were satisfactory and reinforce the Company's internal control system.

We have deliberated with the external auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with Management's responses thereon and with the effectiveness of the Company's system of accounting and internal control.



Mr. Samuel Adedoyin
Chairman, Statutory Audit Committee
FRC/2013/ICAN/0000002573
17 October 2025

Members of the Board Statutory Audit Committee:

Mr. Samuel Adedoyin
Mr. Tajudeen A. Olawuyi
Mr. Adebayo Oniwinde
Ms. Saratu Umar Garba

Chairman
Member
Member
Member



Doyin Owolabi & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLDLINK INSURANCE PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Goldlink Insurance Plc ("the Company"), which comprise the statements of financial position as at December 31 2021, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31 2021 and their financial performance and their cash flows for the year then ended and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2020, the Insurance Act 2003 and the relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pensions Reform Act 2014 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audit of Goldlink Insurance Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Goldlink Insurance Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 38 of the financial statements which indicates that the Company incurred a loss after tax of N0.43billion during the year ended 31 December 2021 (2020:N0.13 billion) and, as of that date, the Company's total liabilities exceeded its total assets by N7.67billion (2020:N7.34 billion). The Company's negative shareholder's fund of N7.67billion as at 31 December 2021 was significantly below the minimum regulatory capital of N5.00 billion required for composite insurance business and a shortfall in solvency margin of N12.712billion as at 31 December 2021 (2020:N12.379 billion) for the composite insurance business. The total admissible assets of the company less the insurance contract liabilities and investment contract liabilities was in deficit of N7.712billion as at 31 December 2021 (2020: N7.379 billion) for the general and life insurance businesses. These conditions, along with other matters set forth in Note 38, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. In addition to the matters described in the Material Uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Doyin Owolabi & Co.

GOLDLINK INSURANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLDLINK INSURANCE PLC – CONTINUED

Key Audit Matters - continued

We have fulfilled the responsibilities described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How the matter was addressed in the audit
<p>Valuation of Insurance Contract Liabilities. The Company has insurance contract liabilities of N5.5 billion as at December 31, 2021 (2020: N5.3 billion). This is an area that involves significant judgment over uncertain future outcomes and therefore we considered it a key audit matter for our audit.</p> <p>Consistent with the insurance industry practice, the Company engages an actuary to test the adequacy of this valuation of non-life business as at year end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behavior and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgment is applied in setting these assumptions. Insurance contract liabilities are disclosed in Note 14 to the financial statements.</p>	<p>We used our in-house actuarial specialist to assist us in performing the audit procedures in the area of reviewing The Company's' Actuarial report on non-life business which included among others:</p> <ul style="list-style-type: none"> i. Consideration of the appropriateness of assumptions used in the valuation of the Insurance Contracts by reference to company and industry data and expectations. ii. Consideration of the appropriateness of non-economic assumptions used in the valuation of the Insurance Contracts in relation to lapse or extension assumptions by reference to company specific and industry data. <p>Other Key audit procedures included:</p> <ul style="list-style-type: none"> i. We reviewed and documented management's process for estimating insurance contracts. ii. We performed file review of specific underwriting contracts in order to maximize our understanding of the business and validate initial loss estimates. iii. We performed subsequent year claim payments to confirm the reasonableness of initial loss estimates.

Doyin Owolabi & Co.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLDLINK INSURANCE PLC – CONTINUED

Other Information

The Directors are responsible for the other information. The other information comprises the Financial Highlights, the Report of the Directors, Management Discussion and Analysis, Report of the Audit Committee, Certification pursuant to section 60 (2) of the Investment and Securities Act No. 29 2007, Statement of Value Added and Five-Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, and Corporate Governance Report as required by the Securities and Exchange Commission, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, as issued by the International Accounting Standard Board (IASB) and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2020, the Insurance Act 2003 and the relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pensions Reform Act 2014 and the Financial Reporting Council of Nigeria Act No. 6, 2011 and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the Going concern basis of accounting unless the Directors either intend to liquidate The Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Doyin Owolabi & Co.

GOLDLINK INSURANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLDLINK INSURANCE PLC – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within The Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of The Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Doyin Owolabi & Co.

GOLDLINK INSURANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLDLINK INSURANCE PLC - CONTINUED

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2020, the Insurance Act 2003 and NAICOM's Prudential Guidelines we confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. Proper books of account have been kept by the Company, in so far as it appears from our ; examination of those books
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.
- iv. In our opinion, the financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2020, the Insurance Act 2003 and NAICOM's Prudential Guidelines so as to present fairly the statements of profit or loss and other comprehensive income of the Company and its subsidiary.

Contravention of Regulatory Guidelines

The Company incurred no penalties in respect of contravention of the requirement of a section of the Investment & Securities Act (ISA) 2007, Rule 7.4 of the Nigerian Stock Exchange, 2015 and Section 26 of the Insurance Act 2003 in conjunction with the National Insurance commission's Prudential Guidelines for Insurers and Reinsurers, 2015 on the filing and submission of annual reports and accounts.

Lagos Nigeria
17 October, 2025



Adedoyin Idowu Owolabi, FCA
FRC/2013/PRO/ICAN/004/00000000101
For: Doyin Owolabi & Co.
(Chartered Accountants)

Statement of Financial Position
As at 31 December 2021

In thousands of Naira	Note	31-Dec-21	31-Dec-20
Assets			
Cash and cash equivalents	6	46,613	61,561
Financial assets	7	372,001	351,128
Trade receivables	8	20,700	19,572
Reinsurance assets	9	50,120	67,166
Deferred acquisition cost	10	28,939	27,816
Other receivables and prepayments	11	47,351	46,868
Property and equipment	12	652,570	671,327
Satutory deposits	13	500,000	500,000
Total assets		1,718,295	1,745,439
Liabilities			
Insurance contract liabilities	14	5,534,684	5,274,201
Investment contract liabilities	15	1,924,754	1,815,781
Trade Payables	16	489,882	554,716
Other payables and accruals	17	1,077,747	1,080,016
Current tax liabilities	18	365,967	363,452
Deferred tax liabilities	19	1,917	1,917
Total Liabilities		9,394,951	9,090,084
Capital and reserves			
Issued and paid up share capital	20.1	1,230,459	1,230,459
Share premium	20.2	1,617,935	1,617,935
Treasury shares	20.7	(47,350)	(47,350)
Contingency reserve	20.3	1,625,483	1,613,263
Retained losses	20.4	(12,476,866)	(12,031,054)
Asset Revaluation Reserves	20.5	82,041	-
Available for sale reserves	20.6	291,642	272,103
Shareholder's deficit		(7,676,656)	(7,344,645)
Total equity and liabilities		1,718,295	1,745,439

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON

Ms. Saratu Umar Garba
FRC/2019/PRO/00000019159



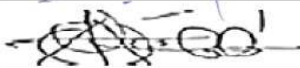
Chairman

Mr. Olusina Opeolu
FRC/2023/PRO/DIR/003/493355



Managing Director/CEO

Mr. Okelola Oladimeji
FRC/2015/ICAN/00000011931



Chief Financial Officer

The accompanying notes form an integral part of these financial statements

Statement of profit or loss and other comprehensive income
For the year ended

<i>In thousands of Naira</i>	Note	31-Dec-21	31-Dec-20
Gross premium written	21	502,939	728,210
Gross premium income	21	516,528	898,942
Gross premium income	21	516,528	898,942
Reinsurance expense	22	(44,512)	(146,449)
Net premium income		472,016	752,493
Fees and commission income	23	6,759	11,274
Net underwriting income		478,775	763,768
Net claims expense	24	(477,566)	(153,799)
Changes in life fund and annuity reserves	24.1	53,274	(75,529)
Underwriting expenses	25	(118,501)	(181,729)
Underwriting profit / (loss)		(64,018)	352,711
Investment income	26.1	26,434	51,650
Other operating income	27	21,192	4,762
Net impairment loss	30	(152)	83,415
Management expenses	28	(276,761)	(538,821)
Gain/ (loss) on life investment contracts	15.1	(137,773)	(78,667)
Loss before minimum tax		(431,077)	(124,950)
Minimum tax	31	(2,515)	(3,137)
Loss before taxation		(433,592)	(128,087)
Income tax credit/(expense)	31	-	-
Loss after taxation		(433,592)	(128,087)
Other comprehensive income, net of tax			
Items within other comprehensive income that may be reclassified to profit or loss			
Fair value gain on available for sale financial assets	20.6	19,539	114,081
Items within other comprehensive income that will not be reclassified to profit or loss			
Revaluation gain on property and equipment	20.5	82,041	-
Total other comprehensive income/ (loss) for the year		101,580	114,081
Total comprehensive loss for the year		(332,012)	(14,007)
Loss per share - Basic (kobo)	33	(18)	(5)

The accompanying notes form an integral part of these financial statements

Statement of changes in Equity
For the year ended 31 December, 2021

	Share capital	Share premium	Treasury shares	Asset revaluation reserves	Available for sale reserves	Contingency reserve	Retained earnings	Total equity
<i>In thousands of Naira</i>								
as at 1 January, 2021	1,230,459	1,617,935	(47,350)	-	272,103	1,613,263	(12,031,054)	(7,344,645)
loss for the year	-	-	-	-	-	-	(433,592)	(433,592)
Adjustment to write off balances							-	-
Other comprehensive income	-	-	-	82,041	19,539	-	-	101,580
Total comprehensive (loss)/ income for the year	-	-	-	82,041	19,539	-	(12,464,646)	(332,012)
Transactions with owners of equity								
Contributions and distributions								
Transfer to statutory contingency reserve	-	-	-	-	-	12,220	(12,220)	-
Total transactions with owners	-	-	-	-	-	12,220	(12,220)	-
As at 31 December 2021	1,230,459	1,617,935	(47,350)	82,041	291,642	1,625,483	(12,476,866)	(7,676,656)

For the year ended 31 December, 2020

	Share capital	Share premium	Treasury shares	Asset revaluation reserves	Available for sale reserve	Contingency reserve	Retained earnings	Total equity
<i>In thousands of Naira</i>								
As at 1 January, 2020	1,230,459	1,617,935	(47,350)	-	158,022	1,598,063	(11,887,767.0)	(7,330,638)
loss for the year	-	-	-	-	-	-	(128,087)	(128,087)
Other comprehensive income	-	-	-	-	114,081	-	-	114,081
Total comprehensive (loss)/ income for the year	-	-	-	-	114,081	-	(128,087)	(14,007)
Transactions with owners of equity								
Contributions and distributions								
Transfer to statutory contingency reserve 19.3	-	-	-	-	-	15,200	(15,200)	-
Total transactions with owners	-	-	-	-	-	15,200	(15,200)	-
As at 31 December 2020	1,230,459	1,617,935	(47,350)	-	272,103	1,613,263	(12,031,054)	(7,344,645)

The accompanying notes form an integral part of financial statements

Statement of Cash Flows
for the year ended

	Note	31-Dec-21 N'000	31-Dec-20 N'000
Cash flows from operating activities:			
Premium received from policy holders	8(d)	498,456	731,703
Net premium received in advance	16	38,540	28,978
Re-insurance receipt in respect of claims/ reinsurance		(2,400)	(43,260)
Investment contract liabilities (Net cash flow)	15	-	-
Cash paid to employees	29(d)	(382,480)	(239,215)
Reinsurance premium paid	22.1	(38,992)	(37,130)
Commission received	23	44,561	9,296
Other income received	27	21,192	4,762
Claims paid	24	(155,906)	(142,798)
Cash payments for other operating expenses		(132,931)	(206,782)
Commission paid	25.1	(80,984)	(95,544)
Maintenance expenses paid	25.2	(38,640)	(73,162)
Addition to staff and policyholder's loans	11(a)	(8,067)	(6,137)
Repayment/recovery of staff and policyholder's loans	11(a)	7,432	892
Tax paid	18	-	(30,000)
		35,644	(98,396)
Cash flows from investing activities:			
Purchases of property and equipment	12	(2,500)	(6,986)
Proceeds from disposal of property and equipment	27(a)	5,372	200
Redemption of held to maturity financial assets	7(c)	-	10,221
Purchase of held to maturity financial assets	7(c)	(1,333)	(10,000)
Interest on investments received	26	18,703	66,009
Dividend received	26(b)	10,831	-
Net cash received from investing activities		31,073	59,444
Cash flows from financing activities:			
		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		66,717	(38,953)
Cash and cash equivalents at beginning of year	6	61,561	100,514
Cash and cash equivalents at end of year	6	46,613	61,561

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

1.1 Company Information **Reporting Entity**

The Company was incorporated on 15 April 1992 as a private limited liability Company. The address of its registered office is 6 Emmanuel Street, Maryland, Lagos State, Nigeria. The Company obtained an insurance license from the National Insurance Commission on 8 September 1993 and commenced business operation on 1 January 1994. Following the recapitalisation exercise, the Company converted to a Public Limited Liability Company on 11 May 2007 and was listed on the Nigerian Stock Exchange by way of introduction on 12 February 2008. The Company was suspended from the Nigerian Stock Exchange in 2011 and is taking steps to recommence full activities on the Nigerian Stock Exchange.

The company's principal activities are provision of risk underwriting and related financial services to its customers, Such provision of life and general insurance services to both corporate and individual customers

1.2 Basis of presentation

(a) **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria, and relevant National Insurance Commission (NAICOM) guidelines and circulars, to the extent that they do not conflict with the requirements of The financial statements for the year ended 31 December 2021 were approved for issue by the Board of Directors on 17th October 2025.

(b) ***Basis of measurement***

These financial statements have been prepared on the historical cost basis except for the following: - Available for sale financial instruments are measured at fair value;- Land and buildings are measured using the revaluation model; Insurance liabilities are based on actuarial valuations; Loans and advances measured at amortized cost.

The directors are of the opinion that the Company will continue as a going concern for the foreseeable future. See Note 38 to the financial statements for details.

(c) ***Functional and presentation currency***

The financial statements are presented in Nigerian Naira (₦) and amounts presented / disclosed are rounded to the nearest thousands unless otherwise stated. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The Company is incorporated in Nigeria and has adopted Naira as its functional currency.

(d) ***Use of estimates and judgement***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Notes to the financial statements

- (iv) Section 22 (1a) requires the maintenance of a general reserve fund for Life business, which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;
- (v) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act.
- (vi) Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid up share capital with the Central Bank of Nigeria.

2 Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements. The following new or revised standards and amendments which have a potential impact on the Company are effective for the year ended 31 December 2021 and have been applied in preparing these financial statements.

2.1 IFRS 16: Leases

The Company applied IFRS 16 using the modified retrospective approach under which there was no cumulative effect of initial application recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 Determining whether an Arrangement contains a Lease . The Company now assesses whether a contract is or contains a lease based on the definition of a lease.

The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Company leases some of its branches in which it currently carries out operations. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application.
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

Leases classified as operating leases under IAS 17

Previously, the Company classified leases as operating leases under IAS 17. On transition for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019.

Notes to the financial statements

3 Significant accounting policies

Except for the changes explained in Note 2, the Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Cash and cash equivalents

- 3.1 Cash and cash equivalents include cash in hand and at bank, temporary overdrafts, short term bank deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

3.2 Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the financial position date, monetary assets and liabilities denominated in foreign currencies are reported using the closing NAFEX rate. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction as well as unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in profit or loss.

Unrealised exchange differences on financial assets are a component of the change in their entire fair value. For financial assets held for trading or a financial asset designated at fair value through profit or loss, unrealised exchange differences are recognized in profit or loss. For financial assets held as available for sale, unrealised exchange differences are recognized directly in equity until the asset is sold or becomes impaired.

3.3 Fair value measurement

Fair value is a price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access as at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using a quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price-i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures the assets and long position at a bid price and the liability and the short position at an ask price.

The company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Notes to the financial statements

3.4 Financial instruments

(a) Classification

The classification of financial assets depends on the purpose for which the investments were acquired or originated. The Company classifies its financial assets into the following categories:

- held-to-maturity investments;
- loans and receivables, and
- available-for-sale financial assets

The Company's financial assets include cash and cash equivalents, trade receivables, reinsurance assets, other receivables, government treasury bills, quoted and unquoted equity instruments.

The Company's financial liabilities are classified as other financial liabilities and it includes investment contract liabilities, trade payables and other payables.

(b) *Initial recognition*

Financial instruments are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets and financial liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(c) *Subsequent measurement*

Subsequent measurement of financial instruments depends on their classification. Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification:

(i) *Available-for-sale financial assets*

Available for sale financial investments include equity securities. The Company classifies as available-for-sale those financial assets that are generally not designated as another category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Available-for-sale financial assets are carried at fair value, with the exception of investments in equity instruments where fair value cannot be reliably determined, which are carried at cost less impairment. Unrealised gains and losses arising from changes in the fair value of available for-sale financial assets are recognised in other comprehensive income while the investment is held, and are subsequently transferred to profit or loss upon sale or de-recognition of the investment.

Dividends received on available-for-sale instruments are recognised in profit or loss when the Company's right to receive payment has been established.

Interest income on available for sale investments are recognised in investment income in profit and loss using effective interest rates. Other fair value changes, other than impairment losses, are recognised in OCI and presented in the fair value reserve within equity.

(ii) *Loans and receivables*

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those classified by the Company as at fair value through profit or loss or available-for-sale. Loans and receivables consist primarily of trade receivables and other receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any accumulated impairment losses. Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intention and ability to hold to maturity other than:

- Those that the Company designates as available for sale.
- Those that meet the definition of loans and receivables.

Such instruments include trade and other receivables and are carried at amortised cost, less any allowance for impairment.

Notes to the financial statements

(iv) Other financial liabilities

Financial liabilities which include insurance contract liabilities, investment contract liabilities, borrowings, trade payable and other payables are initially measured at fair value, net of transactions costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest basis. Trade payable comprise liabilities due to agents, brokers and re-insurance companies.

(d) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

(e) Impairment of financial asset

(i) Financial asset carried at amortized cost

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired included observable data that comes to the attention of the company about the following events:

- Significant financial difficulty of the issuer or debtor;
 - A breach of contract, such as a default or delinquency in payments;
 - It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or

Observable data indicating that there is measurable decrease in the estimated future cashflow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company.

Trade receivable are initially recognised at the fair value and subsequently measured at the cost less impairment. An allowance for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Company will not be able to collect all amount due under the original terms of invoice. Allowances are made based on an impairment model which considers the loss given default and emergence period which serves as an impairment trigger based on the age of the debt, impaired debts are derecognised when they are assessed as uncollectible. If in subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reverse date. Any subsequent reversal of an impairment loss is

For other financial assets measured at amortised cost, the company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and collectively for financial assets that are not individually significant collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated cash flows discounted at original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss in the current effective interest rate determined under the contract. The Company may measure impairment on the basis of the amount of the instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial asset are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cashflows for group of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of debt instrument being evaluated. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

(ii) **Assets classified as available-for-sale**

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 9 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

All impairment losses are recognized in profit or loss. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to profit or loss and is recognized as part of the impairment loss. The amount of the loss recognized in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

Subsequent decreases in the amount relating to an impairment loss, that can be linked objectively to an event occurring after the impairment loss was recognized in profit or loss, is reversed through the profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through the profit or loss but accounted for directly in equity.

(f) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability. Income and expenses are presented on a net basis only when permitted under IFRSs, e.g. for gains and losses from arising from similar transactions such as the Company's trading activities.

(g) **Derecognition of financial instruments**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial asset that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

3.5 Reinsurance assets

These are receivables that arise from reinsurance contracts. The details of recognition and measurement of reinsurance contracts have been set out under note 3.11(b)(iii).

3.6 Other receivables and prepayments

Other receivables are carried at cost less accumulated impairment losses. Prepayments are amortised on a straight line basis to the profit or loss account.

3.7 Intangible assets

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

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

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

Notes to the financial statements

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is five years subject to annual reassessment.

