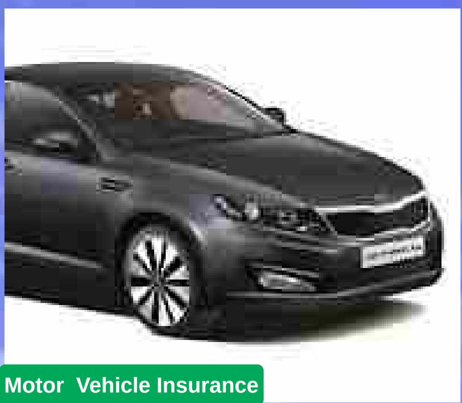
REGISTERED HEAD OFFICE:
Plot 497 Abogo Largema Street, Off Constitution Ave.
Central Business District P.O Box 13233,
Wuse III Abuja, FCT 900211.
Tel: 09-461 9900, Fax: 09-461 9901
www.unitykapital.com

2012 ANNUAL REPORT AND ACCOUNTS

2012 ANNUAL REPORT AND ACCOUNTS

UnityKapital
assurance plc
RC 11785

...Experience Peace of Mind



Motor Vehicle Insurance

Oil & Gas Insurance plus Special Risk

Fire & Special Perlls Insurance

Marine Cargo & Marine Hull Insurance

CONTENTS

MISSION

"To help our Clients have Peace of Mind"

VISION

"To be one of the top 3 insurance companies by 2015"

INTEGRITY

We will act with openness, fairness, integrity and diligence. We will always adhere to the applicable laws, regulations and standards of doing business.

PERFORMANCE

We will promote a positive and challenging high performance culture. We will do this by encouraging personal accountability and personal development and measuring, rewarding and recognising success.

RESPONSIBILITY

We will act responsibly as individuals and as a company. This applies to the management of our business, our approach to corporate risk and our interaction with key external stakeholders.

OUR VALUES


SERVING OUR CUSTOMERS
RESPECTING EACH OTHER
BEING PROACTIVE
UPHOLDING THE HIGHEST LEVELS OF INTEGRITY
GUARDING AGAINST ARROGANCE
DELIVERING TO OUR SHAREHOLDERS
GROWING OUR PEOPLE
WORKING IN TEAMS

Customers

A satisfied and loyal customer base is core to our business.
We are committed to:

- Delivering consistent and reliable levels of customer service
- Acting with integrity, due care and diligence
- Communicating openly, honestly and with sensitivity and understanding
- Listening to our customers
- Handling complaints fairly and promptly
- Respecting our customers' rights to privacy and confidentiality
- Protecting our customers and our business from fraud

Business Partners

We demand high standards from the companies we work with and believe that they should expect the same from us.

- Carrying out our business with fairness and integrity
- Being reliable and quick to respond
- Awarding contracts and selecting business partners solely on the basis of fair and objective business criteria and having regard to high ethical standards
- Respecting all obligations and confidentiality
- Protecting our customers and our business from fraud

Employees

Motivated and skilled employees are critical to our success.
We are committed to:

- Fostering a positive and challenging high performance culture
- Rewarding superior performance
- Encouraging personal development
- Encouraging a culture of frank and honest communication
- Encouraging teamwork and strong leadership
- Providing a safe and secure working environment
- Encouraging diversity and equal opportunities
- Ensuring that grievances and unethical behavior can be raised without fear of discrimination

In return we expect our employees to:

- Act with integrity
- Take responsibility and accountability for their own actions
- Show support and commitment for change
- Focus their energy in getting the best from themselves and others
- Have the confidence and courage to act with conviction
- Show understanding for and meet external and internal customer needs
- Show a relentless desire for success
- Create positive and effective working relationships

Regulators

We have an open, cooperative and transparent relationship with our regulators.
We are committed to:

- Dealing with our regulators in an open, cooperative and transparent manner
- Managing our business with appropriate standards of risk management and controls
- Preventing and reporting any instances or significant financial crime
- Preventing breaches of relevant regulatory requirements
- Complying with all set standards

Community & Environment

We believe in continuous improvement of our environment performance and in taking action around emerging environmental issues. Wherever we operate we will seek possible engagement with local communities.
We are committed to:

- As a business we have a responsibility to manage our impacts on the environment through appropriate use of resources such as energy, paper and water and the investment of our assets.
- We also have a responsibility to take proactive action on environment issues that are likely to affect our business and the community at large.
- In each of these areas we will look to make continuous improvement and actively monitoring our performance.