3.8 Property and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses except land and building which is carried at revalued amount. Property and equipment comprise land and buildings and other properties owned by the Company.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company

Subsequent measurement

All items of property and equipment except land and buildings are subsequently measured at cost less accumulated depreciation and impairment losses.

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

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

When the value of an individual property is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Land - Not depreciated

Building- 50 years

Furniture & fittings - 5 years

Office equipment - 5 years

Computer equipment- 5 years

Motor vehicles - 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9 Impairment of non-financial asset

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Notes to the financial statements

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

3.10 Statutory deposit

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

3.11 Insurance Contracts

The Company issues contracts that transfer insurance risk.

The Company enters into insurance contracts as its primary business activities. Insurance contracts are those that the Company accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary.

The Company classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS 4.

(a) Types of insurance contracts

The Company classifies insurance contracts into life and non-life insurance contracts

(i) General insurance contract

These contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Non-life insurance contracts protects the Company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured.

(ii) Life insurance contracts

These contracts insure events associated with human life (for example, death or survival) over a long duration. This include annuity products, individual products and Group life products.

(b) Insurance contracts- Recognition and measurement

(i) Premiums

Gross written premiums for insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and duly certified thereto. Gross premiums are stated gross of commissions and taxes payable and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Notes to the financial statements

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

The Company also enters into co-insurance; an arrangement whereby two or more insurance companies enter into a single contract with the insured to cover a risk in agreed proportions at an overall premium. Premiums on coinsurance are included in gross written premiums

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

(ii) ***Unearned premiums***

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the profit or loss by setting up a provision for premium deficiency.

(iii) ***Reinsurance***

Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Premium ceded and claims reimbursed are presented in the income statement and statement of financial position separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Reinsurance recoverables are estimated in a manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's policies and are in accordance with the related insurance contract. They are measured at their carrying amount less any impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. If there is objective evidence of impairment, the Company reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the income statement as a result of an event that occurred after its initial recognition, for which the Company may not be able to recover all amounts due and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

(iv) ***Commission income***

Commissions are recognized on ceding business to the reinsurer, and are credited to the profit and loss.

(v) ***Underwriting expenses***

Underwriting expenses are made up of acquisition and maintenance expenses.

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

(vi) ***Claims incurred***

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims represent the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not. The provision includes an allowance for claims management and handling expenses.

The provision for outstanding claims for reported claims, is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the income statement in the financial period in which adjustments are made, and disclosed separately if material.

Reinsurance recoverables are recognized when the Company records the liability for the claims and are not netted off claims expense but are presented separately in the income statement.

Notes to the financial statements

Claims incurred in respect of long-term insurance contracts especially pure life business and annuity contracts consist of claims arising during the year including provision for policyholders' liabilities. Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified by the insured are carried at the claim amounts advised.

(vii) **Deferred acquisition costs**

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

(viii) **Salvage**

Some non-life insurance contracts permit the Company to sell (usually damaged) assets acquired in the process of settling a claim. The Company may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right). Salvage recoveries are presented net of the claim expense.

(ix) **Subrogation**

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other receivables when the liability is settled and the Company has the right to receive future cash flow from the third party.

3.12 Insurance contract liabilities

The recognition and measurement of insurance contracts have been set out under note 3.11(b) of the accounting policies. Insurance contract liabilities are determined as follows:

(a) **General business**

(i) **Reserves for unearned premium and unexpired risk**

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year. A provision for additional unexpired risk reserve is recognised for an underwriting year where it is determined that the estimated cost of claims and expenses would exceed the reserves for unearned premium.

(ii) **Reserves for outstanding claims**

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

(iii) **Liabilities adequacy test**

The gross liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Company recognizes the deficiency in the income statement for the year. The method of valuation and assumptions used, the cashflows considered and the discounting and aggregation practices adopted have been set out in the following notes.

- **Reserving methodology and assumptions**

For non-life insurance risks, the Company uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The three methods more commonly used are the Inflation-adjusted Chain Ladder, Basic Chain Ladder and the Expected Loss Ratio methods adjusted for assumed experience to date.

Claims data was grouped into triangles by accident year and payment year. The claims paid data was sub-divided into large and attritional claims. Large claims were projected separately as they can significantly distort patterns. Where there was insufficient claim data, large and attritional claims were projected together as removing large claims would reduce the volume of data in the triangles and compromise the credibility.

Notes to the financial statements

Discounted inflation-adjusted basic chain ladder method

Historical claims paid were grouped into 10 years cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns for 10 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.

The resulting claims estimated is discounted to the valuation date using a discount rate of 10% to allow for a margin of prudence. The future claims (the ultimate claim amount less claims paid to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. $IBNR = \text{Ultimate claim amount} - \text{claims paid till date} - \text{outstanding claims}$.

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:

The future claims follows a trend pattern from the historical data

Payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.

The run off period is ten (10) years and hence the method assumes no more claims will be paid subsequently.

Expected loss ratio method

This method was adopted where the volume of data available is too small to be credible when using a statistical approach. Special Risk reserves were estimated based on this method. Under this method, the ultimate claims was obtained by studying the historical loss ratios, investigating any differences and using judgments to derive a loss ratio, where loss ratio is defined as claims incurred divided by earned premiums. Paid claims already emerged is then deducted for from the estimated Ultimate claims to obtain the reserves. Outstanding claims is stated as amount estimated less paid claims.

Life business

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. These contracts are the primary business activity of the Company. These contracts insure events associated with human life (for example death or survival) duration.

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Insurance contract with discretionary participating features (DPF)

Some insurance contracts and investment contracts contain a discretionary participating feature (DPF), which is a contractual right to receive as, a supplement to guaranteed benefits, additional benefits:

- that are likely to be a significant portion of the total contractual benefits;
- that the amount or timing is contractually at the discretion of the insurer; and
- That are contractually based on:
 - i. the performance of a specified pool of contracts or a specified type of contract;
 - ii. realized and or unrealized investment returns on a specified pool of assets held by the issuer; or
 - iii. the profit or loss of the Company.

Notes to the financial statements

Recognition and measurement

Insurance contracts with DPF are classified into three main categories, depending on the duration of risk and whether or not the terms and conditions are fixed

(i) **Short-term insurance contracts**

Short-duration life insurance contracts (Group Life) protect the Company's clients from the consequences of events (such as death or disability) that would affect the ability of the client or his/her dependents to maintain their current level of income. These contracts have no maturity or surrender value and the premiums are recognised as earned premiums proportionally over the period of coverage.

The proportion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as unearned premium liability. Premiums are shown before deductions of commissions and are gross of any taxes or duties levied on premiums.

Claims expenses are recognised in the statement of profit or loss as incurred based on the estimated liability for compensation owed to contract holders. They include direct and indirect claims settlement costs that arise from events that have occurred up to the end of the reporting period even if they have not been reported to the Company. The Company does not discount its liabilities for unpaid claims. Liabilities for unpaid/outstanding claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported.

(ii) **Long-term insurance contracts with fixed and guaranteed terms**

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission. Benefits are recognised as an expense when they are incurred. A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is actuarially determined based on assumptions such as mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. The change in liabilities are recorded in gross premium on the statement of profit or loss.

(iii) **Annuity**

Annuity is an insurance product that features a predetermined periodic pay-out amount until the death of the annuitant in exchange for an immediate payment of a lump sum or a series of regular payments prior to the onset of the annuity. Annuity premium are recognised as income when received from policy holders, and payments to policy holders are recognised as an expense when due. Annuities are valued by actuaries using a discounted cash flow approach. The reserves are set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed periods as required by the terms of the contract. Annuities collected in a year are credited to the Gross Premium written and the portion that extends beyond one year is taken out via the unearned premium. The assets representing the annuities are invested in near-cash money market financial instruments with a tenor of 30 days on rolling basis and an interest spread using the interest rates available in the market.

The annuity is valued at year end by the Company's Logic professional Services (FRC/2016/NAS/00000015016) registered with the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria (FRC). Also, a liability adequacy test is required by law to be performed on annuity fund to determine its sufficiency in meeting the contractual liabilities. Some of the assumptions being considered in valuing the annuity fund at the year end are:

- (a) a 10 year guaranteed minimum annuity payment
- (b) a valuation interest determined by a long term FGN bond yield
- (c) a maintenance expenses and the mortality rates.

The change in liability for annuity and other insurance contract liabilities are recorded in the statement of profit or loss as a movement in life funds.

The Company only enters into insurance contracts. Therefore, its insurance contract liabilities represent the Company's liability to the policy holders. It comprises the unearned premium, unexpired risk, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

General reserve fund

This is made up of net liabilities in force as computed by the actuaries at the time of the actuarial valuation

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance funds as at the date of the valuation. All deficits arising there from are charged to the profit or loss account while the surplus is appropriated to the shareholders and credited to the income statement.

The liability adequacy test was carried out by the Company's Actuary, Logic Professional Services (FRC/2016/NAS/00000015016). The liability adequacy test is carried out at every financial reporting year end.

Notes to the financial statements

Recognition and measurement of investment contracts

Investment contracts and the related receipts and payments are accounted for in the statement of financial position in line with the accounting policies for financial instruments stated in note 3.4. The deposit liability recognized in the statement of financial position represents the amounts payable to the holders of the investment contracts gross of allocated investment income.

Provisions, contingent assets and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingent assets are not recognised in the financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the Company, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Company's control.

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements. Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

Income tax

Income tax comprises current (company income tax, tertiary education tax, National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows

Company income tax is computed on taxable profits

-Tertiary education tax is computed on assessable profits

-National Information Technology Development Agency levy is computed on profit before tax

Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during then year

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss

The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.5% of the Company's gross premium for general business and 0.5% of gross income for life business.

Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Notes to the financial statements

(b) Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.16 Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

The major lease transactions wherein the Company is a lessee relates to the lease of the its branches

Policy applicable from 1 January 2021

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into (or changed) on or after 1 January 2020.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of its relative standalone price.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Note to the financial statement

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by considering the average of the maximum Naira borrowing rate and the CBN prime lending rate and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement
- amounts expected to be payable under a residual value guarantee; and

the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Policy applicable before 1 January 2021

For contracts entered into before 1 January 2021, the Company determined whether the arrangement was or contained a lease based on the assessment of whether;

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output; amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3.17 share capital and reserves

(a) Share capital and premium

The Company classifies ordinary shares and share premium as equity. Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

Dividend on ordinary shares

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

(b) Contingency reserves

The Company maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general business. Contingency reserve for life business is credited with the higher of 1% of gross premiums and 10% of profit after taxation until the reserve reaches the amount of the minimum paid-up share capital.

Notes to the financial statements

(c) Revaluation reserves

Assets revaluation reserves warehouses the fair value differences on the revaluation of items of land and building as at the statement of financial position date. The revaluation surplus is recognised net of revaluation deficit for items of land and building.

(d) Available for sale reserves

Available for sale reserves warehouses the fair value gains or losses on valuation of available for sale financial assets.

(e) Treasury shares

Where the Company purchases its own ordinary shares, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(f) Earnings per share

The Company presents ordinary basic earnings per share (EPS) for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.18 Revenue recognition

(a) Insurance contracts:

See note 3.11(b)(i) & 3.11(b)(iv) for recognition of premium and commission on insurance contracts.

(b) Investment and other operating income

Investment income comprises interest income earned on cash equivalents, and income earned on trading securities including all realised and unrealised fair value changes, dividend income and foreign exchange differences. Investment income is accounted for on an accrual basis.

Interest income and expenses for all interest-bearing financial instruments are recognised within 'investment income' and 'finance costs' in the income statement using the effective interest rate method.

(c) Dividend income

Dividend income is recognised in profit and loss when the right to receive income is established. Dividend income from equity securities is recognised in profit or loss within "investment income".

3.19 Management Expenses

Management expenses are expenses other than claims and underwriting expenses. They are accounted for on an accrual basis and comprise the following:

(a) Employee benefits

(i) Short-term benefits

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

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

(ii) Post Employment Benefits

(a) Defined contribution pension scheme

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

Notes to the financial statements

(ii) *Termination Benefits*

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

Benefits falling due more than 12 months after reporting date are discounted to present value.

(b) **Other operating expenses**

Other operating expenses are recognised on an accrual basis. They include depreciation expenses, administrative expenses and professional fees.

3.20 **Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Segment operating results are reviewed regularly by the Board of Directors (being the chief operating decision maker) and used to make decisions about resources allocated to each segment. Segment operating results and discrete financial information are also used to assess segmental performance. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.21 **New standards and interpretations not yet effective**

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statement The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to IFRS 10 and IAS 28
- Property, Plant and Equipment-Proceeds before Intended Use: Amendments to IAS 16 Property, Plant and Equipment
- COVID-19 Related Rent Concessions-Amendment to IFRS Leases
- Classification of Liabilities as Current or Non-Current- Amendments to IAS 1 Presentation of Financial Statements
- IFRS 17-Insurance contracts and amendments to IFRS 17 Insurance contracts

The Company also plans to apply all the standards and amendments disclosed below once they are applicable. However, the Company's assessments of the new standards and amendments are not yet concluded but they are expected to have significant impact on the Company's operations and financial position.

(a) IFRS 17: Insurance Contract

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effects that insurance contracts have on the entity's financial position, financial performance and cashflow This new standard will be adopted when effective for annual periods beginning on or after 1 January 2023

(b) IFRS 9: Financial Instruments

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments, which replaces earlier versions of IFRS 9 and completed the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Given the nature of the Company's operations, this standard is not expected to have a pervasive impact on the Company's financial statements. In particular, calculation of impairment of financial instruments on an expected credit loss basis is expected to result in an increase in the overall level of impairment allowances.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application

Note to the financial statement

The amendments to IFRS 4, Applying IFRS9 Financial Instruments with IFRS 4 Insurance Contracts, issued in September 2016, allow entities that issue insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until January 2021 under certain circumstances. It is to be noted that the IASB has recently proposed to defer the IFRS 9 effective date for such entities in scope by another year until 2023.

The Company has initially opted to defer the adoption of IFRS 9 till 2023 when IFRS 17, Insurance Contracts will be effective as permitted. However, due to the effective date of IFRS 9 being deferred till 2023, the Company will also defer the adoption of IFRS 9 to 2023.

The estimated impact of the adoption of the standard on the Company's equity as at 1 January 2023 is based on the assessments summarised below. The actual impact of adopting the standard at 1 January 2023 are subject to change until the Company presents its first financial statement that includes the date of initial application.

Classification and measurement

The Company currently categorizes the majority of its financial assets as available for sale with the fair value changes recognised in other comprehensive income. Under IFRS 9, the Company has designated these investments as measured at fair value through OCI.

Consequently, all fair value gains and losses will be reported in OCI, no impairment losses will be recognised in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.

Based on its assessment, the Company does not believe that the new classification requirements will have a material impact on its accounting for trade receivables, loans, investment in debt securities and investments in equity securities that are managed on a fair value basis.

The above intended classification may change due to the continuous assessment of the requirement of the standard and review of business practices until the first set of financial statement under IFRS 9 is issued.

Impairment:

The Company believes that impairment losses are likely to increase for assets in the scope of IFRS 9 impairment model, although they are not expected to be highly volatile.

The approach to impairment assessment under IFRS 9 will be determined by the final classification adopted in 2023.

Amendments to IFRS 4: Applying IFRS 9 financial instruments with IFRS 4 insurance contracts

The amendments to IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts, issued in September 2016, allow entities that issue insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until January 2023 under certain circumstances. It is to be noted that the IASB has recently proposed to defer the IFRS 9 effective date for such entities in scope by another year until 2022. Given the strong interrelation between the measurement of direct participating insurance contracts and the underlying assets held, the Company has decided to use the option to defer the full implementation of IFRS 9 until IFRS 17 becomes effective.

In order to qualify for temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS 4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS 4. Significant insurance-related liabilities are given, among others, if the percentage of the total carrying amount of liabilities connected with insurance relative to the total carrying amount of all liabilities is greater than 90%. A reassessment at a subsequent annual reporting date is required if, and only if, there was a change in the entity's activities during the annual period that ended on that date.

As of 31 December 2015, Goldlink Insurance Company recorded total liabilities connected with insurance of N5.2 billion, which represented about 90% of its total liabilities of N6.1 billion. Moreover, of the amount connected with insurance contract, N4.98 billion were related to liabilities arising within the scope of IFRS 4. Other insurance related liabilities amounted to N0.2 billion and included mainly other liabilities like trade payables. The Company did not have any non derivative investment contract liabilities measured at fair value through income statement. The details of the predominance test are shown below:

Note to the financial statement

<i>In thousands of Naira</i>	Predominance assessment as at 31 December 2015		
	Total liabilities	Breakdown	Eligible liabilities
1 insurance contract liabilities	3,485,210	-	3,485,210
2 Investment contract liabilities	1,501,028	-	1,501,028
3 Trade payables:	178,794	-	178,794
3.1 Reinsurance payable	-	148,728	-
3.2 Premium received in advance	-	30,066	-
4 Other payables and accrual	583,195	-	-
4.1 Other payables	-	32,229	-
4.2 Sundry creditors	-	91,501	-
4.3 Unclaimed dividends	-	31,956	-
4.4 Pension payable	-	30,400	-
4.5 Retirement benefit payable	-	306,253	-
4.6 Accrued expenses	-	90,856	-
5 Current tax liabilities	306,060	-	-
6 Deferred tax liabilities	41,348	-	-
Total	6,095,635		5,165,032

Notes to the financial statements

Predominance assessment

Financial assets that meet the SPPI Test

Categories	IAS 39 carrying amount 31-Dec-21 (A)	IFRS 9 fair value 31-Dec-21 (B)	Fair value changes (Impact on 2021 account) (C') =A-B
<i>In thousand of naira</i>			
Held to Maturity financial assets (Note 7 (b))			
Treasury bills held to maturity	10,000	10,000	
Bonds	-	-	-
Sub total	10,000	10,000	
Cash and Cash equivalents (Note 6)			
Short term deposits with financial institutions	-	-	-
Trade receivables (Note 8)			
Due from brokers	21,102	21,102	-
Due from insurance companies	-	-	-
Sub total	21,102	21,102	-
Other receivables and prepayment (see note 10)			
Loan to staff	114,222	114,222	-
Loan to policyholders	38,891	38,891	-
Sub total	153,113	153,113	-
Grand total	184,215	184,215	-

Financial assets that meet the SPPI Test

Categories	IAS 39 carrying amount 31-Dec-20 (A)	IFRS 9 fair value 31-Dec-20 (B)	Fair value changes (Impact on 2020 account) (C') =A-B
<i>In thousand of naira</i>			
Held to Maturity financial assets (Note 6 (b))			
Treasury bills held to maturity	8,667	8,667	
Bonds	-	-	-
Sub total	8,667	8,667	
Cash and Cash equivalents (Note 6)			
Short term deposits with financial institutions	12,134	12,134	
Trade receivables (Note 8)			
Due from brokers	18,808	18,808	
Due from insurance companies	1,166	1,166	
Sub total	19,974	19,974	
Other receivables and prepayment (see note 11)			
Loan to staffs	114,282	114,282	
Loan to policyholders	38,196	38,196	
Sub total	152,478	152,478	
Grand total	193,253	193,253	

Notes to the financial statements

4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of property, plant & equipment will have an impact on the carrying value. The Company revalued its land and building at the end of the year and revaluation adjustment was made to the carrying value of the land and building.

Retirement benefits obligation

The cost of defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Valuation of Insurance and Investment contract liabilities

For General insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder, portion of premium and expected loss methods.

The liability for life insurance contracts and investment contract liabilities is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC) and are amortised to profit or loss over time. If the assumptions relating to future profitability of these policies are not realised, the amortisation of these costs could be accelerated and this may also require additional write-offs to profit or loss.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates.

Impairment on receivables

In accordance with the accounting policy, the Company tests annually whether premium receivables have suffered any impairment. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations requires the use of estimates based on passage of time and probability of recovery.

Notes to the financial statements

5 Standards and Interpretation issued but not yet effective-continued

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows

- * The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfillment cash flows);
- * A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfillment cashflows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period);
- * Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- * The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- * The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;

- * Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investments components) are not presented in the income statement, but are recognized directly on the statement of financial position;
- * Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- * Extensive disclosures to provide information on the recognized amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 19 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required.

However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Company started a project to implement IFRS 17 and has been performing a high-level impact assessment of IFRS 17. The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on profit and total equity together with presentation and disclosure.

(1) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment-continued

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- * Whether an entity considers uncertain tax treatments separately
- * The assumptions an entity makes about the examination of tax treatments by taxation authorities
- * How an entity determines taxable profit (tax loss), tax bases, unused tax credits and tax rates

Notes to the financial statements

*How an entity considers changes in facts and circumstances

(I) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The amendment did not have any impact on the company's financial statements.

(II) Annual Improvements 2015-2017 (issued in December 2017)

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

(iii) Other amendments to standards, which currently do not apply to the Company are listed below;

- * Amendments to IFRS 9: Prepayment Features with Negative Compensation
- * Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- * Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- * Amendments to IAS 28: Long-term Interests in associates and Joint ventures
- * IFRS 3: Business combination-Annual Improvements 2015-2017 Cycle
- * IFRS 11: Joint Arrangements -Annual Improvements 2015-2017 Cycle
- * IFRS 16-Leases
- * IFRS 17- Insurance Contracts
- * Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts-Amendments to IFRS 4
- * Definition of a Business- Amendments to IFRS 3
- * Amendments to IAS 1 and IAS 8: Definition of Material
- * Interest Rate Benchmark Reform- Amendments to IFRS 9, IAS 39 and IFRS 7.

Notes to the financial statements

6 Cash and cash equivalents

In thousands of Naira

	31-Dec-21	31-Dec-20
Cash in hand	153	285
Cash at bank	46,460	49,142
Short term bank deposits (see (a) below)	-	12,134
	46,613	61,561

- (a) Short term bank deposits are made for varying maturities of between one day and three months depending on the immediate cash requirements of the Company. The carrying amounts disclosed above have been measured at amortised cost as at reporting date.

7 Financial assets

In thousands of Naira

	31-Dec-21	31-Dec-20
Available for sale financial assets (see (a) below)	362,001	342,462
Held to maturity financial assets (see note 7(b))	10,000	8,667
	372,001	351,128

- (a) **Available for sale financial assets**

In thousands of Naira

	31-Dec-21	31-Dec-20
Quoted equity securities measured at fair value (see (i) below)	85,844	88,397
Unquoted equity securities measured at fair value (see (ii) below)	276,157	254,065
	362,001	342,462

- (i) **Quoted equities**

In thousands of Naira

	31-Dec-21	31-Dec-20
Opening balance of quoted equities	88,397	81,480
Fair value gain/(loss)	(2,553)	6,917
Closing balance	85,844	88,397

The Company have shares in different Companies such as UAC, UNILEVER, UBA, FBN HOLDING, FIDELITY BANK AND FCMB ETC

- (ii) **Unquoted equities at fair value**

In thousands of Naira

	31-Dec-21	31-Dec-20
Opening balance	254,065	146,901
Fair value (loss)/ gain	22,092	107,164
Closing balance	276,157	254,065

Unquoted equities at fair value

	31-Dec-21	31-Dec-20
WACA RE	204,119	216,115
EAIPN	72,038	37,950
Closing balance	276,157	254,065

- (iii) **Unquoted equities at cost**

	31-Dec-21	31-Dec-20
Unquoted equities (cost)	1,083,589	1,083,589
Impairment loss (see (iv) below)	(1,083,589)	(1,083,589)
Closing balance	-	-

- (iv) This represents impairment loss on the Company's investments in unquoted equities which is analysed below:

In thousands of Naira

	31-Dec-21	31-Dec-20
AT&T Equip Nig Ltd	239,164	239,164
IK Ventures Ltd	226,791	226,791
Betty Pride Nigeria Limited	210,000	210,000
Owonoko Farms Ltd	147,106	147,106
Fodatek Ventures Limited	101,730	101,730
GICO Investments Co Ltd	100,000	100,000
Alangrange Securities Ltd	57,298	57,298
Discovery Fund	1000	1000
The Frontier Fund	500	500
	1,083,589	1,083,589

Notes to the financial statements

(v) The movement in allowance for impairment losses on unquoted equities at cost is as follows:		
Opening balance	1,083,589	1,083,589
Impairment charge/ (write-off) during the year	-	-
Closing balance	1,083,589	1,083,589

(b) Held to maturity financial assets		
<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Commercial paper held to maturity	10,000	8,667

10% coupon 10,000 commercial paper was purchased on the 25th of November, 2020 and will reach maturity on the 30th November, 2025.

The fair value of the investments approximates the carrying amount at the period end based on the outstanding days to maturity.

(b) i Movement during the year in Held to Maturity Financial assets as shown below		
<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance as at 1 January	8,667	8,888
Additions during the year	1,333	10,000
Disposal/Redemption during the year	-	(10,221)
Total cash outflow	10,000	8,667

(c) Cash outflow on purchase and redemption of Held to Maturity financial assets is shown below:		
<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Commercial paper (7b(i))	(1,333)	(10,000)
Redemption (see note 7b (i) above)	-	10,221
Net cash (outflow)/inflow on held to maturity assets	(1,333)	221

8 Trade receivables

(a) Trade receivables comprise the following:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Due from brokers	21,102	18,808
Due from insurance companies	-	1,166
Allowance for impairment losses (see 8 (c) below)	(402)	(402)
	20,700	19,572

Trade receivables represent balances subsequently collected by the Company after year end.

(b) The age analysis of the gross trade receivables as at the end of the year is as follows:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Analysis of the gross trade receivables in days		
Within 30 days	20,700	19,572
Above 30 days	-	-
	20,700	19,572

(c) The movements in the impairment of trade receivables are as follows:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance, beginning of year	402	402
Additional impairment (see note 29)	-	-
Write off during the year	-	-
Balance, end of year	402	402

(d) **Analysis of premium received from policy holders during the year**

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Trade receivable at 1 January	19,572	23,065
Gross premium written during the year	502,939	728,210
Impairment loss allowance	(402)	-
Premium received in advance in previous period	(2,953)	-
Premium received during the year	(498,456)	(731,703)
Trade receivable at 31 December	20,700	19,572

Notes to the financial statements

9 Reinsurance assets

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Prepaid re-insurance	4,128	9,648
Reinsurers' share of outstanding claims	36,359	46,639
Reinsurers' share of IBNR	9,633	10,879
Reinsurers' share of claims paid	6,134	6,134
Gross reinsurance assets	56,254	73,300
Impairment on reinsurers' share of outstanding claims	(6,134)	(6,134)
Net reinsurance assets	50,120	67,166

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Current	40,599	56,287
Non-current	9,520	10,879
	50,120	67,166

2021	life	Non-life	Total
Prepaid reinsurance	1,995	2,133	4,128
Reinsurers' share of outstanding claims	-	36,359	36,359
Reinsurers' share of IBNR	113	9,520	9,633
Total reinsurance assets based on actuarial valuation report	2,108	48,012	50,120
Reinsurers' share of claims paid	6,134	-	6,134
Impairment loss allowance	8,242	48,012	56,254
	(6,134)	-	(6,134)
	2,108	48,012	50,120

2020	life	Non-life	Total
Prepaid reinsurance	-	9,648	9,648
Reinsurers' share of outstanding claims	-	46,639	46,639
Reinsurers' share of IBNR	-	10,879	10,879
Reinsurers' share of claims paid	6,134	-	6,134
Impairment loss allowance	6,134	67,166	73,301
	(6,134)	-	(6,134)
	-	67,166	67,166

9.1 Net claims recoverable is analysed as follows:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Reinsurers' share of claims paid	6,134	6,134
Net reinsurers' share of outstanding claims	36,359	46,639
Reinsurers' share of IBNR	9,633	10,879
	52,126	63,653

9.2 Movement in gross reinsurance assets is as shown below

2021	Prepaid reinsurance N'000	Reinsurers' share of outstanding claims and IBNR N'000	Reinsurers' share of claims paid N'000	Total N'000
Balance as at 1 January	9,648	57,518	6,134	73,300
increase/(decrease) during the year	(5,520)	(11,526)	-	(17,046)
Balance as at 31 December	4,128	45,992	6,134	56,254

2020	Prepaid reinsurance N'000	Reinsurers' share of outstanding claims and IBNR N'000	Reinsurers' share of claims paid N'000	Total N'000
Balance as at 1 January	118,967	280,081	6,134	405,182
increase/(decrease) during the year	(109,319)	(222,563)	-	(331,882)
balance as at 31 December	9,648	57,518	6,134	73,301

Notes to the financial statements

9.3 Movement in impairment on reinsurance assets

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Opening balance	6,134	89,701
Impairment charge during the year	-	(83,567)
Closing balance	6,134	6,134

Reversal of impairment during the year resulted from over provision of impairment loss allowance in the previous years.

9.4 Movement in Prepaid re-insurance

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Opening balance	9,648	118,967
increase/(decrease) during the year	(5,520)	(109,319)
Closing balance	4,128	9,648

9.5 Movement in Reinsurers' share of outstanding claims

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Opening balance	46,639	178,838
increase/(decrease) during the year	(10,280)	(132,199)
Closing balance	36,359	46,639

9.6 Movement in Reinsurers' share of IBNR

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Opening balance	10,879	101,243
increase/(decrease) during the year	(1,246)	(90,364)
Closing balance	9,633	10,879

9.7 Movement in Reinsurers' share of claims paid

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Opening balance	6,134	6,134
increase/(decrease) during the year	-	-
Impairment allowance	(6,134)	-
	-	6,134

10 Deferred acquisition cost

(a) Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise of

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
<i>General</i>		
Motor	6,531	10,323
Fire	2,100	1,293
General accident	4,019	1,179
Marine	19	31
Bond & indemnity	10,169	3,487
Engineering	201	271
	23,039	16,584
<i>Life</i>		
Life Deferred acquisition cost	5,900	11,232
	28,939	27,816

(b) The movement in the deferred acquisition cost during the year is as shown below: 3

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance, beginning of year	27,816	40,839
Movement during the year	1,123	(13,023)
Balance, end of year	28,939	27,816

Notes to the financial statements

<i>Life</i>	31-Dec-21	31-Dec-20
Balance,beginning of year	11,232	11,232
Movement during the year	(5,332)	-
Balance,end of year	5,900	11,232

<i>General</i>		
Balance,beginning of year	16,584	29,607
Movement during the year	6,455	(13,023)
Balance,end of year	23,039	16,584

Notes to the financial statements

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Current	28,939	27,816
Non Current	-	-
Balance,end of year	28,939	27,816

11 Other receivables and prepayments

<i>In thousands of Naira</i>	31-Dec-20	31-Dec-20
Loans (see (a) below)	38,751	38,268
Other receivables (see (b) below)	8,476	8,476
	47,227	46,744
Prepayment (see (c) below)	124	124
	47,351	46,868

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Current	47,351	46,868
Non current	-	-
	47,351	46,868

(a) Loans

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Staff loans	114,222	114,282
Loan to policy holders	38,891	38,196
	153,113	152,478
Impairment allowance (see note 10 (a) (iii) below)	(114,362)	(114,210)
	38,751	38,268

Notes to the financial statements

Movement in gross loans is shown below:

<i>in thousands of naira</i>	31-Dec-21	31-Dec-20
Balance as at 1 January	152,478	147,233
Addition during the year	8,067	6,137
Recovery during the year	-	(152)
Repayment during the year	(7,432)	(740)
Balance as at 31 December	153,113	152,478

Loans to policy holders are secured by the surrender value of policies in force as at year end. They are repayable on demand and the carrying value approximates fair value.

(i) Movement in gross staff loans is shown below:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance as at 1 January	114,282	114,434
Addition during the year	-	-
Repayment/recovery during the year	(60)	(152)
Balance -gross	114,222	114,282
Increase/(reversal) of impairment during the year	(110,408)	(110,408)
Balance as at 31 December	3,814	3,874

(ii) Movement in gross loans to policy holders is shown below

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance as at 1 January	38,196	32,799
Addition during the year	8,067	6,137
Repayment during the year	(7,372)	(740)
Balance -gross	38,891	38,196
Impairment during the year	(3,954)	(3,802)
	34,937	34,394

(iii) Impairment allowance on loans can be analysed as follows:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Impairment on staff loans	110,408	110,408
Impairment of loans to policy holders	3,954	3,802
Balance as at 31 December	114,362	114,210

(iv) Impairment on staff loans represent provisions on loans granted to former executives. These loans were fully provided for as they have been deemed doubtful of recovery by management

(v) Impairment of loans to policyholders represent the extent to which the loan balance exceeds the surrender value as at the end of the year due to errors in the accounting treatment of loans repayment by policyholders.

(vi) Movement in impairment on loans is shown below

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance, beginning of year	114,210	114,058
Charge for the year- loans to policy holders (see note 29 (a) ii)	152	152
Write back during the year (see note 29 (a) i)	-	-
Balance, end of year	114,362	114,210

(b) Other receivables

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Other assets	14,127	14,127
Impairment allowance (see (i) below)	(5,651)	(5,651)
	8,476	8,476

Notes to the financial statements

Other receivable comprises receivables due to the Company from other activities aside underwriting. The details are shown below:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Dividend receivables	1,210	11,260
Interest receivables	477	477
Others	2,390	2,390
	4,077	14,127

Analysis of other receivables based on business segments is shown below:

<i>General</i>	31-Dec-21	31-Dec-20
Dividend receivable	-	8,367
Others	175	175
	175	8,542

<i>Life business</i>	31-Dec-21	31-Dec-20
Dividend receivable	1,210	2,893
Interest receivable	477	477
Others	2,215	2,215
	3,902	5,585

(i) Movement in allowances for other receivable is as follows:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance, beginning of year	5,651	5,651
(Write-off) for the year	-	-
Charge for the year	-	-
Balance, end of year	5,651	5,651

(ii) Movement in the gross other receivable is as follows:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Balance, beginning of year	14,127	14,127
Additions during the year	-	-
Write-offs during the year	-	-
Balance, end of year	14,127	14,127

(c) The details of the prepayment are shown below:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Others	124	124
Total	124	124

Notes to the financial statements

(d) Reconciliation of movement in Other receivables and prepayments
2021

<i>In thousands of Naira</i>	Movement in impairment during the year 2021					
	Gross amount as at 31 December	Balance as at 1 January	Write-off during the year	Additional impairment during the year	Balance as at 31 December	Carrying amount as at 31 December
Staff loans	114,222	110,408	-	-	110,408	3,814
Loans to policy holders	38,891	3,802	152	-	3,954	34,937
Other receivables (other assets)	14,127	5,651	-	-	5,651	8,476
Prepayment	124	-	-	-	-	124
Total	167,364	119,861	152	-	120,013	47,351

2020

<i>In thousands of Naira</i>	Movement in impairment during the year 2020					
	Gross amount as at 31 December	Balance as at 1 January	Write-off during the year	Additional impairment during the year	Balance as at 31 December	Carrying amount as at 31 December
Staff loans	114,282	110,408	-	-	110,408	3,874
Loans to policy holders	38,196	3,650	152	-	3,802	34,394
Other receivables (other assets)	14,127	5,651	-	-	5,651	8,476
Prepayment	124	-	-	-	-	124
Total	166,729	119,709	152	-	119,861	46,868

Notes to the financial statements

12 Property and equipment (31-Dec-21)	Land	Building	Motor vehicles	Computer equipment	Office Equipment	Furniture & fittings	Right of Use asset	Total
<i>In thousands of Naira</i>								
Cost/valuation								
Balance, beginning of year	270,071	393,888	296,500	50,537	34,567	40,934	10,422	1,096,919
Additions	-	-	2,500	-	-	-	-	2,500
Recognition of ROU assets	-	-	-	-	-	-	-	-
Disposal	-	-	(5,174)	-	-	-	-	(5,174)
Revaluation adjustment	156,929	(74,888)	-	-	-	-	-	82,041
Balance, end of year	427,000	319,000	293,826	50,537	34,567	40,934	10,422	1,176,286
Accumulated depreciation and impairment								
Balance, beginning of year	-	86,954	296,499	49,677	33,071	40,808	5,537	512,546
Additions	-	10,830	-	308	331	-	4,875	16,344
Disposal	-	-	(5,174)	-	-	-	-	(5,174)
Revaluation adjustment	-	-	-	-	-	-	-	-
Balance, end of year	-	97,784	291,325	49,985	33,402	40,808	10,412	523,716
Net Book Value								
Net book value 31 December 2021	427,000	221,216	2,501	552	1,165	126	10	652,570
Net book value 31 December 2020	270,071	393,888	1	860	1,496	126	4,884	671,327

(i) The Company had no restrictions to the use of its property and equipment as at the reporting date.

(ii) Property and equipment includes right-of-use asset related to leased property that do not meet the definition of investment property.

(iii) The Company had no capital commitments as at the reporting date (31 December 2020: Nil)

(iv) A listing of the Company's land and buildings with their values and locations as at year end is as shown on the next page:

12 Property and equipment (31-Dec-2020)	Land	Building	Motor vehicles	Computer equipment	Office Equipment	Furniture & fittings	Right of Use asset	Total
<i>In thousands of Naira</i>								
Cost/valuation								
Balance, beginning of year	270,071	480,842	300,895	50,167	34,090	40,934	12,451.00	1,189,450
Additions	-	-	-	370	477	-	6139	6,986
Recognition of ROU assets	-	-	-	-	-	-	-	-
Disposal	-	-	(4,395)	-	-	-	(8,169)	(12,564)
Balance, end of year	270,071	480,842	296,500	50,537	34,567	40,934	10,421	1,183,873
Accumulated depreciation and impairment								
Balance, beginning of year	-	75,903	300,894	49,318	32,553	40,808	8,215	507,691
Additions	-	11,051	-	359	518	-	5,491	17,419
Disposal	-	-	(4,395)	-	-	-	(8,169)	(12,564)
Balance, end of year	-	86,954	296,499	49,677	33,071	40,808	5,537	512,545
Net Book Value								
Net book value 31 December 2020	270,071	393,888	1	860	1,496	126	4,884	671,327
Net book value 31 December 2019	270,071	404,939	1	849	1,537	126	4,236	681,759

12.1 Property	Status of title	Opening balance 1 January 2021			Movement during the year					Closing balance 31 December 2021		
		land (a)	Building (b)	Total (c) = (a) + (b)	Additions during the year (d)	Improvement during the year (e)	Disposal during the year (f)	Depreciation during the year (g)	Revaluation gain/loss & Impairment (h)	Total (i) = c+d+e+f+g+h	Land (j)	Building (k)
<i>In thousands of Naira</i>												
No 6, Emmanuel Street, off Mobolaji Bank Anthony way, Onigbongbo, Maryland, Lagos		150,071	298,825	448,896	-	-	-	(9,747)	#####	460,253	282,000	188,000
No 2, Harare Street, off Rabat Street, Wuse Zone 6 Abuja		120,000	56,817	176,817	-	-	-	(866)	#####	261,134	145,000	117,000
D 27, Ikota Shopping Complex			38,246	38,246	-	-	-	(217)	#####	13,783	-	14,000
		270,071	393,888	663,959	-	-	-	(10,830)	82,041	735,170	427,000	319,000

Asset description	Location	Value (₦'000)
- Land & building	No 6, Emmanuel Street, off Mobolaji Bank Anthony way, Onigbongbo, Maryland, Lagos	150,071
	No 2, Harare street, off Rabat street, Wuse Zone 6, Abuja	120,000
		270,071
- Land & building	No 6, Emmanuel street, off Mobolaji Bank Anthony way, Onigbongbo, Maryland, Lagos	288,879
	No 2, Harare street, off Rabat street, Wuse Zone	55,933
	D 27, Ikota shopping complex	38,025
		382,837
		652,908

12.1 Property	Status of title	Opening balance 1 January 2020			Movement during the year					Closing balance 31 December 2020		
		land (a)	Building (b)	Total (c) = (a) + (b)	Additions during the year (d)	Improvement during the year (e)	Disposal during the year (f)	Depreciation during the year (g)	Revaluation gain/loss & Impairment (h)	Total (i) = c+d+e+f+g+h	Land (j)	Building (k)
<i>In thousands of Naira</i>												
No 6, Emmanuel Street, off Mobolaji Bank Anthony way, Onigbongbo, Maryland, Lagos		150,071	308,771	458,842	-	-	-	(9,946)		448,896	150,071	298,825
No 2, Harare Street, off Rabat Street, Wuse Zone 6 Abuja		120,000	57,701	177,701	-	-	-	(884)		176,817	120,000	56,817
D 27, Ikota Shopping Complex			38,467	38,467	-	-	-	(221)		38,246		38,246
		270,071	404,939	675,010	-	-	-	(11,051)		663,959	270,071	393,888

Asset description	Location	Value (₦'000)
- Land & building	No 6, Emmanuel Street, off Mobolaji Bank Anthony way, Onigbongbo, Maryland, Lagos	150,071
	No 2, Harare street, off Rabat street, Wuse Zone 6, Abuja	120,000
		270,071
- Land & building	No 6, Emmanuel street, off Mobolaji Bank Anthony way, Onigbongbo, Maryland, Lagos	298,825
	No 2, Harare street, off Rabat street, Wuse Zone	56,817
	D 27, Ikota shopping complex	38,246
		393,888
		663,959

The land and buildings were revalued by Foluke Ismail of Foluke Ismail & Associates - FRC/2013/NIESV/00000001701, (Estate Surveyors and Valuers) on 31 December 2019 using direct market comparison method, depreciated replacement cost method and investment valuation method to arrive at the open market value.