Shareholders

We are committed to fulfilling the aspirations of our shareholders through a commitment to business performance, and high standards of transparency, communication and corporate governance.
We are committed to:

- A culture of business performance, focused on delivering returns to shareholders
- Comprehensive and transparent disclosure
- Aiding shareholder understanding through the disclosure of relevant financial and non-financial information
- Listening to the views of our shareholders
- Managing our business with appropriate standards of risk and control
- Ensuring due care in the selection of our third party advisers, including our auditors
- Preventing and reporting any market abuse
- Acting with due sense of responsibility on confidence entrusted to us.

RESULTS AT A GLANCE

	2012 N'000	2011 N'000	% Change
Gross Premium written	2,736,658	1,871,699	46
Underwriting Profits	1,671,363	1,233,465	36
Investment and other incomes	520,594	423,441	23
Impairment charges on receivables	(411,155)	(581,375)	29
Profit before taxation	473,017	216,943	118
Profit/(Loss) after taxation	316,863	121,817	160
Property, Plant and Equipments	2,349,854	2,061,693	14
Share capital	6,933,333	6,500,000	7
Contingency reserve	365,982	283,883	29
Shareholders' fund	9,117,918	8,794,320	4
Total assets	10,545,121	9,898,821	7
Per share data:			
Earnings per share	2.29	0.94	144
Net assets per share	66k	68k	(5)
Dividend per share (proposed)	2k	1k	100

CORPORATE INFORMATION

2012 ANNUAL REPORT AND ACCOUNTS

UNITYKAPITAL ASSURANCE PLC was incorporated in 1973 as a Private Limited Liability Company, under the name KANO STATE INSURANCE COMPANY LIMITED with registration number Rc11785. It started business in 1974 at its head office in Kano. The name was changed to KAPITAL INSURANCE COMPANY LIMITED in 1981. In 2007, the company implemented a Scheme of merger with Intercontinental Assurance Company Limited and Global Commerce & General Assurance Company Limited and moved its Head Office to Plot 497, Abogo Largema Street, Central Business District, Abuja. It changed its name to UnityKapital Assurance Plc. on August 4, 2008.

Following the Insurance Regulation of September 2005 which required Insurance Companies to recapitalize to the level of ₦3 billion for Non-Life Companies and ₦2 billion for Life Companies, three Insurance Companies which had over the years shared similar visions and missions met and decided to merge and consolidate. The Companies were Kapital Insurance Company Limited, Intercontinental Assurance Company Limited and Global Commerce and General Assurance Company Limited.

The companies made their marks in spread, technical expertise and prompt service delivery both at the lvel of underwriting and claims settlement.

Registration Number:	RC 11785	
Date of Registration:	1973	
Registered Office:	Plot 497, Abogo Largema Street, Off Constitution Avenue, Central Business District, P.M.B. 13233, Wuse III, Abuja, FCT, Nigeria	
The Board:	Mallam Falalu Bello	Chairman
	Kins U. Ekebuike	Managing Director/CEO
	John Abuh Oyidih	Executive Director
	Lawal Mijinyawa	Executive Director(effective 14/03/2012)
	Abdullahi Umar	Director
	Ado Yakubu Wanka	Director
	Emmanuel I. U. Ojei	Director
	Farouk Lawal Yola	Director
	Bamidele D. Adeleke	Director (effective 09/02/2012)
	Razack A. Adeola	Director (resigned 09/02/2012)
Secretary:	Umar B. Sambo	LL.B; B.L.
Bankers:	Unity Bank Plc Sterling Bank Plc First Bank Nigeria Plc Fidelity Bank Plc Guaranty Trust Bank Plc. Habibsons Bank, United Kingdom	
Registrars:	Unity Registrars Limited, Unity Bank Building, 94 Agege Motor Road, Idi-Oro Bus Stop, Mushin, Lagos.	
Auditors:	Aminu Ibrahim & Co. (Chartered Accountants) City Plaza, Plot 596, Ahmadu Bello Way, Garki II, Abuja.	