- (i) The Company had no restrictions to the use of its property and equipment as at the reporting date
(ii) Property and equipment includes right-of-use asset related to leased property that do not meet the definition of investment property
(iii) The Company had no capital commitments as at the reporting date (31 December 2020: Nil)

Notes to the financial statements

13 Statutory deposit

This represents the Company's deposit with the Central Bank of Nigeria at 31 December 2021, in compliance with the Insurance Act, CAP 117 LFN 2004 and it is not available for the normal business operations of the company.

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
General business	300,000	300,000
Life business	200,000	200,000
	500,000	500,000
	31-Dec-21	31-Dec-20
Current	-	-
Non-current	500,000	500,000
	500,000	500,000

**14 Insurance contract liabilities
2021**

<i>In thousands of Naira</i>	Life	General	Total
Provision for unearned premium	65,332	139,693	205,025
Outstanding claims - reported	1,346,059	3,464,020	4,810,079
Outstanding claims - IBNR	3,257	459,463	462,719
Individual life insurance fund	46,998	-	46,998
Liabilities under PRA Annuities	9,862	-	9,862
	1,471,508	4,063,175	5,534,684
	2020		
<i>In thousands of Naira</i>	Life	General	Total
Provision for unearned premium	100,478	118,136	218,614
Outstanding claims - reported	1,275,465	3,249,578	4,525,043
Outstanding claims - IBNR	30,516	404,705	435,221
Individual life insurance fund	82,160	-	82,160
Liabilities under PRA Annuities	13,163	-	13,163
	1,501,782	3,772,419	5,274,201

14.1 Gross insurance contract liability

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
<i>General</i>		
Outstanding claims reported	3,464,021	3,249,578
Outstanding claims -incurred but not reported (IBNR)	459,463	404,705
Provision for unearned premium	139,693	118,136
	4,063,177	3,772,419
<i>Life</i>		
Individual life fund	46,998	82,160
Group life-Unexpired premium reserve (UPR)	65,332	100,478
Group life-Additional unexpired risk reserve (AURR)	-	-
Group life-Outstanding claims IBNR	3,257	30,516
Liabilities under PRA Annuities	9,862	13,163
Outstanding claims reported	1,346,059	1,275,465
	1,471,508	1,501,783
Total	5,534,685	5,274,201

Notes to the financial statements

14.2 Reinsurance assets

	31-Dec-21	31-Dec-20
<i>General</i>		
Reinsurers' share of outstanding claims (see note 9)	36,359	46,639
Reinsurers' share of IBNR (see note 9)	9,633	10,879
Prepaid reinsurance (see note 9)	4,128	9,648
Recoverable on claims paid	-	-
	50,120	67,166
<i>Life</i>		
Recoverable on claims paid	6,134	6,134
Prepaid reinsurance (see note 9)	-	-
	6,134	6,134
Total	56,254	73,301
Net insurance contract liabilities	5,478,431	5,200,900

	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
Current	5,015,104	4,743,657
Non-current	519,579	530,544
	5,534,683	5,274,201

14.3 Movement in component of insurance contract liabilities is as shown below:

(a) Provision for unearned premium:

	31-Dec-21	31-Dec-20
General	139,693	118,136
Life	65,332	100,478
	205,025	218,614
Opening balance	218,614	389,346
Movement during the year	(13,589)	(170,732)
At year end	205,025	218,614

(b) Outstanding claims reported

	31-Dec-20	31-Dec-20
General	3,464,020	3,249,578
Life	1,346,059	1,275,465
	4,810,079	4,525,043
Opening balance	4,525,043	4,255,448
Movement during the year	285,036	269,595
At year end	4,810,079	4,525,043

Outstanding claims represents the estimated costs of settling all claims arising from incidents occurring as at the reporting date. The liability adequacy test outstanding claims liability as at 31 December 2021 was performed by Jonathan Ben Phiri of Logic Professional Services (FRC/2016/NAS/00000015016).

Notes to the financial statements

(c) Aging analysis

An analysis of the outstanding claims indicating the status as at reporting date is presented below:

In thousands of Naira	Discharge vouchers issued	Awaiting support documents	Awaiting settlement decision from lead assurer	Claims awaiting payments	Total
0 - 90 days	10,551	9,120	5,894	13,704	39,269
91 - 180 days	8,124	7,359	1,562	7,141	24,186
181 - 270 days	6,181	35,706	7,345	25,458	74,690
271 -360 days	2,654	392,673	924	309,700	705,951
Above 360 days	350,433	322,980	250,131	3,049,003	3,965,983
	377,943	767,838	265,856	3,405,006	4,810,079

Below are further breakdown of the outstanding claims and the reasons for their existence:

General business

In thousands of Naira	Discharge vouchers issued	Awaiting support documents	Awaiting settlement decision from lead assurer	Claims awaiting payments	Total
0 - 90 days		1,520		4,779	6,299
91 - 180 days		3,030		129	3,159
181 - 360 days		28,073	4,924	15,623	48,620
		391,073		308,758	699,831
Above 360 days			6,564	2,706,111	2,706,111
		423,696	11,488	3,035,400	3,464,020

Life business

In thousands of Naira	Discharge vouchers issued	Awaiting support documents	Awaiting settlement decision from lead assurer	Claims awaiting payments	Total
0 - 90 days	10,551	7,600	5,894	8,925	32,970
91 - 180 days	8,124	4,329	1,562	7,012	21,027
181- 270 days	6,181	7,633	2,421	9,835	26,070
271 - 360 days	2,654	1,600	924	942	6,120
Above 360 days	350,433	322,980	243,567	342,892	1,259,872
	377,943	344,142	254,368	369,606	1,346,059

(d) Outstanding claims -IBNR

	31-Dec-21	31-Dec-20
General	459,463	404,705
Life	3,257	30,516
	462,720	435,221
Opening balance	435,221	874,642
Movement during the year	27,499	(439,421)
At year end	462,720	435,221
13.4 Individual life fund	31-Dec-21	31-Dec-20
Opening balance	82,160	12,478
Release during the year	(35,162)	69,682
At year end	46,998	82,160

Notes to the financial statements

14.5 Liabilities under PRA Annuities

The annuity fund has been reserved by using a discounted cash flow approach by the Actuary. Reserves are set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed periods as required by the terms of the contract. The assets representing the annuities are invested in near-cash money market financial instruments with a tenor of 30 days on rolling basis and on government securities such as treasury bill and bonds. These government securities are regarded as low risk securities.

The movement in the annuity reserves is analysed as follows:

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Balance, beginning of the year	13,163	8,992
Payments to annuitants during the year	(1,139)	(1,143)
Changes in annuity fund through actuarial valuation**	(2,162)	5,314
Balance, year end	<u>9,862</u>	<u>13,163</u>

** The changes in annuity fund resulted from the changes in interest rates and actuarially determined reserves. The difference was recognised in the changes in life and annuity fund in profit or loss account

*** Represents the opening balance for annuity funds which was previously warehoused in life reserves and have been reclassified for proper disclosure purpose.

The annuity fund has supporting assets and liabilities as follows:

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Assets		
Liabilities	(9,862)	(13,163)
Excess of annuity liabilities over assets	<u>(9,862)</u>	<u>(13,163)</u>

15 Investment contract liabilities

In thousands of Naira

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Balance, beginning of year	1,815,781	1,722,222
Liabilities for lapsed policies	-	-
Actuarial Adjustment for contracts with discretionary participating features (see note (c) below)	(15,950)	532
Guaranteed interest (See note (a) below)	124,923	93,026
Write back of interest (See note (b) below)	-	-
	<u>1,924,754</u>	<u>1,815,781</u>
Less: payment	-	-
Balance, end of year	<u>1,924,754</u>	<u>1,815,781</u>

The investment contract liabilities include the sum of N1.23 billion due to the Pension Transition Arrangement Directorate (PTAD) for Pension Legacy Funds and Asset under the Defined Benefit Pension Scheme of the Federal Government of Nigeria.

In thousands of Naira

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Current	1,924,754	1,815,781
Non Current	-	-
	<u>1,924,754</u>	<u>1,815,781</u>

Net cash received on investment contract liabilities is analysed below :

Payments	-	-
Net cash flow for the period	-	-

(a) Gain/(Loss) on life investment contracts

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
<i>In thousands of Naira</i>		
Investment income	3,101	14,359
Guaranteed interest	(124,923)	(93,026)
Actuarial Adjustment for contracts with discretionary participating features (see note (c) below)	(15,950)	-
Write back of interest (See note (b) below)	-	-
Liabilities for lapsed policies	-	-
	<u>(137,773)</u>	<u>(78,667)</u>

Notes to the financial statements

(b) Write back of interest

In 2019, the court passed a judgment on the PTAD legacy funds stating the stipulated amount of assets to be transferred as well as the interest to be charged thereon. These amounts have been over-accrued in the books hence the write-back to show the actual amount of the assets to be transferred.

(c) Actuarial Adjustment for contracts with discretionary participating features

The amount represents the actuarial valuation for discretionary participating features on Unidowment and Flexidowment products. These numbers are derived from actuarial computation on the discretionary participating nature of these products.

16 Trade payables	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
Reinsurance payables	451,342	525,738
Due to brokers	-	-
Premium received in advance	38,540	28,978
	489,882	554,716
Movement in reinsurance payable		
<i>In thousands of Naira</i>		
	31-Dec-21	31-Dec-20
Balance, beginning of the year	525,738	525,738
Reinsurance cost during the year	164,769	37,130
Reinsurance premium paid during the year	(38,992)	(37,130)
	651,515	525,738
<i>In thousands of Naira</i>		
	31-Dec-21	31-Dec-20
Current	(64,834)	554,716
Non current	554,716	-
	489,882	554,716
17 Other payables and accruals		
<i>In thousands of Naira</i>		
	31-Dec-21	31-Dec-20
Other payables (see (a) below)	317,616	320,574
Sundry creditors (see (b) below)	94,388	94,394
Unclaimed dividend	31,956	31,956
Deferred commission income	3,910	3,010
Pension payable	260,273	252,812
Lease Liability	56	917
Retirement benefit payable (see (c) below)	301,432	301,432
	1,009,631	1,005,095
Accrued expenses (see (d) below)	68,116	74,921
	1,077,747	1,080,016
(a) Breakdown of other payables		
<i>In thousands of Naira</i>		
	31-Dec-21	31-Dec-20
Salaries payable	16,652	22,648
ITF levy	43,174	41,952
Withholding tax payable	23,570	21,454
VAT payable	13,182	12,257
Payable to NAICOM (see (a) (ii) below)	25,975	25,975
Payable to Veritas Kapital Assurance Plc (see (a) (iii) below)	47,183	47,183
Others (see (a) (i) below)	147,879	149,105
Total Other payables	317,616	320,574

(i) "Others" warehouses payable to staff cooperatives, deductions from staff salaries yet to be remitted, amongst others.

(ii) The amount payable to NAICOM represents the unsettled balance of the amount advanced to Goldlink Insurance Plc upon assumption of control by the regulator in 2018 to support the company's working capital and settle some of the Company's expenses. The outstanding balance as at 31 December 2021: N25,975,000 (2020: N25,975,000)

(iii) The amount represents the outstanding balance payable to Veritas Kapital assurance plc for expenses incurred and/settled on behalf of Goldlink Insurance Plc.

Notes to the financial statements

(b) Sundry creditors comprises sundry expenses incurred but not yet paid for during the year.

(c) Movement in retirement benefit payable can be analysed as shown below:

	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
At 1 January	301,432	303,096
Payments made during the year	-	(1,664)
At 31 December	301,432	301,432

	31-Dec-21	31-Dec-20
(d) Breakdown of accrued expenses		
<i>In thousand</i>		
Accrual for audit fees	3,625	3,625
Accrual for consultancy fees	5,191	10,774
Accrual for NAICOM Levy	57,958	56,123
Other accrued expenses	1,342	4,399
	68,116	74,921

	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
Current	1,077,747	1,080,016
	1,077,747	1,080,016

18 Current tax liabilities

The movement on taxation payable account during the year was as follows:

	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
Balance, beginning of year	363,452	390,315
Charge for the year	2,515	3,137
Tax paid during the year	-	(30,000)
Balance, end of year	365,967	363,452

19 Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The movement on deferred taxation account during the year was as follows:

	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
Balance, beginning of year	1,917	1,917
Credit to profit or loss account for the year (see note 30)	-	-
Balance, end of year	1,917	1,917

Notes to the financial statements

As at year end, deferred tax asset of ₦401 million (31 December 2020: ₦401 million) had not been recognised because the directors have determined that it is currently uncertain that there will be future taxable profit against which the tax assets can be utilised.

The analysis of unrecognised deferred tax asset is as follows:

<i>In thousands of Naira</i>	Gross amount	2021 Tax effect	Gross amount	2020 Tax effect
Tax losses	1,338,010	401,403	926,663	277,999

Movement in deferred tax balance

2021

<i>In thousands of Naira</i>	Net balance as at 1 January	Recognised in profit or loss	Balance as at 31 December
Property and equipment	1,917	-	1,917

2020

<i>In thousands of Naira</i>	Net balance as at 1 January	Recognised in profit or loss	Balance as at 31 December
Property and equipment	1,917	-	1,917

20Capital and reserves

20.1 Share capital

Share capital comprises:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
(a) Authorised:		
Ordinary shares of 50k each:		
9,100,000,000 units (2019: 9,100,000,000 units)	4,550,000	4,550,000
(b) Issued and fully paid		
Ordinary shares of 50k each:		
General business 1,209,162,780 units (2019: 1,209,162,780) (see (i) below)	604,581	604,581
Life business 1,251,754,280 units (2019: 1,251,754,280 units) (see (ii) below)	625,877	625,877
2,460,917,991 units (2019: 2,460,917,991 units)	1,230,459	1,230,459
	31-Dec-21	31-Dec-20
(i) General business		
Ordinary shares of 50k each:		
At 1 January (1,209,162,780 units)	604,581	604,581
Surrendered shares (0 unit)		
At 31 December (1,209,162,780 units)	604,581	604,581

Notes to the financial statements

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
(ii) Life busines		
Ordinary shares of 50k each:		
At 1 January		
(1,251,754,280 units)	625,877	625,877
At 31 December (1,251,754,280 units)	625,877	625,877

20.2 Share premium

The movement in share premium can be analysed as follows:

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
<i>In thousands of Naira</i>		
At 1 January	1,617,935	1,617,935
At 31 December	1,617,935	1,617,935

20.3 Contingency reserve

In accordance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life business is credited with the greater of 3% of total premiums or 20% of profits. This shall accumulate until it reaches the amount of greater of minimum paid- up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premiums or 10% of profits (whichever is greater) and accumulated until it reaches the amount of minimum paid- up capital.

The movement in the contingency reserve account during the year was as follows:

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
<i>In thousands of Naira</i>		
At 1 January	1,613,263	1,598,063
Transfer during the year	12,220	15,200
At 31 December	1,625,483	1,613,263

20.4 Retained earnings

The movement in retained losses can be analysed as follows:

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
<i>In thousands of Naira</i>		
At 1 January	(12,031,054)	(11,887,767)
Loss/Profit for the year	(433,592)	(128,087)
Transfer to contingency reserves (see note 20.3)	(12,220)	(15,200)
At 31 December	(12,476,866)	(12,031,054)

Notes to the financial statements

20.5 Asset revaluation reserves

This reserve is the accumulation of net revaluation gain on properties and equipment. The movement in asset revaluation reserves can be analysed as follows:

	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
At 1 January	-	-
Revaluation gain/loss on revalued land and building	82,041	-
At 31 December	82,041	-

20.6 Sale reserves at fair value through other comprehensive income

Fair value reserves includes the net accumulated change in the fair value through other comprehensive income asset until the investment is derecognised or impaired.

Movement in sale reserve at fair value through other comprehensive income can be analysed as follows:

	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>		
At 1 January	272,103	158,022
Fair value loss/gain	19,539	114,081
At 31 December	291,642	272,103

20.7 Treasury shares

The Company held its own shares as at the year end. The carrying amount of the shares as at year end was ₦47,350,000 (2020: ₦47,350,000).