Solicitors:	Messrs. K. T. Turaki & Co. (Solicitors, Advocates & Notaries Public), No. 37(House A), T. Y. Danjuma Street, Asokoro, Abuja, FCT Messrs. M. A. Abubakar & Co. Fortuna Chambers (Barristers, Solicitors, Arbitrators & Notary Public) House 2, Fourth Avenue, Gwarimpa Estate, Phase II, Abuja - FCT
Information Technology:	3i Infotech (Middle East) FZLLC, 301 Building 1, Dubai Internet City, Dubai – UAE.
Reinsurance Back-Ups:	a. Reinsurance Treaty i. African Reinsurance Corporation (Lead Reinsurer) ii. Continental Reinsurance iii. WAICA Reinsurance Plc b. Facultative Reinsurance Our Facultative reinsurance arrangements are in full compliance with the Nigerian Insurance Act on local content. Our Facultative reinsurances are placed both onshore and offshore depending on the size of the account. c. Overseas Reinsurance Broker Meridian Risk Solutions Limited, Sackville House, 5th Floor, 143 – 149 Fenchurch Street, London EC3M 6BN. d. Reinsurance Brokers: I. Glanvill Insurance Brokers Ltd (For General Business). ii. Kelsan Insurance Brokers Ltd (For Oil & Energy Treaty)
Professional Associations:	UnityKapital Assurance Plc is a very active member of the following Associations. a. Nigeria Insurers Association (NIA) b. West African Insurance Companies Association (WAICA) c. African Insurance Organisation (AIO) d. Federation of Afro-Asian Insurers and Reinsurers (FAIR)
Company FRC Registration No.	FRC/2013/0000000000717

BOARD OF DIRECTORS

Mallam Falalu Bello
Chairman

Kins Ekebuike
Managing Director

John Abuh Oyidih
Executive Director (Finance & Admin)

Lawal Mijinyawa
Executive Director (Operations)

BOARD OF DIRECTORS

Dr. Emmanuel I. M. Ojei
Director

Farouk Yola Lawal
Director

Abdullahi Umar
Director

Ado Y. Wanka
(Group Managing Director, Unity Bank)

Adeleke D. Bamidele
Director (Effective from 09-02-12)

Razack Adeyemi Adeola
Director (Resigned on 09-02-2012)

Kins U. Ekebuike
MD/CEO

John Abuh Oyidih
ED (Finance & Administration)

Lawal Mijinyawa
ED (Operations)

Umar Bashir Sambo
Company Secretary/ Legal Adviser

Michael Danjuma Dogo
Head (Business Development-North)

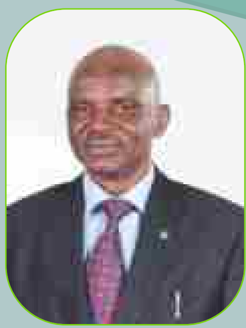
Olugbenga Olasogba
Head (Finance & Accounts)

Nkiru T. Achara
Head (HRM)

Dele Olukoya
Head (Business Development-South)

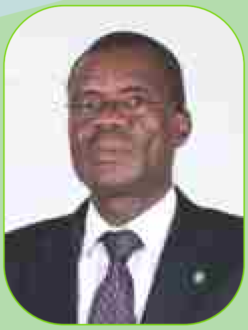
David Onyemechi Azuoku
Head (IT/Risk Management)

Abdul-Rahman Salihu
Head (Audit)



Paul Ibe
Head (Reinsurance/Underwriting)


Ifeanyi Uwadi
Head (Claims)


Johnson Awolola
Head (Special Risk)


Ibrahim Shehu
Acting Head (Marketing)


Ezekiel Bayo Oloriegbe
Head (Corporate Services)


Rabiu D. Kazaure
Head (Admin)


Alahaji Gani Ahmed
Head (Special Product)


Yah'ya Abdulkarim
Head (Credit Control)


Gbenga Abolarinwa
Head (Motor Department)


Samuel A. Ojo
Head (Lagos Zone)


Olugbenga Jimoh Ambali
Head (Abuja Zone)


Chike O. Abasiri
Head (Marketing Coordination)


Abdullahi Mahmoud
Head (Kano Zone)


Ibrahim Shehu Abdu
Head (Bauchi Zone)


Modebe Ogbonna
Head (P/H Zone)


Idowu Egbeolowo
Head (Ibadan Zone)


You are DIFFERENT
So should your Insurance be
Who says you can't be creative with your insurance?
At UnityKapital you are at liberty to work with us as we create unique, lifestyle enhancing financial solutions for you.
Talk to us today.
UnityKapital
assurance plc
RC: 11785
... tested and trusted
REGISTERED HEAD OFFICE: Plot 497 Abogo Largema Street, Off Constitution Av. Central Business District
P.O Box 13233, Wuse III Abuja, FCT 900211. Tel: 09-461 9900, Fax: 09-461 9901. www.unitykapital.com

NOTICE IS HEREBY GIVEN that the 37th Annual General Meeting of members of UnityKapital Assurance Plc will be held at Jigawa Hotels Limited, Dutse ,Jigawa State on Thursday 24th October 2013 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended December 31, 2012 together with the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend
3. To re-elect/elect Directors.
4. To approve the remuneration of the Directors.
5. To reappoint Auditors.
6. To authorize the Directors to fix the remuneration of the Auditors.
7. To elect members of the Audit Committee.