Notes to the financial statements

21 Gross premium income

In thousands of Naira

	31-Dec-21	31-Dec-20
Gross premium written arising from insurance contracts issued (see (c) below)	502,939	728,210
Net changes in unearned premium (see (a) below)	13,589	170,732
	516,528	898,942

(a) Changes in unearned premium provision

In thousands of Naira

	31-Dec-21	31-Dec-20
General business: (Increase)/decrease		
Motor	31,695	47,123
Fire	(3,966)	38,842
General accident	(14,181)	28,682
Bond	62	827
Marine	(35,575)	(1,226)
Engineering	408	204
Oil & gas	-	-
Aviation	-	-
	(21,557)	114,452
Life business		
Changes in individual life	-	-
Changes in group life	35,146	56,281
	35,146	56,281
	13,589	170,733

(b) Analysis of gross premium is shown below:

In thousands of Naira

	31-Dec-21	31-Dec-20
Motor	121,740	224,524
Fire	20,954	20,884
General accident	38,428	35,375
Bond	122,154	49,110
Marine	53,079	57,440
Engineering	3,190	8,568
Oil & gas	-	-
	359,545	395,901
Life business		
Individual life	29,372	38,627
Group life	114,022	293,682
Annuity	-	-
	143,394	332,309
	502,939	728,210

Notes to the financial statements

22 Reinsurance expenses

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Reinsurance cost	38,992	37,130
Changes in unexpired reinsurance reserve	5,520	109,319
Changes in reinsurance payable relating to the current year expense	-	-
	44,512	146,449

23 Fees and commissions

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Commissions earned on reinsurance contract	6,759	11,274
	6,759	11,274

Analysis of commission received

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Deferred commission income as at 1 January (see note 17)	3,010	4,988
Commission received on reinsurance contracts during the year	44,561	9,296
Commission earned on reinsurance contract	(6,759)	(11,274)
Deferred commission as at 31 December	40,812	3,010

24 Claims expenses

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Claims paid during the year	155,906	142,798
Changes in outstanding claims reported	285,036	269,595
Changes in outstanding claims -IBNR	27,498	(439,421)
Gross claims incurred	468,440	(27,028)

Claims recovered during the year	2,400	42,498
Reinsurers' share of outstanding claims	(10,280)	(132,961)
Reinsurers' share of IBNR	(1,246)	(90,364)
Claims recovered during the year	(9,126)	(180,827)
Net claims incurred	477,566	(153,799)

24.1 Changes in life fund and annuity reserves

	31-Dec-21	31-Dec-20
Changes in life fund	(35,162)	69,682
Actuarial adjustments on investment contract with discretionary participatory fee	(15,950)	532
Changes in annuity reserve	(2,162)	5,514
	(53,274)	75,729

Notes to the financial statements

25 Underwriting expenses

<i>In thousands of Naira</i>	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Acquisition expenses	79,861	108,567
Maintenance expenses	38,640	73,162
	118,501	181,729

Breakdown of the underwriting expenses is shown below:

<i>In thousands of Naira</i>	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Acquisition expenses		
Commission paid	80,984	95,544
Movement in deferred acquisition cost	(1,123)	13,023
	79,861	108,567

Maintenance expenses

Marketing expenses	33,603	62,049
Business development expenses	2,225	7,201
Other maintenance expenses	2,503	3,521
Handling charges	309	391
	38,640	73,162

25.1 Acquisition expenses

<i>In thousands of Naira</i>	<u>31-Dec-21</u>	<u>31-Dec-20</u>
General		
Commission paid	61,938	59,865
Movement in deferred acquisition cost (see note 10)	(6,455)	13,023
	55,483	72,888
Life		
Individual life	1,958	2,896
Group life	17,088	32,783
Movement in deferred acquisition cost (see note 10)	5,332	
	24,378	35,679
	79,861	108,567
Analysis of total commission paid		
General	61,938	59,865
Life	19,046	35,679
Total commission paid	80,984	95,544

Notes to the financial statements

25.2 Maintenance expenses

In thousands of Naira

	31-Dec-21	31-Dec-20
<i>General business:</i>		
Marketing expenses	16,254	28,843
Business development expenses	2,225	7,201
Other maintenance expenses	2,503	3,521
	20,982	39,564
<i>Life business</i>		
Marketing expenses	17,349	33,206
Handling charges	309	391
	17,658	33,598
	38,640	73,162

26 Investment income

In thousands of Naira

	31-Dec-21	31-Dec-20
<i>Interest income</i>		
Interest income on fixed deposit	695	14
Rental Income	5,300	2,160
Interest income on statutory deposit	12,707	65,995
Total interest income	18,703	68,169
<i>Dividend income</i>		
	10,831	-
Total investment income	29,534	68,169

(a) Investment income is analysed below:

In thousands of Naira

	31-Dec-21	31-Dec-20
General business (see (i) below)	23,897	39,901
Life business (see (ii) below)	5,637	26,108
	29,534	66,009
Less: Life investment contract	(3,101)	(14,359)
	26,434	51,650

i General business:

Interest income	7,766	39,901
Rental Income	5,300	2,160
Dividend income	10,831	-
	23,897	42,061

ii Life business:

Interest income	5,637	26,108
Dividend income	-	-
	5,637	26,108
-Life Insurance contracts	2,537	11,749
-Life investment contracts	3,101	14,359
	5,637	26,108

(b) Analysis of dividend received

Opening balance, dividend receivable	9,569	9,569
Dividend income for the year	10,831	-
Closing balance, dividend receivable	(9,569)	(9,569)
Dividend received during the year	10,831	-

27 Other operating income/(loss)

	31-Dec-21	31-Dec-20
Foreign exchange gain	-	-
Other operating income (see (a) below)	21,192	4,762
Provision no longer required	-	-
	21,192	4,762

Notes to the financial statements

(a) Other operating income mostly comprises interest on policy loans, rental income, bank balances and penalty for policy terminations. It is analysed below;

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Interest income and penalty charges on policy loans	1,410	2,372
Interest income on bank balances	-	30
Proceeds of share from ALANGRAGE SECURITIES	14,410	-
Income from the disposal of PPE	5,372	200
	21,192	2,602

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
-General business	19,783	200
Life business	1,410	2,402
	21,192	2,602

(b) This amount represents the reversal of excess guaranteed interest on investment contract liabilities in accordance with the court judgement in relation to PTAD liabilities.

28 Management expenses

(a) Management expenses comprise:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Employee benefit costs (see note 29)	159,917	251,686
Depreciation of property, plant and equipment	16,344	17,418
Travelling & tours	2,924	3,980
Audit fees	3,625	3,625
Telecommunication	2,512	2,803
ITF levy	1,222	-
Professional fees	14,362	2,325
Training expense	405	465
Advertisement	-	1,224
NAICOM levy	4,835	7,282
Bank charges	1,223	1,289
Interest expense on lease liability	-	-
correction errors		175,460
Other management expenses (see c below)	69,392	71,264
	276,761	538,821

(b) Management expenses is analysed below:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Profit or loss accounts:		
-General business	227,919	498,870
-Life business	48,842	43,951
	276,761	538,821

Notes to the financial statements

(c) Other management expenses is analysed below:

In thousands of Naira

	31-Dec-21	31-Dec-20
<i>-General business:</i>		
Cleaning	3,031	3,327
Postage expenses	574	458
Printing & stationeries	1,159	1,066
Subscriptions	2,148	1,658
Donations	1,500	140
Security	1,170	1,427
Motor running	5,871	5,788
Medical expenses	-	49
Insurance & licensing	3,172	3,872
Local transportation	970	1,131
Office provision	610	1,011
Newspaper & magazine	313	350
Computer & other consumable	3,805	795
Repairs & maintenance	2,028	2,847
Government levy	1,026	628
Penalties and fines	500	30
General expenses	25,225	27,962
Fuel & oil	5,997	8,324
Entertainment	582	505
Electricity & water rate	4,828	4,470
Rent	-	270
Staff Gratuity	1,500	169
VAT	727	272
	66,738	66,547

	31-Dec-21	31-Dec-20
<i>Life business:</i>		
Cleaning	310	663
Postages	12	15
Stationeries	42	24
Motor running	336	709
Insurance & licensing	40	93
Local transportation	81	160
Office provision	30	126
Computer & other consumables	67	65
Repairs & maintenance	36	679
General expenses	947	696
Government levy	11	53
Fuel & oil	640	1,038
Entertainment	28	11
Pension in arrears	-	-
Electricity & water rate	75	239
Rent		
Printing	-	-
Donations	-	-
Subscriptions	-	148
	2,654	4,718
	69,392	71,264

Notes to the financial statements

29 Employee benefit costs

In thousands of Naira

	31-Dec-21	31-Dec-20
Staff salaries & directors cost	148,475	235,933
Other staff benefit	3,625	2,850
Director's expenses	7,817	12,903
	159,917	251,686

(a) Staff information

Employees earning more than ₦500,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	31-Dec-21	31-Dec-20
	Number	Number
₦750,000 - ₦1,000,000	19	19
₦1,000,000 - ₦2,000,000	42	42
₦2,000,000 - ₦3,000,000	28	28
Over ₦3,000,000	16	16
	105	105

(b) The average number of full time persons employed by the Company during the year was as follows:

	31-Dec-21	31-Dec-20
	Number	Number
Management staff	4	4
Non-management staff	101	101
	105	105

(c) Directors' remuneration

i Remuneration paid to the directors of the Company (excluding pension contribution and other allowances) was as follows:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Directors' fees	3,962	10,200
Other emoluments	3,855	2,703
	7,817	12,903

ii The directors' remuneration shown above (excluding pension contributions and other allowances) includes:

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Highest paid director (Managing Director)	-	-
	-	-

(d) Analysis of cash paid to employees

Opening balance of salary payable	239,215	10,178
staff cost for the year	159,917	251,686
closing balance of salary payable	(16,652)	(22,648)
cash paid to employees	382,480	239,216

30 Net impairment losses

In thousands of Naira

Impairment loss on trade receivables (See note 8(c))	-	-
Revaluation loss on property and equipment	-	-
Impairment charge on loans (see note 11(a)(vi))	152	152
Impairment loss on reinsurance assets (see note iv below)	-	(83,567)
Impairment loss on other receivable	-	-
	152	(83,415)

Notes to the financial statements

(a) Analysis of net impairment losses

i General Business

	31-Dec-21	31-Dec-20
Impairment charge on property and equipment	-	-
Impairment charge on reinsurance assets	-	-
Impairment loss on other assets	-	-
	-	-

ii Life Business

Impairment loss on trade receivables	-	-
Impairment charge on property and equipment	-	-
Impairment charge on loans	152	152
Impairment charge (others)	-	-
Impairment charge on other receivables	-	-
	152	152

iii Reversal of impairment allowance on trade receivable represents recoveries made during the year for which impairments had been previously made.

iv The impairment allowance on reinsurance assets represents recoverables which have been considered non-recoverable by management. They have subsequently been written -off

31 Tax expenses

In thousands of Naira

	31-Dec-21	31-Dec-20
Minimum tax	2,515	3,137
Income taxes		
Company income tax	-	-
Education tax	-	-
Prior year under provision	-	-
	2,515	3,137
Deferred tax charge/(credit) (see note 19)	2,515	3,137

32 Reconciliation of effective tax rate

	Rate	31-Dec-21	Rate	31-Dec-20
Loss before tax		(431,077)		(124,950)
Income tax using the domestic corporation tax rate	30%	-	30%	-
Minimum tax	1%	2,515	1%	3,137
Company income tax	0%	-	0%	-
Prior year under provision	0%	-	0%	-
Education tax	0%	-	0%	-
Tax exempt income	61%	-	61%	-
Non-deductible expenses	-12%	-	-12%	-
Current year losses for which no deferred tax asset is recognised	-59%	-	-59%	-
	21%	2,515	21%	3,137

Notes to the financial statement

33 Earnings per share

Basic earnings per share has been computed based on the profit after taxation attributable to equity holders and the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by dividing the profit attributable to the equity holders of the Company by the weighted number of ordinary shares outstanding after adjusting the effects of all dilutive ordinary shares, of which there are currently none in existence.

<i>In thousands of Naira</i>	31-Dec-20	31-Dec-20
Loss attributable to equity holders	(433,592)	(128,087)
Weighted average number of shares	2,460,916	2,460,916
Loss per share - Basic (kobo)	(18)	(5)

The Company does not have instruments with potential dilutive effects, and thus it has not disclosed diluted earnings per share.

34 Related party transactions

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercises influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes associates, joint ventures and the Company's pension schemes, as well as key management personnel.

(a) Transactions with related parties

The Company's related transactions mainly arise from relationships through its Key management personnel. The Key management personnel of the Company are regarded as Directors who have control over the Company. During the year under review, the Interim Board and Management had no transactions with the Company other than the fees they earn in their capacity as Directors (See Note 29c). Also see Note 17a(iii).

(b) Transactions with Key management personnel

The Company's key management personnel and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key management personnel and any entity over which key management personnel exercise control. The key management personnel have been identified as the executive directors and non-executive directors. Close family members are family or those family members who may be expected to influence, or be influenced by that individual in their dealings with Goldlink Insurance Plc.

Directors' remuneration

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Directors' fees	3,962	10,200
other emoluments	3,855	2,703
	7,817	12,903
Non Executive		
Directors' fees	3,962	10,200
other emoluments	3,855	2,703
	7,817	12,903

Payable to Veritas Kapital Assurance Plc

Balance as at 31 December 2021	47,183	47,183
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Notes to the financial statements

35 Contingent liabilities, litigations and claims

The company, in its ordinary course of business, had 6 pending cases as at 31 December 2021(2020: 6) as a defendant Litigation claims against the Company as at 31 December 2021 amounted to nil (2021: nil). In 2021, the litigation against the company by the Pensions Transitional Arrangement Directorate (PTAD) was awarded against the Company and the judgement sum has been recognised as a liability in the books as at 31 December 2021.

36 Contravention of laws and regulations

The Company contravened a regulatory requirement during the year and paid a total penalty of ₦1.25 million (2020: N1.6 million). This is analysed below:

37 Events after reporting date

Minimum capital requirement

In June 2020, the National Insurance Commission (NAICOM) released an updated circular announcing the extension of the deadline for compliance with the minimum paid up share capital policy for Insurance companies. According to the new circular, Life insurers are required to maintain a new minimum paid share capital of N8bn, General insurers are required to maintain N10bn while Composite insurers and Reinsurers are required to increase capital to N18bn and N20bn respectively.

The Company is expected to have a paid up capital of N9bn and N18bn by September 2021. However, this policy was suspended by the regulatory body in December 2020. See Note 38 on going concern.

Update to the Companies and Allied Matters Act (CAMA)

The Companies and Allied Matters Act 2004 was repealed and replaced with the Companies and Allied Matters Act (CAMA) 2022 on 7 August 2022. The Company is in the process of assessing the financial reporting implication of the Companies and Allied Matters Act (CAMA), 2021 on its business operations.

Impact of COVID-19 on the business

The COVID-19 disclosures have been made under the directors' report. There are no other subsequent events which have not been disclosed in the financial statements.

38 Going concern

The Company reported a loss after tax of ₦433,592,000 for the year ended 31 December 2021 (2020 loss after tax: ₦128,087,000). As at same date, the Company's total liabilities exceeded total assets by ₦7,676,656,000 (2020: ₦7,344,645,000). The financial performance of the Company ended in a loss after tax of ₦433,592,000 for the year ended 31 December 2021 (2020 loss after tax: ₦128,087,000). Its operating losses mainly resulted from decreased premiums due to reduced business activities over the years.

The minimum regulatory capital required by the National Insurance Commission (NAICOM) for composite insurance business is ₦5 billion. The Company, with a negative shareholders' fund of ₦7,676,656,000(2020: ₦7,344,645,000), was significantly below the minimum regulatory capital by ₦12,676,656,000 (2020: ₦12,344,645,000).

In addition, the Company had a shortfall in solvency margin of ₦12,712,278,000 as at 31 December 2021 (2020 shortfall: ₦12,379,143,000) for the composite business. The total admissible assets of the Company less the net insurance contract liabilities and investment contract liabilities was in deficit of ₦7,712,278,000 as at 31 December 2021 (2020: ₦7,379,143,000) for the composite business.

Notes to the financial statements

On 27 April 2018, the shareholders approved the plan by the Company to recapitalize the business by injecting additional capital of N3.3 billion into the business, comprising ordinary shares (via rights issue) of N2.3 billion, and preference shares of N1 billion. However, at the shareholders meeting held in September 2020, it was noted that the attempt to recapitalize through the afore-mentioned plan had been aborted as Veritas Kapital Assurance Plc (the majority shareholder) had withdrawn its interest due to the proposed minimum capital requirement for insurance and reinsurance companies announced by the regulator earlier in the year.

Furthermore, in September 2020, a group of investors expressed a binding interest in the Company. The first group is interested in acquiring the life business license with the possibility that the Company's composite license may be decoupled, with funds received from the investment used to support the recapitalization of the General business. The second group is interested in acquiring the equity stake in the Composite Company. However, the appraisal of the company is ongoing and they are yet to make a final offer. The group of investors have undertaken to inject fresh capital to shore up Goldlink post-acquisition position to meet regulatory threshold and business obligations.

In December 2021, the Company's shareholders obtained the approval of the regulator, NAICOM to dissolve the interim management board constituted by NAICOM and pave way for new management and new ownership. Subsequently, new directors were appointed to the board and charged with completing the recapitalization exercise and ensuring continuity of the insurance business operations.

In the event that the Company does not succeed in recapitalizing, this condition may constitute non-compliance with the regulatory capital requirements, which could lead to the withdrawal of the Company's operating license. Also, the inadequate capital may threaten the Company's ability to carry out its normal operations. These conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, realize its assets and settle its liabilities in the normal course of business.

The Directors acknowledge these uncertainties and have put in place certain strategies to ensure the business continues to meet its short-term obligations. These includes but not limited to;

- employing cost-cutting measures which ensures that only the necessary expenditure is incurred; and
- putting in place an effective system for settling the company's liabilities such as outstanding claims, which ensures that liabilities are duly settled, whilst still proactively pursuing and encouraging potential investors' interest in the business.

Based on the foregoing, the Directors have reasonable expectation that they will be able to meet their recapitalisation plan and the Company will be able to realise its assets and settle its obligations as they arise in the normal course of business. Accordingly, these financial statements have been prepared based on accounting policies applicable to a going concern.

Notes to the financial statements
39 Enterprise Risk Management Framework

Introduction

As a composite insurance Company, Goldlink Insurance Plc sees risk management as a primary objective which aims to protect the Company's stakeholders from events that could hinder the sustainable achievement of its financial performance objectives. The management of the Company recognises the importance of having an efficient and effective risk management system in place. Hence, the Company has developed an Enterprise-wide Risk Management Framework. The ERM framework assists the Company in identifying, and managing all the classes of risks that are embedded in its processes and operations.

The ERM framework/programme helps structure and coordinates all direct and indirect risk management activities within the Company while eliminating redundancies and ensuring consistency in the risk management process. Our strategy also entails constantly monitoring daily risk positions, attracting and retaining qualified personnel, reducing volatility in supplies, and managing political risk. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board of directors to Executive management committees and senior management.

The Board of directors approves the risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Company's risk management policies:

- identification of risks and its interpretation,
- limit structure to ensure the appropriate quality and diversification of assets,
- align underwriting and reinsurance strategy to the corporate goals and
- specify reporting requirements.

(a) Capital management objectives, policies and approach
Strategic risks

The Company has established the following capital management objectives, policies and approach to managing the risks that affects its capital position:

- maintain the required level of stability of the Company thereby providing a degree of security to policyholders.
- allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- maintain financial strength to support new business growth and satisfy the requirements of the policyholders, regulators and other stakeholder
- maintain strong liquidity; align the profile of assets and liabilities, taking into consideration risks inherent in the business.
- maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders' value

The Company's operations are also subject to regulatory requirements of the National Insurance Commission (NAICOM). Such regulations not only prescribe approval and monitoring activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as they arise.

The Company's capital management policy is to hold sufficient capital to cover statutory requirements based on NAICOM directives, including any additional amounts required by the regulator.

In reporting financial strength, capital and solvency are measured using the rules prescribed by NAICOM. These regulatory tests are based upon required levels of solvency, capital, and a series of prudent assumptions in respect of the type of assets held.

(b) Approach to Capital Management

The primary source of capital used by the Company is Equity Shareholders' funds. The company's capital management strategy seeks to focus on the creation of shareholders' value in order to meet crucial and equally important objective of providing an appropriate level of capital to protect stakeholders' interests and satisfy regulators.

The adequacy level of capital determines the degree of confidence that stakeholders (suppliers, clients investors, depositors and counterparties) would have in the Company's business. Hence, the Company seeks to ensure that adequate capital exists to buffer the following:

Notes to the financial statements

- absorb large unexpected losses
- protect clients and other creditors
- provide confidence to external investors and rating agencies
- support a good credit rating; and
- run operations of the company efficiently and generate commensurate returns.

As an important ERM objective, Goldlink Insurance Plc maintains a risk appetite which is expressed quantitatively using the following metrics:

Solvency margin = Total admissible assets minus total liabilities

Debt-to-capital ratio = Total debt/Capital

Shareholders equity ratio = Shareholders equity/total asset

The capital management process is governed by the Board of directors who has the ultimate responsibility for the capital management process. The Board of directors is supported by the Risk Enterprise Committee, Risk management department and Account department

The company seeks to maintain economic capital level sufficient to meet internal capital needs. The capital plan reflects the Company's current capital needs, planned capital consumption, targeted future capital level given the risk appetite/tolerance, and the plans for external and internal sources of capital. To withstand adverse economic conditions, the capital plan incorporates various potential scenarios and is responsive to changes in the economy, market, competitive/political landscape, and other external factors. The Company plans its capital needs throughout the product and business life cycle, and also ensures that capital management is integrated with the business plan and risk management systems

The account department and risk management department implement responsive capital management processes that include preparing plans for capital adequacy, setting risk limits, monitoring compliance with these plans and limits, analysing and assessing the actual results, evaluating the level of capital adequacy, and implementing policies when necessary. Capital is forecasted into the future on an annual basis based on the defined corporate strategy and goals. Constraints on the Company's capital by stakeholders are considered in performing the forecast.