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is at the end of the financial statements. All instruments of proxy should be duly stamped at the Stamp Duties office and deposited at the office of Unity Registrar, No 94, Agege Motor Road, Idi-Oro Bus Stop, Mushin, Lagos not later than 48 hours prior to the time of the meeting.

Audit Committee

In accordance with Section 359(5) of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, any shareholder may nominate another shareholder for appointment to the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the date of the Annual General Meeting.

Closure of Register of Members

The Register of Members will be closed from 10th October, 2013 to 11th October, 2013 (both days inclusive), for the purpose of the dividend while dividend will be paid on Monday 28th October, 2013.

Dated this 30th September, 2013.

By the order of the Board.

UMAR B. SAMBO
Company Secretary

Chairman

Mallam Falalu Bello OFR, FCIB

Dear Shareholders, representatives of Regulatory Agencies, staff and Management of our company, our gentlemen of the press, heads and members of Shareholders Associations, distinguished Ladies and Gentlemen. For anybody who has not been included in the above classification, I apologise, and we welcome you. We in UnityKapital are always happy to have everyone at our general Meeting. We thank you for coming and wish you a fulfilling time.

OPERATIONAL ENVIRONMENT IN 2012

The Global economy

Growth in the world economy remained sluggish for most part of the year. Growth in major economies of North and South America remain fragile at best. This was not helped by the fact that 2012 was a presidential election year in the United States, and major players in the economy seem to have adopted a wait and see attitude before committing to long term plans. Economic performance in the US, the driver economy in the region, was rather indifferent and was not able to drive the economy of the region.

The European region did not fare much better, as all the shaky economies of the euro zone remain fragile and no serious growth was recorded during the year. Greece was in constant danger of default, and inflation continue to spiral and threatened to get out of control in other countries. The result of all these is that African economies, Nigeria inclusive, did not realise many of their economic growth targets.

The Nigerian economy.

The Nigerian economy continued to be run based on the Transformation Agenda of the Federal Government. The efforts of the CBN to control spending and keep inflation at bay continued to have mixed results. The CBN Cashless initiative on cash management, meant to reduce the cost of cash handling, and reduce the cash in circulation, was pioneered in Lagos. While inflation remained on single digit or the lower double digits for most of the year, this did not necessarily translate to growth for critical sectors of the economy. Banks still preferred to play safe by investing more in government bonds, while ignoring the needs of the real sector. Thus, the paradox of the Nigerian economy remained: growth without development. Increase in GDP, witnessed side by side with increase in poverty level.

The infrastructural base of the economy remained weak, and timelines for privatising the state power monopoly, PHCN were largely missed though the privatization of PHCN successors are being attained. It is hoped that in the not too distant future there will be greater power supply to the nation, a necessity for growth in the economy. Transportation infrastructure, critical areas for stimulation of the economy, also remained largely unchanged from the abysmal levels of previous years. Security challenges in many parts of the country, including the North East and parts of the Niger Delta, remained a challenge for the government, and placed a burden on government finances and other resources, which in turn had far reaching impact on the economy.

The Insurance subsector

The insurance subsector of the Finance sector did not fare too well amidst the above scenario. The envisaged increase in the contribution of insurance to gross domestic product projected by the regulator; expected to be largely driven by the Market Development and Restructuring Initiative (MDRI), did not materialise as envisaged. The poor economy and the increasing poverty level meant that there was little disposable income for insurance purposes. Government remained the biggest consumer of insurance and insurance services. The increase in market share to have been driven by the generality of the people through massive purchase of the MDRI products did not materialise. There was also the challenge of the indifferent enforcement of the compulsory insurances by the government, which would have driven retail insurance sales.

Our Company.

Our performance within the restrictions of the factors enumerated above, was impressive. The company maintained an upswing in all the major growth indices year-on-year in comparison to the previous years.

Our Company now a Group

As you know, our company is now a group, having consummated equity acquisitions in some other companies. Your company presently has 93.46% equity interest in Health Care Security Limited; an NHIS registered Health Management organization; we also have 70% interest in Future UnityGlanvills Pensions Limited (FUG Pensions Ltd) which is a recognised Pension Funds Administrator. These two subsidiaries together with your company constitute the group. We can confirm that the initial teething period for these companies is now over, and they have began to contribute to the bottom line of the group. The contribution of these subsidiaries is evident from the consolidated group performance for the year under review; with a group profit before tax (PBT) of N583.848million, as against the company's N473.017million.

Apart from these subsidiaries, we also have invested substantially in Goldlink Insurance Plc, a composite insurance underwriting firm so as to be able to play in the life insurance business. Currently we have 1.268 billion shares or 28% of the total issued shares of Goldlink Insurance Plc and we are hopeful that it will in future assist in increasing the profitability of your company.

Performance of the company for 2012

Before we talk about the performance of the company, we must mention what is for us an uncharacteristic delay in getting our Annual Reports approved and holding the AGM later than is our usual practice. As our shareholders can attest, we normally hold our AGM in August/September every year. First we must apologise for it, and also explain the reason for this, to assure our stakeholders that this situation is not likely to repeat itself. It will not repeat itself because the reason for this is traceable to the fact that this is the transition year wherein all insurance companies and other significant entities are mandated to change over to the new IFRS (International Financial Reporting Standards) mode of reporting.

The IFRS requirements are more stringent than the usual ones, and the experience constituted a learning curve for the industry as a whole. The Regulator must be commended at this juncture for their support for us and indeed the entire insurance industry during the learning process which the reporting of this year's Financials became.

NAICOM Goodwill evident

But what was important in the whole process is that the regulator realised there was goodwill on our side to conform to the law, no matter what it takes, and that we as a company has a record of compliance, and they were very supportive to make us conform to the new international standards. On behalf of our shareholders, we thank the regulatory body (NAICOM) for the thoroughness and understanding exhibited throughout the process.

Financial Performance

As at December 2012, your company had total Assets of N10.545billion (Group: N10.841 billion), and total liabilities of a mere

N1.427billion. For that same period, the total issued and paid up share capital of the company stood at N6.933billion. For comparison purposes, it may be mentioned here that extant laws require us to have a paid up share capital of N3billion for our class of business. This shows that our company is operating well beyond the required amount of capitalization.

Business Underwriting Results.

For the year ended 31 December 2012, the company had a gross premium income of N2.736billion, which is an upswing of 46% over the figure of N1.871 billion recorded for the corresponding period of the previous year (2011).
Profit before taxation amounts to N473.017million, while profit after tax is N316.863million. Earnings per share moved up from N1k per share to N2k per share.

Proposed Dividend

As I promised in this Meeting last year, your company has entered the league of companies that give consistent returns to shareholders by way of dividend payout. Therefore this year, the Board is happy to propose as dividend to shareholders, the sum of 2k per ordinary share held, which is a 100% increase on the 1k per share paid last year. We believe that this trend of not just dividend payment, but increase in amount of payout, will hold steady for the foreseeable future. Cash dividend payout for this year is estimated at N277.33million which compares favourably to the amount of N130million paid out for the year 2011.

Human Capital

In conformity with our firm belief that the ultimate and long term success of any company depends on the quality of its human capital, we continue as a deliberate policy to source for staff with proven records to engage to drive our development. It is also the policy of our company to expose our staff to the best human capacity empowerment possible. We are in constant liaison with the Industrial Training Fund and other professional Training bodies to give first class training to our staff and ensure that we remain at the cutting edge of the latest international best practices.

Business Ethics.

From our emergence following our merger in 2007, we have been at the forefront of championing ethical practice and professionalism in the industry. We continued along this path not because of fear of any sanction but as a conscious choice for our business practice. We believe the path of honour and long term growth and survival lies along the path of professionalism and ethical practice. We therefore have not, and will not deviate from this path.

Enterprise Risk Management

Within the year under consideration, partly as a mandatory requirement and partly as a part and parcel of our growth plans to establish a world class company, a department was created solely for Enterprise Risk Management. This department is to drive a robust Enterprise Risk Identification, Analysis, and Management throughout the organisation. It has full Board support, and the Board is fully engaged with the risk management practices of the organization. Risk appetite parameters are set by the Board, and the Board Mandates the Management to implement a dynamic and evolving risk management framework for the company. This is driven by the Managing Director through the Enterprise Risk Management department.

Future Prospects.