Capital is allocated to activities that provide the highest returns. The process clearly specifies the basis for the calculation of capital to be allocated to risk types (known as the "risk capital") and the limits on capital to be allocated to each of the risk categories, business activities and units. The allocation of capital is based on the risk profiles of the business activities and business units (i.e. based on the contribution of each business unit to the overall volatility of cash flows).

The minimum regulatory capital required by the National Insurance Commission (NAICOM) for composite insurance business is ₦5 billion. The Company, had a negative shareholders' fund of ₦7,676,656,000 (2020: ₦7,344,645,000), which was significantly below the minimum regulatory capital by ₦12,676,656,000(2020: ₦12,344,645,000). In addition, the Company's shareholder's fund deteriorated further during the year under review as a result of the operating losses after taxation.

The Company also had a shortfall in solvency margin of ₦12,712,278,000 as at 31 December 2021 (2020:₦12,379,143,000) for the composite business. The total admissible assets of the Company less the net insurance contract liabilities and investment contract liabilities was in deficit of ₦7,712,278,000 as at 31 December 2021 (2020: ₦7,379,143,000) for the composite business.

These constitute non-compliance with the regulatory capital requirements, which could lead to the withdrawal of the Company's operating license. Also, the inadequate capital threatens the Company's ability to carry out its normal operations. The continuation of the Company's operations is dependent upon future profitability and the ability of the Company to meet its regulatory capital requirement and generate sufficient cash flows to meet its obligations as they fall due

The Company intends to broaden its operational strategies, intensify its marketing efforts in order to retain existing customers and attract new customers, as well as introduce innovative insurance products which would enhance its premium base as soon as the planned recapitalisation plans is successfully concluded.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern or realize its assets and discharge its liabilities in the normal course of business. However the interim

board and management believe that the Company will continue as a going concern and that the above plans will be successfully executed. The financial statements have therefore been prepared using the basis of accounting policies applicable to a going concern.

Notes to the financial statements
(c) Solvency margin

The Insurance Act 2003 (Section 24) prescribed that an insurer shall in respect of its business other than life insurance business, maintain a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liability in Nigeria.

The solvency margin which is determined as the excess of admissible assets over total liabilities shall not be less than 15% of the gross premium less reinsurance premiums paid out during the year under review or the minimum paid up capital, whichever is greater

The National Insurance Commission (NAICOM) has requested that composite Insurance Companies disclose the solvency margins for the composite business and not just for the non-life segment of the business, as was the practice.

The solvency margin for composite business as at 31 December 2021 is as follows:

In thousands of Naira

	Total	31-Dec-21	31-Dec-21	31-Dec-20	31-Dec-20
		Inadmissible	Admissible	Inadmissible	Admissible
Admissible Assets:					
Cash and cash equivalents			46,613	-	61,561
Financial assets			372,001	-	351,128
Trade receivables			20,700	-	19,572
Reinsurance assets			50,120	-	67,166
Other receivables and prepayments		8,600	38,751	8,600	38,269
Property and equipment			652,570	-	671,327
Statutory deposits			500,000	-	500,000
Total admissible asset		8,600	1,680,756	8,600	1,709,023

Less: Total liabilities:

Insurance contract liabilities			5,534,684	-	5,274,201
Investment contract liabilities			1,924,754	-	1,815,781
Trade payables			489,882	-	554,716
Other payables and accruals			1,077,747	-	1,080,016
Current tax liabilities			365,967	-	363,452
Deferred tax liabilities		(1,917)		(1,917)	-
(B) Total liabilities		(1,917)	9,393,034	(1,917)	9,088,166

TEST OF SOLVENCY:

Deficit of admissible assets over liabilities-solvency			(7,712,278)	(7,379,143)
TEST I Gross premium income			516,528	898,942
Less: Reinsurances			(44,512)	(146,449)
Net Premium			472,016	752,493
15% thereof			70,802	112,874
TEST II Minimum paid up capital			5,000,000	5,000,000
The highest thereof			5,000,000	5,000,000
Deficit of solvency			(12,712,278)	(12,379,143)
Solvency Ratio			-154%	-148%

The Company had a negative shareholders' fund of ₦7,676,656,000(2020: ₦7,344,645,000), which was significantly below the minimum regulatory capital of N5,000,000,000 required for composite insurance businesses, and a shortfall in solvency margin of ₦12,712,278,000 as at 31 December 2021 (2020: ₦ 12,379,143,000) for the composite business. See Note 38 on Going concern.

Notes to the financial statements

(d) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures

- requirements for the periodic assessment of operational risks and the adequacy of controls and procedures to address the risks
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

(e) Financial risks

The Company has exposure to the following risks from financial instruments:

Credit risks
Liquidity risks
Market risks

(f) Credit risks

Goldlink Insurance Plc seeks to ensure the establishment of principles, policies, processes and structure for managing credit risk. The credit risk appetite is in line with the Company's strategic objectives, available resources and the provisions of NAICOM Operational guidelines. In setting this risk appetite, the corporate solvency level, risk capital and liquidity level, credit ratings, level of investments, reinsurance and coinsurance arrangements, and nature and categories of its clients, are taken into consideration.

The Company's credit risk appetite includes the following:

- Credit limits shall not exceed 10% of the 3 years gross premium generated from each client.
- Individual broker's indebtedness, at the end of each financial year, shall not exceed the limit set by management at the beginning of that financial year.

indicator of impairment.

- Credit tolerance limit for Category A shall not exceed N50 million
- Credit tolerance limit for Category B shall not exceed N25 million
- Credit tolerance limit for Category C shall not exceed N15 million

Credit risk appetite limits shall be updated from time to time, to reflect changes in the business and to comply with any change in regulatory provisions.

The credit risk management governance structure comprises the board of directors, ERM committee, management risk committee, technical operations department, risk management department and the internal audit department.

The Board risk committee has the responsibility of ensuring that an appropriate, adequate and effective system of risk management and internal control which addresses credit control is established and maintained.

Notes to the financial statements

The Credit Risk Management process involves the identification, measurement, mitigation and control, monitoring and reporting of The credit control unit identifies credit amongst other functions by assessing/evaluating the repayment capacity of clients/counterparties, credit policyholders, insurance brokers, etc. The evaluation entails the analysis of counterparties' financial statements cash flow, management experience and other client risk factors.

An internal credit rating is in place to measure the counterparty credit risk. All clients and counterparties that are to be granted credit shall be rated using the Company's risk-rating model. The risk-rating model comprises:

Client/counterparty risk rating : evaluates a client's ability to meet its credit obligations, through analysis of its financial statements, cash flow statement, management capabilities and other client related risk factors.

Transaction risk rating: defines the risk of a specific credit line by overlaying the counterparty risk rating with an analysis of factors such as credit structure and collaterals.

The risk rating scale ranges from D to AAA, where D represents a credit of the lowest quality and AAA represents a credit of the highest quality.

The following risk mitigation and control activities are in place to effectively manage exposures to default risk: client evaluation, credit analysis, credit limit setting, credit approval, security management, and provision for impairment.

The quality and performance of credit portfolios is monitored to identify early signs of decline in credit quality. Such activities include the review of aging report, credit portfolio quality and delinquency management.

The Company's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for relevance and for changes in the risk environment.

Net exposure limits are set for each counterparty or Company of counterparties, geographical and industry segment (i.e., limits are set for investments and cash deposits).

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings.

The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in the policy document until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

The table below shows the maximum exposure to credit risk for the Company's financial assets. The maximum exposure is shown gross, before the effect of mitigation.

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Financial instruments		
Other receivables*	47,227	46,744
Reinsurance assets**	40,487	60,699
Trade receivables	20,700	19,572
Cash and cash equivalents excluding cash at hand	46,460	61,276
	154,874	188,291

* Other receivables exclude prepayments

** Reinsurance assets excluding recoverables relating to IBNR as determined by the Actuary

Trade receivables

The Company is exposed to this risk from its core business i.e. outstanding premiums from clients. Trade receivables are short-term in nature consisting of a large number of policyholders and are subject to moderate credit risk. The Company categorizes its exposure to this risk on individual basis based on risks grade and aging and periodically reviews trade receivable to ensure credit worthiness.

Notes to the financial statements

Credit risk exposure to direct business is relatively high as the bulk of the Company's underwriting is driven by business obtained from direct policyholders. However, the Company manages this risk by strictly adhering to NAICOM's policy on "No premium, No cover". The Company's exposure to credit risk arising from brokered business is relatively moderate and the risk is managed by the Company's internal rating model for brokers. The Company's credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Company transacts business with.

The Company focuses on effective management of its exposure to credit risk especially premium related debts. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

Outlined below is the Company's exposure to credit risk arising from trade receivables

<i>In thousands of Naira</i>	31-Dec-21	31-Dec-20
Gross Amount		
Neither past due nor impaired	-	-
Past due but not impaired	20,700	19,572
impaired	-	-
Total	20,700	19,572
Impairment		
Neither past due nor impaired	-	-
Past due but not impaired	-	-
Impaired	-	-
Total	-	-
Carrying Amount	20,700	19,572

Credit Definitions

Impaired trade receivables

Impaired trade receivables for which the Company determines that it is probable that it will be unable to collect the contractual payments according to the contractual terms of the agreement(s). These receivables were in the books prior to the enforcement of NAICOM's "No premium, no cover" policy.

Past due but not impaired trade receivables

Trade receivables where contractual payments are past due (outstanding for more than 30 days) but the Company believes that impairment is not appropriate on the basis that the amounts owed have been received subsequently to year end.

Neither past due nor impaired

Trade receivables where contractual payments are not due and that the Company believes are not impaired. They have been outstanding for less than 30 days.

Allowances for impairment

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance, established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on receivables subject to individual assessment for impairment.

Reinsurance

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policies guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.

Notes to the financial statements

Money market investments

The Company's investment portfolio is exposed to credit risk through its fixed income and money market instruments. The Company further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis. The credit risk exposure associated with money market investments is low.

Other receivables

Other receivables balances constitute other debtors and other assets. The Company has an internal system of assessing the credit quality of other receivables through established policies and approval systems. The company constantly monitors its exposure to these receivables via periodic performance review. The Company further manages its exposure to credit risk through deduction of transactions at source and investment in blue-chip companies quoted on Nigerian Stock Exchange. The exposure to credit risk associated with other receivables as .

(f) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

The Company's risk management department seeks to maintain an independent liquidity risk-reporting framework that consistently communicates liquidity risk information across the Company and ensures availability of timely information for liquidity management decisions.

The Company seeks to maintain a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Maturity profiles

The table that follows summarises the maturity profile of the non-derivative financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Reinsurance assets have been presented on the same basis as insurance liabilities. Loans and receivables include contractual interest receivable.

Notes to the financial statements

Residual contractual maturity of financial assets and liabilities

As at 31 December 2021

<i>In thousands of Naira</i>	Notes	Carrying value	Gross nominal inflow/ outflow	1-3 months	3-6 months	6-12 months	1-5 years	Total
Assets								
Cash and cash equivalents	6	46,613	46,613	46,613	-	-	-	46,613
<i>Available for sale financial assets:</i>								
Quoted equity securities	7(a)	85,844	85,844	-	-	-	85,844	85,844
Unquoted equity securities	7(a)	276,157	276,157	-	-	-	276,157	276,157
Held to maturity financial assets	7(b)	10,000	10,000	-	10,000	-	-	10,000
Trade receivables	8	20,700	20,700	20,700	-	-	-	20,700
Other receivable*	11	47,227	47,227	-	47,227	-	-	47,227
Reinsurance assets	9	50,120	50,120	50,120	-	-	-	50,120
		536,661	536,661	117,433	57,227	-	362,001	536,661
Liabilities								
Insurance contract liabilities	14	5,534,684	5,534,684	3,464,020	-	459,463	-	3,923,483
Investment contract liabilities	15	1,924,754	1,924,754	1,924,754	-	1,924,754	-	3,849,508
Trade payables	16	489,882	489,882	489,882	-	-	-	489,882
Other payables**	17	1,009,631	1,009,631	1,009,631	-	-	-	1,009,631
		8,958,951	8,958,951	6,888,287	-	2,384,217	-	9,272,504
Gap (assets-liabilities)		(8,422,289)	(8,422,289)	(6,770,854)	57,227	(2,384,217)	362,001	(8,735,843)

* Other receivable excludes prepayments

**Other payables excludes accrual

Residual contractual maturity of financial assets and liabilities

As at 31 December 2020

<i>In thousands of Naira</i>	Notes	Carrying value	Gross nominal inflow/ outflow	1-3 months	3-6 months	6-12 months	1-5 years	Total
Assets								
Cash and cash equivalents		61,561	61,561	61,561	-	-	-	61,561
<i>Available for sale financial assets:</i>								
Quoted equity securities	7(a)	88,397	88,397	-	-	-	88,397	88,397
Unquoted equity securities	7(a)	254,065	254,065	-	-	-	254,065	254,065
Held to maturity financial assets	7(b)	8,667	8,667	-	8,667	-	-	8,667
Trade receivables	8	19,572	19,572	19,572	-	-	-	19,572
Other receivable*	11	46,745	46,745	-	46,745	-	-	46,745
Reinsurance assets	9	67,166	67,166	67,166	-	-	-	67,166
		546,173	546,173	148,299	55,412	-	342,462	546,173
Liabilities								
Insurance contract liabilities	14	5,274,201	5,274,201	3,249,578	-	404,705	-	3,654,283
Investment contract liabilities	15	1,815,781	1,815,781	1,815,781	-	1,815,781	-	3,631,562
Trade payables	16	554,716	554,716	554,716	-	-	-	554,716
Other payables**	17	1,004,333	1,004,333	1,004,333	-	-	-	1,004,333
		8,649,031	8,649,031	6,624,408	-	2,220,486	-	8,844,894
Gap (assets-liabilities)		(8,102,858)	(8,102,858)	(6,476,109)	55,412	2,220,486	342,462	(8,298,721)

* Other receivable excludes prepayments

**Other payables excludes accrual

Notes to the financial statements

(h) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The Company's enterprise risk management policy sets out the assessment and determination of what constitutes market risk. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholder's liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to US dollar.

The Company's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. The main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarises the Company's financial assets and liabilities by major currencies:

31-Dec-21	Note	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro (EUR)	Total
<i>In thousands</i>						
Assets						
Cash and cash equivalents		47,941	(638)	(383)	255	46,666
Investment securities		-	-	-	-	
<i>Available for sale:</i>						
Quoted equity securities	7(a)	85,844	-	-	-	85,844
Unquoted equity securities	7(a)	-	247,142	-	-	247,142
Held to maturity	7(b)	10,000	-	-	-	10,000
Other receivables	11	47,227	-	-	-	47,227
Trade receivables	8	20,700	-	-	-	20,700
Reinsurance assets excluding recoverables relating to IBNR	9	50,120	-	-	-	50,120
Total		261,832	246,504	(383.00)	255.00	
Liabilities						
Insurance contract liabilities excluding IBNR and other reserves provision						
	14	3,504,642	1,501,990	-	-	5,006,632
Investment contract liabilities	15	1,924,754	-	-	-	1,924,754
Trade payables	16	483,039	207,016	-	-	690,055
Other payables and accruals	17	1,077,747	-	-	-	1,077,747
Total		6,990,182	1,709,006	-	-	8,699,188

31 December 2020			US Dollars	UK Pound	Euro		
<i>In thousands</i>	Note	Naira (N)	(USD)	Sterling	(GBP)	(EUR)	Total
Assets							
Cash and cash equivalents	6	62,835	(1,165)	(206)	97		61,561
Investment securities		-	-	-	-		-
<i>Available for sale:</i>							
Quoted equity securities	7(a)	88,397	-	-	-		88,397
Unquoted equity securities	7(a)	-	254,065	-	-		254,065
Held to maturity	7(b)	8,667	-	-	-		8,667
Other receivables	11	46,745	-	-	-		46,745
Trade receivables	8	19,572	-	-	-		19,572
Reinsurance assets excluding recoverables relating to IBNR	9	67,166	-	-	-		67,166
Total		293,382	252,900	(206)	97		546,173
Liabilities							
Insurance contract liabilities excluding IBNR and other reserves provision							
	14	2,903,388	1,935,592	-	-		4,838,980
Investment contract liabilities	15	1,815,781	-	-	-		1,815,781
Trade payables	16	332,830	221,886	-	-		554,716
Other payables and accruals	17	1,080,016	-	-	-		1,080,016
Total		6,132,015	2,157,478	-	-		8,289,493

Notes to the financial statements

(j) Interest rate risks

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

Exposure to this risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Company monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modeled and The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements.

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The Company is also exposed to the risk of changes in future cash flows from fixed income securities arising from the changes in interest rates. As at end of the year, the company was not exposed to any risks arising from interest rate fluctuations, as all its investments in fixed income securities were subject to fixed rates. The carrying amount of these financial instrument is a reasonable approximation of their fair value.

(k) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate or exchange rate risk). The Company is exposed to market price risk through its investments in quoted equities and is thus subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from equity investments is determined by the fair value of the investments.

Market price risk sensitivity analysis

Using equity portfolio weighted beta of 1.09, if the all share index (ASI) had increased or decreased by 10% as at 31 December 2021, with all other variables held constant, the Company's net asset value could have increased or decreased as indicated below. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The impact of increase or decrease in ASI on the Company's equity portfolio is shown in the sensitivity analysis below:

Sensitivity analysis:

<i>In thousands of Naira</i>	Note	2021	2020
Fair value of quoted equities	7	85,844	88,397
Increase in ASI			
1%		842	964
3%		2,526	2,891
10%		8,421	9,635
Decrease in ASI			
1%		(842)	(964)
3%		(2,526)	(2,891)
10%		(8,421)	(9,635)

Notes to the financial statements

40 Fair values of financial assets and liabilities

Accounting classification, measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities and their fair values.

31-Dec-21

In thousands of Naira

	Notes	At fair value through P/L	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	6	-	-	-	-	-	-	-
Financial assets	7	-	10,000	-	362,001	-	372,001	372,001
Trade receivables	8	-	-	20,700	-	-	20,700	20,700
Reinsurance assets	9	-	-	50,120	-	-	50,120	50,120
Other receivables*	11	-	-	47,227	-	-	47,227	47,227
Total		-	10,000.00	118,047	362,001.00	-	490,048	490,048
Liabilities								
Insurance contract liabilities	14	-	-	-	-	5,534,684	5,534,684	5,534,684
Investment contract liabilities	15	-	-	-	-	1,924,754	1,924,754	1,924,754
Trade payables	16	-	-	-	-	489,882	489,882	489,882
Other payables and accruals**	17	-	-	-	-	1,009,631	1,009,631	1,009,631
Total		-	-	-	-	8,958,951	8,958,951	8,958,951

*Other receivables excludes prepayments

**Other payables and accruals excludes accruals

31-Dec-20

In thousands of Naira

	Notes	At fair value through P/L	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	6	-	-	61,561	-	-	61,561	61,561
Financial assets	7	-	8,667	-	342,642	-	351,129	351,129
Trade receivables	8	-	-	19,572	-	-	19,572	19,572
Reinsurance assets	9	-	-	67,166	-	-	67,166	67,166
Other receivables*	11	-	-	46,745	-	-	46,745	46,745
Total		-	8,667	195,044	342,642	-	546,173	546,173
Liabilities								
Insurance contract liabilities	13	-	-	-	-	5,274,201	5,274,201	5,274,201
Investment contract liabilities	14	-	-	-	-	1,815,781	1,815,781	1,815,781
Trade payables	15	-	-	-	-	554,716	554,716	554,716
Other payables and accruals**	16	-	-	-	-	1,005,095	1,005,095	1,005,095
Total		-	-	-	-	8,649,031	8,649,793	8,649,793

*Other receivables excludes prepayments

**Other payables and accruals excludes accruals

Notes to the financial statements

41 Fair value of financial assets and liabilities not carried at fair value

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 (i.e., held to maturity and loans and receivables).

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate their fair value.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

Determination of fair value and fair value hierarchy

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These may include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of quoted equities have been determined using Level 1 hierarchy while for unquoted equities, they have been determined using Level 3 hierarchy.

31-Dec-21

(in thousands of Naira)

Asset Type	Level 1	Level 2	Level 3	Total
Equities securities- Available for sale	85,844	-	276,157	362,001
Total	85,844		276,157	362,001

31-Dec-20

(in thousands of Naira)

Asset Type	Level 1	Level 2	Level 3	Total
Equities securities- Available for sale	88,397	-	254,065	342,462
Total	88,397		254,065	342,462

Notes to the financial statements

42 Insurance Risk

The claims development history of the Company as at 31 December 2021 was as follows:

(a) Claims development tables

The claims development history of the Company is as follows:

in thousands of Naira

Motor

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	126,407	3,769	1,684	460	-	7	-	-	-
2008	199,885	125,376	6,963	6,782	4,006	28	3,164	-	-	-
2009	199,737	126,076	9,593	3,528	218	-	-	-	-	182
2010	215,964	158,686	13,500	1,917	21	-	-	-	29	3,660
2011	197,034	126,498	6,786	1,884	1,893	-	266	30	-	-
2012	237,362	116,523	9,614	945	34	-	31	-	-	-
2013	156,508	86,654	10,161	196	-	2,056	-	-	-	-
2014	130,483	69,538	1,567	306	-	-	-	-	-	-
2015	108,506	35,684	5,175	717	1,653	9,100	4000	-	-	-
2016	72,711	36,212	1,222	32	-	-	-	-	-	-
2017	69,238	13,912	1,000	1,500	1000	-	-	-	-	-
2018	72,976	15,392	-	-	-	-	-	-	-	-
2019	41,602	13,347	1547	-	-	-	-	-	-	-
2020	15,580	9,915	-	-	-	-	-	-	-	-
2021	13,652	-	-	-	-	-	-	-	-	-

Marine

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	31,157	3,463	1,075	844	-	-	-	-	-
2008	2,986	12,666	4,201	235	-	-	-	-	-	-
2009	1,953	15,031	1,132	1,367	-	-	575	-	-	-
2010	9,330	16,781	1,139	2,694	-	-	-	-	-	-
2011	9,640	13,523	6,560	635	20	-	-	-	-	-
2012	2,052	13,067	1,781	-	-	-	-	-	-	-
2013	10,798	7,326	635	-	-	-	-	-	-	-
2014	19,229	17,135	4,902	25	-	-	-	-	-	-
2015	7,537	13,812	2,938	709	-	-	-	-	-	-
2016	7,917	4,015	8	-	70	-	-	-	-	-
2017	5,190	4,774	475	127	-	-	-	-	-	-
2018	5,725	4,850	-	43	-	-	-	-	-	-
2019	6,022	2,862	-	-	-	-	-	-	-	-
2020	987	7,117	-	-	-	-	-	-	-	-
2021	1,855	-	-	-	-	-	-	-	-	-

General Accident

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	50,585	34,895	7,463	4,154	987	1,407	871	-	-
2008	25,496	75,014	27,671	9,101	4,733	141	524	924	-	-
2009	34,297	61,577	32,026	14,579	1,232	534	1,754	2,248	-	-
2010	11,693	62,920	27,683	12,680	4,755	1,069	484	-	-	-
2011	43,003	86,692	21,353	4,447	2,886	177	-	-	-	-
2012	41,489	87,296	26,786	4,891	64	463	1	48	-	-
2013	48,608	58,424	10,912	16,164	1,300	807	103	-	-	-
2014	36,265	41,118	9,142	2,858	994	135	-	-	-	-
2015	26,786	31,443	2,333	412	30	-	-	-	-	-
2016	10,922	20,280	4,887	2,358	-	1000	-	-	-	-
2017	10,688	15,547	425	-	-	-	-	-	-	-
2018	7,764	5,873	3,242	7	-	-	-	-	-	-
2019	5,502	3,636	900	-	-	-	-	-	-	-
2020	3,085	2257	-	-	-	-	-	-	-	-
2021	3000	-	-	-	-	-	-	-	-	-

Notes to the financial statements

Fire

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	47,080	8,354	32	335	649	-	-	-	33
2008	30,837	18,003	9,507	53	316	-	-	-	-	-
2009	12,040	20,006	11,840	309	292	-	-	-	15	69
2010	19,835	20,587	3,426	599	316	-	-	71	-	-
2011	18,731	38,190	8,631	506	279	54	121	10	-	-
2012	21,140	40,892	4,785	2,578	2,438	2,055	1,242	5,058	-	-
2013	45,627	39,263	1,664	877	258	15	16	13	-	-
2014	25,987	27,699	3,211	5,627	4,000	2,893	-	-	-	-
2015	18,458	16,691	6,220	5,890	455	277	14	-	-	-
2016	19,478	9,008	1,434	129	290	-	-	-	-	-
2017	18,394	6,254	722	1,743	-	-	-	-	-	-
2018	9,496	2,093	-	-	-	-	-	-	-	-
2019	4,440	2,041	19	-	-	-	-	-	-	-
2020	2,457	1,591	-	-	-	-	-	-	-	-
2021	128	-	-	-	-	-	-	-	-	-

Engineering

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	1,492	252	58	22	-	-	-	-	-
2008	3,308	10,964	1,161	9	23	-	-	-	-	-
2009	1,090	4,562	288	82	6	342	-	-	-	-
2010	3,663	6,877	6,245	13	508	-	-	-	-	-
2011	1,286	6,832	3,342	641	-	-	-	-	28	-
2012	6,977	18,637	2,296	2,650	-	-	-	-	-	-
2013	1,732	1,226	388	373	-	-	-	-	-	-
2014	5,168	16,561	7,637	-	328	-	-	-	-	-
2015	3,566	425	136	1,925	-	-	-	-	-	-
2016	1,041	624	-	-	-	-	-	-	-	-
2017	2,547	3,388	5,109	-	-	-	-	-	-	-
2018	352	4,546	11,200	-	-	-	-	-	-	-
2019	294	925	-	-	-	-	-	-	-	-
2020	621	-	-	-	-	-	-	-	-	-
2021	1859	-	-	-	-	-	-	-	-	-

Notes to the financial statement

Cummulative Claims Developments

Motor

Acc. Year	1	2	3	4	5	6	7	8	9	10
2007	-	126,407	3,769	1,684	460	-	7	-	-	-
2008	199,885	125,376	6,963	6,782	4,006	28	3,164	-	-	-
2009	199,737	126,076	9,593	3,528	218	-	-	-	-	182
2010	215,964	158,686	13,500	1,917	21	-	-	-	29	3,660
2011	197,034	126,498	6,786	1,884	1,893	-	266	30	-	-
2012	237,362	116,523	9,614	945	34	-	31	-	-	-
2013	156,508	86,654	10,161	196	-	2,056	-	-	-	-
2014	130,483	69,538	1,567	306	-	-	-	-	-	-
2015	108,506	35,684	5,175	717	1,653	9,100	-	-	-	-
2016	72,711	36,212	1,222	32	-	-	-	-	-	-
2017	69,238	13,912	1,000	1,500	-	-	-	-	-	-
2018	72,976	15,392	-	-	-	-	-	-	-	-
2019	41,602	13,347	-	-	-	-	-	-	-	-
2020	15,580	-	-	-	-	-	-	-	-	-
2021	13,652	-	-	-	-	-	-	-	-	-

Marine

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	31,517	3,463	1,075	844	-	-	-	-	-
2008	2,986	12,666	4,201	235	-	-	-	-	-	-
2009	1,953	15,031	1,132	1,367	-	-	575	-	-	-
2010	9,330	16,781	1,139	2,694	-	-	-	-	-	-
2011	9,640	13,523	6,560	635	20	-	-	-	-	-
2012	2,052	13,067	1,781	-	-	-	-	-	-	-
2013	10,798	7,326	635	-	-	-	-	-	-	-
2014	19,229	17,135	4,902	25	-	-	-	-	-	-
2015	7,537	13,812	2,938	709	-	-	-	-	-	-
2016	7,917	4,015	8	-	70	-	-	-	-	-
2017	5,190	4,774	475	127	-	-	-	-	-	-
2018	5,725	4,850	-	-	-	-	-	-	-	-
2019	6,022	2,862	-	-	-	-	-	-	-	-
2020	987	-	-	-	-	-	-	-	-	-
2021	1855	-	-	-	-	-	-	-	-	-

Notes to the financial statement

General Accident

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	50,585	34,895	7,463	4,154	987	1,407	871		
2008	25,496	75,014	27,671	9,101	4,733	141	524	924		
2009	34,297	61,577	32,026	14,579	1,232	534	1,754	2,248		
2010	11,693	62,920	27,683	12,680	4,755	1,069	484	-		
2011	43,003	86,692	21,353	4,447	2,886	177	-	-		
2012	41,489	87,296	26,786	4,891	64	463	1	48		
2013	48,608	58,424	10,912	16,164	1,300	807	103	-		
2014	36,265	41,118	9,142	2,858	994	145	-	-		
2015	26,786	31,443	2,333	412	30	-	-	-		
2016	10,922	20,280	4,887	2,358	-	-	-	-		
2017	10,688	15,547	425	-	-	-	-	-		
2018	7,764	5,873	3,242	-	-	-	-	-		
2019	5,502	3,636	-	-	-	-	-	-		
2020	3,085	2,257	-	-	-	-	-	-	-	-
2021	3,000	-	-	-	-	-	-	-	-	-

Fire

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	47,080	8,354	32	335	649	-	-	-	33
2008	30,837	18,003	9,507	53	316	-	-	-	-	-
2009	12,040	20,006	11,840	309	292	-	-	-	15	69
2010	19,835	20,587	3,426	599	316	-	-	71	-	-
2011	18,731	38,190	8,631	506	279	54	121	10	-	-
2012	21,140	40,892	4,785	2,578	2,438	2,055	1,242	5,058	-	-
2013	45,627	39,263	1,664	877	258	15	16	13	-	-
2014	25,987	27,699	3,211	5,627	4,000	2,893	-	-	-	-
2015	18,458	16,691	6,220	5,890	455	277	-	-	-	-
2016	19,478	9,008	1,434	129	290	-	-	-	-	-
2017	18,394	6,254	722	1,743	-	-	-	-	-	-
2018	9,496	2,093	-	-	-	-	-	-	-	-
2019	4,440	2,041	-	-	-	-	-	-	-	-
2020	2,457	-	-	-	-	-	-	-	-	-
2021	128	-	-	-	-	-	-	-	-	-

Engineering

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	1,492	252	58	22	-	-	-	-	-
2008	3,308	10,964	1,161	9	23	-	-	-	-	-
2009	1,090	4,562	288	82	6	342	-	-	-	-
2010	3,663	6,877	6,245	13	508	-	-	-	-	-
2011	1,286	6,832	3,342	641	-	-	-	-	28	-
2012	6,977	18,637	2,296	2,650	-	-	-	-	-	-
2013	1,732	1,226	388	373	-	-	-	-	-	-
2014	5,168	16,561	7,637	-	328	-	-	-	-	-
2015	3,566	425	136	1,925	-	-	-	-	-	-
2016	1,041	624	-	-	-	-	-	-	-	-
2017	2,547	3,388	5,109	-	-	-	-	-	-	-
2018	352	4,546	11,200	-	-	-	-	-	-	-
2019	294	925	-	-	-	-	-	-	-	-
2020	621	-	-	-	-	-	-	-	-	-
2021	1859	-	-	-	-	-	-	-	-	-

Note to the financial statement

42.1 Life Insurance & Investment Contracts

Sensitivity analysis report for life insurance & investment liabilities

	Base	VIR +1%	VIR -1%	Expense inflation +1%	Expense inflation -1%	Mortality +1%	Mortality -1%
Individual DA Annuity	275,315,347	277,925,222	272,705,395	277,869,191	272,761,503	275,315,347	275,315,347
Individual Traditional	8,992,266	8,443,252	9,605,173	9,010,121	8,976,984	9,002,431	8,982,173
Individual outstanding claims	22,678,322	19,618,337	26,643,669	27,613,071	19,068,590	22,800,483	22,559,711
Group life outstanding claims	5,644,287	5,644,287	5,644,287	5,644,287	5,644,287	5,644,287	5,644,287
Group DA	1,278,164,557	1,278,164,557	1,278,164,557	1,278,164,557	1,278,164,557	1,278,164,557	1,278,164,557
Group life	1,431,489,587	1,445,804,483	1,417,174,691	1,445,804,483	1,417,174,691	1,431,489,587	1,431,489,587
	476,300,088	476,300,088	476,300,088	476,300,088	476,300,088	476,300,088	476,300,088
Summary	Base	VIR +1%	VIR -1%	Expense inflation +1%	Expense inflation -1%	Mortality +1%	Mortality -1%
Individual	312,630,222	311,631,098	314,598,524	320,136,670	306,451,364	312,762,548	312,501,518
Group	3,185,954,232	3,200,269,128	3,171,639,336	3,200,269,128	3,171,639,336	3,185,954,232	3,185,954,232
Total	3,498,584,454	3,511,900,226	3,486,237,860	3,520,405,798	3,478,090,700	3,498,716,780	3,498,455,750

The principal risk the Company faces under insurance contracts is that actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess of loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess of loss reinsurance vary by product line and territory.

The Company's underwriting risk appetite is defined based on underwriting objectives, business acceptance guidelines, retention guidelines, net retention capacity, annual treaty capacity, regulatory guidelines, other operational considerations and the judgement of the board and senior management.

Each year, as part of the planning process, the Risk Enterprise committee and senior management review the underwriting strategy of each core insurance businesses taking into account profit, growth and risk appetite considerations. The review is carried out for each major class of business and approved by the committee.

Notes to the financial statements

42.2 General insurance contracts

The Company principally issues the following types of general insurance contracts: motor, fire, marine, aviation, general accident, engineering and bonds.

Risks under general insurance policies usually cover a twelve month duration.

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events.

Sensitivities

The non-life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The stochastic reserve simulations approach has been adopted for the non-life business except for Oil & gas, Aviation and the Bond classes where the expected loss ratio method was used in determining the reserves as there are limited experienced data points.

Notes to the financial statement

General reserve sensitivity analysis

Motor

	Mean	Standard deviation	Median	VaR (99.5%)	Tail-VaR (99.5%)
2010	110	1,067	(240)	3,030	3,137
2011	541	2,463	129	7,389	7,969
2012	1,254	3,695	943	11,181	12,435
2013	13,828	13,270	10,788	50,410	54,096
2014	21,273	16,130	19,731	67,590	73,540
2015	28,445	18,387	26,929	80,909	89,985
2016	16,302	13,687	15,052	57,927	62,315
2017	14,027	12,755	12,794	56,061	61,084
2018	16,158	13,673	14,612	60,059	66,253
2019	26,159	23,109	21,430	104,087	114,867
2020					
2021					

	Mean	Standard deviation	Median	VaR (99.5%)	Tail-VaR (99.5%)
2010	148	1,784	(264)	6,340	7,072
2011	1,723	6,486	123	24,305	27,127
2012	4,408	10,017	2,081	38,093	43,360
2013	5,439	11,091	3,412	43,191	49,425
2014	18,310	22,067	13,111	96,701	108,887
2015	25,972	28,961	19,035	132,218	153,146
2016	27,222	31,960	19,387	143,653	164,096
2017	31,821	38,708	21,999	176,747	197,471
2018	9,506	25,542	3,538	110,164	124,534
2019	13,181	37,727	4,136	162,906	188,681
2020					
2021					

	Mean	Standard deviation	Median	VaR (99.5%)	Tail-VaR (99.5%)
2010	757	3,525	93	13,022	15,020
2011	5,234	9,407	3,445	38,199	41,962
2012	15,360	16,116	12,678	70,987	78,354
2013	25,160	21,345	21,793	99,506	111,537
2014	27,532	22,434	24,036	106,017	117,137
2015	27,368	22,899	23,721	106,801	115,260
2016	20,581	20,283	16,727	93,402	104,661
2017	13,649	17,007	9,544	78,017	88,443
2018	8,313	14,300	4,779	67,167	76,439
2019	12,627	31,990	4,218	141,482	172,480
2020					
2021					

Notes to the financial statements

Marine

	Mean	Standard deviation	Median	VaR (99.5%)	Tail-VaR (99.5%)
2011	1,639	2,868	450	13,007	14,203
2012	2,752	3,766	1,641	17,065	19,536
2013	5,023	5,136	3,955	23,636	27,716
2014	15,055	8,942	13,557	45,620	52,166
2015	14,733	8,940	13,296	46,181	51,135
2016	5,668	5,549	4,548	26,867	29,500
2017	5,176	5,473	3,931	25,533	29,368
2018	5,802	5,946	4,429	28,430	32,299
2019	16,165	17,440	10,293	91,495	107,567
2020					
2021					

Engineering

	Mean	Standard deviation	Median	VaR (99.5%)	Tail-VaR (99.5%)
2011	1,849	3,096	1,106	17,656	20,793
2012	6,839	5,905	5,661	32,281	36,900
2013	1,041	2,378	452	12,925	14,971
2014	9,591	6,911	8,290	36,500	44,181
2015	11,428	7,619	9,973	41,696	48,474
2016	807	2,158	254	10,500	12,856
2017	5,288	5,547	4,052	28,727	34,697
2018	3,238	4,832	2,026	26,399	30,485
2019	1,459	7,059	(6)	40,643	51,479
2020					
2021					

The stochastic approach allows for inflation allowing for likely future variations around the average expected experience

Methods adopted assume the future claims follow a regression pattern from the historical data.

The Stochastic method allows for uncertainty and variations in claim amounts calculated from the chain ladder method. Instead of producing a point estimate for reserves, it utilises the available age - to - age claim data to provide a distribution of probable reserve outcomes. The approach starts with calculating the age-to-age ratios of loss development table. The age-to-age link ratios are then varied around their average levels randomly with corresponding claims estimates. Thus, the Bootstrap method takes randomly from the age - to-age ratios with replacement to produce a reserve estimate. Simulating this step 10,000 times therefore results in 10,000 possible estimated claim estimates. The result is expressed as a statistic (a mean or percentile) of the distribution. Reordering the simulated results and calculating the difference between 95 or 99.5 percentile as required with the mean serving as the capital required to cover any reserving risk.