Without mincing words, the Board can confirm to you that the future of the company has never been brighter than it is today. Our company is gradually evolving into a dynamic group with subsidiaries and associated companies who have the same objectives of playing in the risk management niche of the economy. With our robust financials, and subsidiaries that can underwrite almost all insurance business in Nigeria, we are moving forward more than ever into public accounts, which still constitute the bulk of insurance business in Nigeria. We are also reinvigorating our engagement with the private sector and we assure you that our progress is inevitable.

Microinsurance

With the recent release of the guidelines for micro insurance by the regulators, we that have always been at the forefront of trying to expand the frontiers of insurance coverage through microinsurance will certainly take advantage of the opportunities offered by the low end of the market to increase insurance penetration and coverage. We have done some ground work on this and we should be able to hit the ground running very soon.

Takaful Insurance

With the recent release of Operating Guidelines on Takaful Insurance by NAICOM, your company has started the process that will lead to our operating in this largely untapped area of insurance. The process has reached advanced stage and will result in our starting Takaful Insurance business in major cities in the first quarter of 2014.

Conclusion

I will not end this address without extending my heartfelt thanks to the Board Members, Management and entire staff of our company for their hard work, commitment and dedication during the year. My gratitude also goes to our customers, our agents, Brokers as well as the Regulators without whom we could not have achieved what we achieved in the past year. I also thank the Shareholders' Associations leaders and their esteemed members all over the country who have always shown uncommon understanding and cooperation with the Board and Management.

I thank too, our friends, the press and all others who have contributed to our success in the past year. We appeal to you to continue your support and understanding. On our part, I affirm that we shall always prove ourselves worthy of your confidence, and will continue to give our best to lift the company to greater heights.

Thank you all, and may the Almighty God bless all of us and our families.

Falalu Bello OFR, FCIB.
CHAIRMAN OF THE BOARD

Kins Ekebuike

Managing Director/Chief Executive Officer

The Directors have the pleasure in presenting their report on the affairs of UnityKapital Assurance Plc together with the audited financial statements and auditors'report for the year ended 31 December, 2012.

1. Legal form

The company was incorporated in Nigeria under the Companies and Allied Matters Act, Cap C20, Laws of the federation, (LFN) 2004 as private limited liability company in 1973. It started business in 1974 as Kano State Insurance Company Limited. The name was changed to Kapital Insurance Company Limited in 1981. In 2005 it merged with Global Commerce and General Assurance Company Limited and Inter-Continental Assurance Company Limited. In 2008, the name of the company was changed to UnityKapital Assurance Plc. The Company became quoted on the Nigerian Stock Exchange (NSE) on 17th December, 2009.UnityKapital Assurance Plc, as at the reporting date,have two subsidiaries namely FUG Pensions Limited (70%) and Health Care Security Limited (94%) in addition to a 28% stake in Gondlink Insurance Plc.

2. Principal activities and business review

The principal activity of the company is to transact general (Non-life) insurance business. The company ceased transacting life business in 2007. As reported in the past, the net balance on the life funds which is awaiting transfer to a life company isN131.46 million and is included in liabilities in these financial statements. The process of transfer of this fund to a life insurance company is still ongoing.

3. Operating results

Gross premium earned increased from N1.73 billion in 2011to N2.47 billion in 2012. Profit before tax was N316 million in 2012 as against N122 million (adjusted for IFRS) in 2011. Highlights of the operating results for the year under review are as follows:

	2012 N'000	2011 N'000	Change N'000	%
Gross premium	2,472,195	1,733,212	738,983	43
Net premium earned	2,217,590	1,554,020	663,570	43
Net Claims incurred	(268,447)	(104,718)	(163,729)	(156)
Underwriting profit	1,671,363	1,233,465	437,898	36
Management expenses	(1,435,746)	(1,088,873)	(346,873)	(32)
Impairment charges on receivables	(411,155)	(581,375)	170,220	29
Profit before taxation	473,017	216,943	256,074	118
Taxation (company income & deferred)	(156,154)	(95,126)	(61,028)	(64)
Profit after taxation	316,863	121,817	195,046	160

4. Statement of Directors' responsibilities on the financial statements

Sections 334 and 335 of the Companies and Allied Matters Act CAP C20 LFN 2004, require the directors to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the Company at the end of each financial year and of its profit or loss and cash flows. The directors are to also ensure that the statements comply with the provisions of the Insurance Act 2003 and Companies and Allied Matters Act, CAP C20 LFN 2004.