Deterministic approach for limited data points

	Base	Loss ratio		Expense ratio		Interest rate	
		5% rise	5% fall	5% rise	5% fall	1% rise	1% rise
Oil & Gas	2,574,864	2,759,207	2,434,217	2,733,342	2,416,386	2,548,268	2,602,079
Aviation	45,868	48,475	43,261	48,475	43,261	45,395	46,350
Bond	65,789	75,411	62,227	75,411	56,168	65,679	65,902

Notes to the financial statements

43 Asset and liability management

The principal technique of the Company's Asset and Liability Management (ALM) is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Company's ALM is integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities. An integral part of the insurance risk management policy is to ensure, in each period, sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

43.1 Hypothecation 31-Dec-21

	Note	Insurance contract	Annuity	Investment contract	Shareholders funds	Total
<i>In thousands of Naira</i>						
Assets						
Cash and cash equivalents	6	-	822	4,125	41,666	46,613
Financial assets	7	372,001	-	-	-	372,001
Trade receivables	8	20,700	-	-	-	20,700
Reinsurance assets	9	50,120	-	-	-	50,120
Other receivables and prepayments	11	-	-	-	47,351	47,351
Property and equipment	12	-	-	-	652,570	652,570
Statutory deposit	13	-	-	-	500,000	500,000
Total Assets		442,821	822	4,125	1,241,587	1,689,355
Liabilities						
Insurance contract liabilities	14	5,524,821	9,862	-	-	5,534,684
Investment contract liabilities	15	-	-	1,924,754	-	1,924,754
Trade payables	16	-	-	-	489,882	489,882
Other payables and accruals	17	-	-	-	1,077,747	1,077,747
Current tax liabilities	18	-	-	-	365,967	365,967
Deferred tax liabilities	19	-	-	-	1,917	1,917
Total Liabilities		5,524,821	9,862	1,924,754	1,935,513	9,394,951
(Deficit)/surplus		(5,082,000)	(9,040)	(1,920,629)	(693,926)	(7,705,596)
Cummulative (deficit)		(5,082,000)	(5,091,041)	(7,011,670)	(7,705,596)	(7,705,596)

The Company is putting strategies in place to turn around the shareholders' deficit, via its recapitalisation plans

Notes to the financial statements
31-Dec-20

	Note	Insurance contract	Annuity	Investment contract	Shareholders funds	Total
<i>In thousands of Naira</i>						
Assets						
Cash and cash equivalents	6	-	1,769	4,021	55,771	61,561
Financial assets	7	351,128	-	-	-	351,128
Trade receivables	8	19,572	-	-	-	19,572
Reinsurance assets	9	67,166	-	-	-	67,166
Other receivables and prepayments	11	-	-	-	46,868	46,868
Property and equipment	12	-	-	-	671,327	671,327
Statutory deposit	13	-	-	-	500,000	500,000
Total Assets		437,866	1,769	4,021	1,273,966	1,717,622
Liabilities						
Insurance contract liabilities	14	5,261,038	13,163	-	-	5,274,201
Investment contract liabilities	15	-	-	1,815,781	-	1,815,781
Trade payables	16	-	-	-	554,716	554,716
Other payables and accruals	17	-	-	-	1,080,016	1,080,016
Current tax liabilities	18	-	-	-	363,452	363,452
Deferred tax liabilities	19	-	-	-	1,917	1,917
Total Liabilities		5,261,038	13,163	1,815,781	2,000,101	9,090,084
(Deficit)/surplus		(4,823,172)	(11,394)	(1,811,760)	(726,135)	(7,372,462)
Cummulative (deficit)		(4,823,172)	(4,834,566)	(6,646,326)	(7,372,462)	(7,372,462)

The Company is putting strategies in place to turn around the shareholders' deficit, via its recapitalisation plans

Notes to the financial statements

44 Operating segments

For management purposes, the Company is organised into business units based on their products and services and has two reportable operating segments as follows:

Life insurance segment

The life insurance segment offers savings, protection products and other long-term contracts (both with and without insurance risk). It comprises a wide range of whole life, term assurance, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from insurance premium, fees and commission income and investment income.

General insurance segment

The general insurance segment comprises general insurance to individuals and businesses. General insurance products offered include motor, fire, marine, aviation, Oil & gas, engineering, general accident and bond & indemnity insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident.

For inter segment transactions that occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results will include those transfers between business segments.

Notes to the financial statement

Segment Profit or Loss and Other Comprehensive Income as at 31 December 2020

<i>In thousands of Naira</i>	General Insurance		Life Insurance		Elimination of interbusiness transactions		Total	
	2021	2020	2021	2020			2021	2020
Gross premium written	359,545	395,901	143,394	332,309	-	-	502,939	728,210
Gross premium income	337,988	510,353	178,540	388,589	-	-	516,528	898,942
Reinsurance expense	(41,879)	(48,017)	(2,633)	(98,432)	-	-	(44,512)	(146,449)
Net premium income	296,109	462,336	175,907	290,157	-	-	472,016	752,493
Fees and commission income	6,759	11,274	-	-	-	-	6,759	11,274
Net underwriting income	302,868	473,610	175,907	290,157	-	-	478,775	763,767
Claims expense	(336,389)	(92,279)	(141,177)	(61,520)	-	-	(477,566)	(153,799)
Underwriting expense	(76,465)	(112,452)	(42,036)	(69,277)	-	-	(118,501)	(181,730)
Changes in life fund	-	-	53,274	(75,529)	-	-	53,274	(75,529)
Underwriting profit/(loss)	(109,986)	268,879	45,968	83,833	-	-	(64,018)	352,710
Investment and other operating	43,679	42,261	3,947	14,151	-	-	47,626	56,412
Impairment (losses)/reversals	(91)	50,049	(61)	33,366	-	-	(152)	83,415
Management expenses	(227,919)	(494,870)	(48,842)	(43,951)	-	-	(276,761)	(538,821)
Loss on life investment contrac	-	-	(137,773)	(78,667)	-	-	(137,773)	(78,667)
Loss before tax	(294,317)	(133,681)	(136,761)	8,731	-	-	(431,077)	(124,950)
Income taxes	(1,798)	(2,649)	(717)	(488)	-	-	(2,515)	(3,137)
Loss after taxation	(296,114)	(136,330)	(137,478)	8,243	-	-	(433,592)	(128,087)

Other comprehensive income

Items in other comprehensive income that may be reclassified subsequently to profit or loss

Financial assets at fair value through other comprehensive income

assets	(10,854)	117,626	(249)	(3,545)	-	-	(11,103)	114,081
Total Comprehensive Income	(306,968)	(18,704)	(137,727)	4,698	-	-	(444,695)	(14,006)

Assets and liabilities

<i>In thousands of Naira</i>	General Insurance		Life Insurance		Elimination of interbusiness transactions		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Tangible segment assets	1,166,332	1,266,005	2,215,760	2,207,761	-	(1,728,325)	3,382,092	1,745,439
Charged to other segments	-	-	-	-	-	-	-	-
Total assets	1,166,332	1,266,005	2,215,760	2,207,761	-	(1,728,325)	3,382,092	1,745,439
Segment liabilities	7,311,194	7,179,727	3,748,951	3,638,680	-	(1,728,325)	11,060,145	9,090,163
Charged to other segments	-	-	-	-	-	-	-	-
Total liabilities	7,311,194	7,179,727	3,748,951	3,638,680	-	(1,728,325)	11,060,145	9,090,163
Net (liabilities) /assets	(6,144,862)	(5,913,802)	(1,533,191)	(1,430,919)	-	-	(7,678,053)	(7,344,724)

Other National Disclosures

Notes to the financial statements

**General Business Statement of Financial Position
For the year ended 31 December, 2021**

	Note	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>			
Assets			
Cash and cash equivalents		40,806	54,642
Other financial assets		336,215	309,177
Trade receivables		16,637	17,678
Reinsurance asset	9	48,012	61,032
Deferred acquisition cost	10	23,039	16,584
Other receivables and prepayments		7,266	7,083
Intangible assets		-	-
Property, plant and equipment		394,357	499,809
Statutory deposits	13	300,000	300,000
Total Assets		1,166,332	1,266,005
Liabilities			
Insurance contract liabilities	14	4,063,175	3,772,419
Trade payables		354,718	453,026
Other payables and accruals		2,535,470	2,598,967
Current tax liabilities		297,942	295,427
Deferred tax liabilities		59,889	59,889
Total Liabilities		7,311,194	7,179,727
Capital and reserves			
Issued and paid up share capital		634,201	634,201
Share premium		1,061,274	1,061,274
Contingency reserve		1,492,755	1,481,969
Retained losses		(9,598,053)	(9,291,152)
Revaluation reserves		49,225	-
Available for sale reserve		263,085	245,938
Treasury shares		(47,350)	(47,350)
Shareholders funds		(6,144,862)	(5,915,120)
Total equity and liabilities		1,166,332	1,264,607

Notes to the financial statements
General Business Statement of Comprehensive Income
For the year ended 31 December 2021

	Note	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>			
Gross premium written		359,545	395,901
Gross premium income		337,988	510,353
Reinsurance expense		(41,879)	(48,017)
Net premium income		296,109	462,336
Fees and commission income		6,759	11,274
Net underwriting income		302,868	473,610
Claims expense	24	(336,389)	(92,279)
Underwriting expense		(76,465)	(112,452)
Underwriting profit/(loss)		(109,986)	268,879
Investment and other operating income		43,679	42,261
Management expense		(227,919)	(494,870)
Net impairment (losses)/reversals		(91)	50,049
Profit/Loss before taxation		(294,317)	(133,681)
Tax expenses		(1,798)	(2,649)
Loss/Profit after taxation		(296,114)	(136,330)
Items within other comprehensive income that may be reclassified to profit or loss			
Other comprehensive income			
Fair value changes on available for sale financial assets		(10,854)	117,626
Exchange gains on available for sale financial assets		-	-
Income tax effect			
Items within other comprehensive income that will not be reclassified to profit or loss			
Fair value changes on property and equipment		49,225	
Reversal of deferred tax on asset revaluation reserve			-
Other comprehensive income for the year, net of tax		38,371	117,626
Total comprehensive income/(loss)		(257,743)	(18,704)

Notes to the financial statement

General Business Revenue Account
For the year ended 31 December 2021

		57%	5%	9%	15%	12%	2%				
<i>In thousands of Naira</i>	Notes	MOTOR	FIRE	GEN. ACC	MARINE	BOND	ENGINEERING	OIL & GAS	AVIATION	2021 TOTAL	2020 TOTAL
		₦	₦	₦	₦	₦	₦	₦	₦	₦	₦
INCOME											
Direct Premium		121,740	20,954	38,428	53,079	122,154	3,190	-	-	359,545	395,901
Inward Reinsurance Premium		-	-	-	-	-	-	-	-	-	-
Gross Written Premium		121,740	20,954	38,428	53,079	122,154	3,190	-	-	359,545	395,901
Less: (Increase)/ decrease in unearned premium		31,695	(3,966)	(14,181)	(35,575)	62	408	-	-	(21,557)	114,452
Gross Premium income		153,435	16,988	24,247	17,504	122,216	3,598	-	-	337,988	510,353
Reinsurance Cost		(9,871)	(6,094)	(15,769)	(4,782)	(2,025)	(3,338)			(41,879)	(48,017)
Net Premium earned		143,564	10,894	8,478	12,722	120,191	260	-	-	296,109	462,336
Commissions earned		3,853	338	608	1,014	811	135	-	-	6,759	11,274
Net underwriting income		147,417	11,232	9,086	13,736	121,002	395	-	-	302,868	473,610
EXPENSES											
Gross Claims Paid	23	32,614	1,757	7,172	13,898	-	2,509	-	-	57,950	100,736
Increase/(decrease) in outstanding claims provision		(18,301)	19,028	16,276	(2,558)	(4,206)	26,061	232,901	-	269,201	302,555
Gross Claims incurred		14,313	20,785	23,448	11,340	(4,206)	28,570	232,901	-	327,151	403,291
Less: Reinsurance claims recoveries/recoverable	23	2,400	-	-	-	-	-	-	-	2,400	622
Reinsurance claims recoverable (actuary)		6,702	(10,707)	(4,659)	1,082	(1,509)	(2,548)			(11,639)	
Net claims incurred		5,211	31,492	28,107	10,258	(2,697)	31,118	232,901	-	336,390	403,913
Add: Underwriting expenses:											
Acquisition expenses	24.1	(30,516)	(3,329)	(4,993)	(8,877)	(6,658)	(1,110)	-	-	(55,483)	72,888
Maintenance expenses: Handling charges	24.2	-	-	-	-	-	-	-	-	-	-
Marketing expenses	24.2	(9,265)	(813)	(1,463)	(2,438)	(1,950)	(325)	-	-	(16,254)	28,843
Other maintenance expense	24.2	(2,694)	(236)	(425)	(709)	(567)	(95)	-	-	(4,727)	10,721
		(42,475)	(4,378)	(6,882)	(12,024)	(9,176)	(1,529)	-	-	(76,464)	112,452
Total expenses and claims incurred		47,686	35,870	34,989	22,282	6,479	32,647	232,901	-	412,854	516,365
Underwriting profit/(loss)		99,731	(24,638)	(25,902)	(8,547)	114,523	(32,252)	(232,901)	-	(109,986)	(42,754)

Notes to the financial statements

**Life Business Statement of Financial Position
For the year ended 31 December, 2021**

<i>In thousands of Naira</i>	Note	31-Dec-21	31-Dec-20
Assets			
Cash and cash equivalents		5,807	6,919
Other financial assets		35,785	41,952
Trade receivables		4,063	1,894
Reinsurance assets		2,108	6,134
Deferred acquisition cost		5,900	11,232
Other receivables and prepayments		1,645,912	1,710,139
Intangible assets		-	-
Property, plant and equipment		258,213	171,518
Deferred tax assets		57,972	57,972
Statutory deposits	13	200,000	200,000
Total Assets		2,215,760	2,207,760
Liabilities			
Insurance contract liabilities	14	1,471,508	1,501,782
Investment contract liabilities	15	1,924,754	1,815,781
Trade payables		135,164	101,690
Other payables and accruals		149,499	151,402
Current tax liabilities		68,025	68,025
Total Liabilities		3,748,951	3,638,680
Capital and reserves			
Issued and paid up share capital	20.1	596,258	596,258
Share premium		556,661	556,661
Contingency reserve		157,945	156,511
Retained losses		(2,905,429)	(2,766,517)
Revaluation reserves		32,816	
Available for sale reserve		28,558	26,165
Shareholders' funds		(1,533,191)	(1,430,922)
Total equity and liabilities		2,215,760	2,207,761

Notes to the financial statements

**Life Business Statement of Comprehensive Income
For the year ended 31 December 2021**

	Note	31-Dec-21	31-Dec-20
<i>In thousands of Naira</i>			
Gross premium written	21	143,394	332,309
Gross premium income	21	178,540	388,589
Reinsurance expense		(2,633)	(98,432)
Net premium income		175,907	290,157
Fees and commission income		-	-
Net underwriting income		175,907	290,157
Claims expense	24	(141,177)	(61,520)
Underwriting expense	25	(42,036)	(69,277)
Underwriting profit/(loss)		(7,306)	159,360
Investment and other operating income	27	3,947	14,151
Management expense	28	(48,842)	(43,951)
Net impairment (losses)/reversals		(61)	33,366
Gain/Loss on investment contracts	28	(137,773)	(78,667)
Changes in life fund	44	53,274	(75,529)
Profit/Loss before taxation		(136,761)	8,731
Tax income/(expenses)		(717)	(488)
Profit/Loss after taxation		(137,478)	8,243
<i>Items within other comprehensive income that may be reclassified to profit or loss</i>			
Other comprehensive income			
Fair value changes on available for sale financial assets		(249)	(3,545)
<i>Items within other comprehensive income that will not be reclassified to profit or loss</i>			
Revaluation gain on property and equipment		32,816	
Other comprehensive income for the year, net of tax		32,567	(3,545)
Total comprehensive income/(loss)		(104,911)	4,698

Notes to the financial statements

Life Business Revenue Account
For the year ended 31 December 2021

<i>In thousands of Naira</i>	Note	Individual Life	Group Life	2021 Total	2020 Total
Income					
Direct premiums		29,372	114,022	143,394	332,309
Less: (increase)/decrease in unearned premium		-	35,146	35,146	56,281
Gross premium income		29,372	149,168	178,540	388,589
Unbundling of life investment contracts					-
Reinsurance cost		-	(2,633)	(2,633)	(98,432)
Premium retained		29,372	146,535	175,907	290,157
Commission earned		-	-	-	-
Total underwriting income		29,372	146,535	175,907	290,157
Expenses					
Gross claims paid		-	53,056	53,056	2,324
Surrenders		24,977	-	24,977	26,510
Maturity claims		18,784	-	18,784	13,228
Annuity		1,139	-	1,139	1,143
Decrease in outstanding claims	24	43,335	-	43,335	154,500
Gross claims incurred		88,235	53,056	141,291	197,705
Reinsurance claims recoveries/recoverables	24	113	-	113	-
Net claims incurred	24	88,122	53,056	141,178	197,705
Acquisition expenses		(1,958)	(17,088)	(19,046)	35,679
Maintenance expenses: Handling expenses		(93)	(216)	(309)	391
Marketing expenses		(5,205)	(12,144)	(17,349)	33,206
Deferred acquisition cost		(5,332)		(5,332)	
Total expenses		100,710	82,504	183,214	266,982
Underwriting profit/(loss)		(71,338)	64,031	(7,307)	23,175

Other National Disclosures

Value Added Statement

(All amounts in thousands of Naira unless otherwise stated)

	31-Dec-21	%	31-Dec-20	%
Gross premium income (Local)	516,528	-220%	898,942	634%
Investment income				
- Local	26,434	-11%	51,650	36%
- Foreign				
Other income				
- Local	21,192	-9%	4,762	3%
- Foreign			-	
Reinsurance, claims, commission & operating expenses				
- Local	(798,867)	340%	(813,576)	-574%
- Foreign				
Value (eroded)/added	(234,713)	100%	141,778	100%
Applied to pay:				
Employee benefit expense	159,917	-51%	251,686	178%
Government as tax	(59,021)	19%	(2,239)	-2%
Retained in the busines				
Depreciation of property and equipment	16,344	-5%	17,418	12%
Amortisation of intangible assets	-		-	-
To deplete reserve	(433,592)	137%	(125,087)	-88%
Value (eroded)/added	(316,352)	100%	141,778	100%

Other National Disclosures

Financial Summary

(All amounts in thousands of Naira unless otherwise stated)

	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Cash & cash equivalent	46,613	61,561	100,514	53,183	116,142
Financial assets	372,001	351,128	237,269	143,478	90,397
Trade receivables	20,700	19,572	23,065	55,690	16,663
Reinsurance assets	50,120	67,166	315,481	257,819	139,941
Deferred acquisition cost	28,939	27,816	40,839	41,501	39,714
Other receivables and prepayments	47,351	46,868	41,775	40,468	32,511
Property and equipment	652,570	671,327	681,759	693,626	859,673
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	1,718,294	1,745,439	1,940,702	1,785,765	1,795,041
Liabilities					
Insurance contract liabilities	5,534,684	5,274,201	5,540,906	5,230,266	4,429,704
Investment contract liabilities	1,924,754	1,815,781	1,722,222	1,766,779	1,661,985
Trade payables	489,882	554,716	559,360	519,542	551,954
Other payables and accruals	1,077,747	1,080,016	1,056,620	1,075,231	993,447
Current tax liabilities	365,967	363,452	390,315	401,189	251,019
Deferred tax liabilities	1,917	1,917	1,917	44,734	83,985
Total liabilities	9,394,951	9,090,084	9,271,340	9,037,741	7,972,094
Capital and reserves					
Issued and paid up share capital	1,230,459	1,230,459	1,230,459	1,230,459	1,600,699
Share premium	1,617,935	1,617,935	1,617,935	1,617,935	1,989,523
Contingency reserve	1,625,483	1,638,480	1,598,063	1,577,214	1,550,617
Retained losses	(12,476,866)	(12,056,271)	(11,887,767)	(11,696,248)	(11,342,990)
Revaluation reserves	82,041	-	-	-	34,808
Treasury shares	(47,350)	(47,350)	(47,350)	(47,350)	(47,350)
Available for sale reserve	291,642	272,103	158,022	66,014	37,640
Total Equity	(7,676,656)	(7,344,645)	(7,330,638)	(7,251,976)	(6,177,053)
Total equity and liabilities	1,718,295	1,745,439	1,940,702	1,785,765	1,795,041

STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Gross premium written	502,939	728,210	892,222	1,152,994	1,010,654
Premium earned	516,528	898,942	955,718	1,088,776	1,159,867
Loss before taxation	(431,077)	124,950	(209,338)	(946,570)	(603,187)
Taxation	(2,515)	(3,137)	38,668	(121,919)	(89,509)
Loss after taxation	(433,592)	(128,087)	(170,670)	(1,068,489)	(692,696)
Transfer to contingency reserve	(12,220)	40,417	20,849	26,597	25,881
Loss per share (kobo)	(18)	(5)	(6)	(43)	(16)

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.