These responsibilities include ensuring that the Company:

a. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with requirements of the Companies and Allied Matters Act and the Insurance Act of 2003
b. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
c. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with:

- Nigerian Accounting Standards
- Relevant guidelines issued by NAICOM
- The requirements of Insurance Act 2003
- The requirements of the Companies and Allied Matters Act

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year. The directors also accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

5. Directors and their interest

The following Directors served during the year ended 31 December, 2012:

1.	Mallam Falalu Bello	Chairman
2.	Kins U. Ekebuike	MD/CEO
3.	John Abuh Oyidih	Executive Director
4.	Lawal Mijinyawa	Executive Director (appointed 14th March, 2012)
5.	Dr. Emmanuel I. U. Ojei	Non-Executive Director
6.	Farouk Lawal Yola	Non-Executive Director
7.	Abdullahi Umar	Non-Executive Director
8.	Ado Y. Wanka	Non-Executive Director
9.	Razack Adeyemi Adeola	Non-Executive Director(resigned on 9th February 2012)
10.	Bamidele D. Adeleke	Non-Executive Director (appointed 9th February, 2012)

The direct and indirect interests of the Directors in the issued share capital of the company as recorded in the Register of Directors' shareholding and/or as notified by the Directors for the purpose of section 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchangeas at 31 December, 2012 are as follows:

S/N	Names	Direct Dec '12	Indirect Dec '12	Direct Dec '11	Indirect Dec '11
1	Mallam Falalu Bello	-	150,596,664	111,873,512	-
2	Kins U. Ekebuike	12,761,034	-	11,963,471	-
3	John Abuh Oyidih	3,161,035	-	2,963,471	-
4	Lawal Mijinyawa	-	-	-	-
5	Dr Emmanuel I. U. Ojei	1,287,628,018	-	1,207,151,267	-
6	Faouk Lawal Yola	-	7,859,647	-	7,368,421
7	Adeyemi R. Adeola	11,228,069	-	10,526,315	-
8	Abdullahi Umar	11,602,339	-	10,877,193	-
9	Ado Y. Wanka	13,333,333	6,975,343,376	42,105,263	6,539,384,415
10	Bamidele D Adeleke	488,420	-	457,894	-

6. Changes on the Board
There were no changes in the Board composition since the conclusion of the last Annual General Meeting (AGM).

7. Directors Interest in Contracts
None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004 of any declarable interest in contracts in which the Company was involved during the year ended 31 December 2012

8. Acquisition of own shares
The company did not acquire any of the Company's shares during the year ended 31 December 2012

9. Property, Plant and Equipment
Information relating to changes in Property, Plant and Equipment is given in note 14 on pages 77 and 78. The Directors are of the opinion that the market value of the company's assets is not lower than the value shown in the financial statements.

10. Donations and charitable gifts
The Company did not make any donations to political organizations during the year, neither did it make any charity gift.

11. Human Resources
    I. Employment of Disabled Persons
    The company does not discriminate in considering applications from suitably qualified persons. Equal opportunities for development are given to all employees regardless of disability. Where an employee becomes disabled, every effort is made to ensure his/her continued employment.

ii. Employees' Health, safety and Welfare
The members of staff enjoy free and comprehensive medical services, which are extended to members of their families through the payment of reasonable medical allowances.

Every effort is made to provide a safe and healthy working environment for staff.

iii. Employees involvement and training
The company attaches great premium to training of its staff. Staff are sponsored to attend local and overseas courses of the highest quality. For the period under review all staff attended trainings of various types.

12. Share Capital Information

a. Share Range Analysis

Range	Holders	Units	%	₦
1 to 1,000,000	347	57,808,894	0.43	28,904,492
1,000,001 to 10,000,000	186	527,202,189	3.80	263,601,095
10,000,001 to 30,000,000	58	926,625,394	6.84	474,237,756
30,000,001 to 50,000,000	11	412,475,221	2.97	206,237,610
50,000,001 to 100,000,000	15	1,091,511,282	7.87	545,755,641
100,000,001 to 500,000,000	15	2,030,463,488	14.64	1,015,231,744
500,000,001 to 1,000,000,000	1	535,758,596	3.86	267,879,298
1,000,000,001 to 99,999,999,999	2	8,262,971,394	59.59	4,131,485,697
	635	13,866,666,666	100.00	6,933,333,333

b. Substantial Interests in Shares

Shareholders who held more than 5% of the issued share capital of the Company as at 31 December 2012 were as follows:

	2012 Share units	%	2011 Share units	%
Unity Bank Plc	6,975,343,376	50.30	6,539,384,415	50.30
Dr. Emmanuel I. U. Ojei	1,287,628,018	9.29	1,207,151,267	9.29
Total	8,262,971,394	59.59	7,746,535,682	59.59

c. Shareholding pattern as at 31 December, 2012

Categories	No. of shareholders	No. of holdings	%
Individuals	549	4,031,703,849	29.07
Corporate	86	9,834,962,810	70.93
Federal Government	000		
State Government	000		
Local government	000		
Foreign	000		
Total	635	13,866,666,666	100

d. Share Capital History

	Increase	Cummulative	Increase	Cummulative	
1974	200,000	200,000	200,000	200,000	Cash
1977	100,000	300,000	100,000	300,000	Cash
1978	37,500	337,500	37,500	337,500	Cash
1980	162,500	500,000		337,500	
1981		500,000	151,394	488,894	Cash
1983		500,000	11,106	500,000	Cash
1990	4,500,000	5,000,000	900,000	1,400,000	Cash & Bonus
1991	10,000,000	15,000,000	2,100,000	3,500,000	Cash & Bonus
1992		15,000,000	1,800,000	5,300,000	Cash
1993		15,000,000	4,700,000	10,000,000	Cash
1996	85,000,000	100,000,000	10,000,000	20,000,000	Cash & Bonus
1997		100,000,000	20,000,000	40,000,000	Cash & Bonus
1998		100,000,000	35,685,000	75,685,000	Cash & Bonus
1999		100,000,000	14,315,000	90,000,000	Cash
2003	400,000,000	500,000,000	30,000,000	120,000,000	Cash & Bonus
2001		500,000,000	230,000,000	350,000,000	Cash & Bonus
2005		500,000,000	44,000,000	394,000,000	Cash & Bonus
2006	3,000,000,000	3,500,000,000		394,000,000	
2007		3,500,000,000	2,000,000,000	2,394,000,000	Cash & Bonus
2008	3,500,000,000	7,000,000,000	3,606,000,000	6,000,000,000	
2008	7,000,000,000	14,000,000,000	6,000,000,000	12,000,000,000	Split to 50k par
2008		14,000,000,000	350,000,000	12,350,000,000	Cash
2009		14,000,000,000	650,000,000	13,000,000,000	Bonus
2011		14,000,000,000	866,666,666	13,866,666,666	Bonus

13. Audit Committee
In accordance with section 359(3) of the Company and Allied Matters Act, CAP C20 LFN 2004, the audit committee members of the Company reelected at the last Annual General Meeting were as follows:

Mohammed A. Sheriff	Shareholders' representative
Osarieme O. Ezekiel (Mrs.)	Shareholders' representative
Kunle Ogunmefun	Shareholders' representative
Ado Y. Wanka	Director
Emmanuel I. U. Ojei	Director
Farouk Lawal yola	Director

The functions of the audit committee are as stated in section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004.

14. Post balance sheet events
There were no significant post balance sheet events which have not been provided for in these financial statements.

15. Auditors
The auditors, Messrs.Aminu Ibrahim & Co. (Chartered Accountants), have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

BY THE ORDER OF THE BOARD.

UMAR B. SAMBO
Company Secretary

30th September, 2013
Abuja, Nigeria

CORPORATE GOVERNANCE REPORT

SECURING A FOOTHOLD ON THE FUTURE

Introduction

At UnityKapital Assurance Plc, the principles of good corporate governance practices remain our driving force. It provides the guiding principle in sustaining our shareholders' value, behaving ethically as well as rendering excellent services to our clients. The Board of Directors has continued to ensure proper implementation of corporate governance principles in the operations of the company.

As an entity quoted on the Nigerian Stock Exchange (NSE), we take adherence to corporate governance principles very serious. We also ensure compliance with the code of corporate governance issued by the Securities and Exchange Commission (SEC) at all times.

Governance Structure

The Board

The board, which is composed of eight (8) members, has the overall responsibility for the governance of the Company. The board of directors is accountable to the shareholders and is also responsible for managing relationships with all stakeholders, including the regulators.

The board has two committees namely Finance, Investment and Risk Management Committee and Establishment Committee. In addition to these two Committees, the Company has the statutory audit committee made up of representatives from the board and the shareholders as a body. It is important to mention that in line with best practices, the office, and for that matter, the roles of the Chairman and Chief Executive are distinctively separated. While the Chairman is responsible for the leadership of the Board, the Chief Executive Officer is the overall performance of the Company. The Board delegates the responsibility for the day-to-day management of the Company to the Managing Director and Chief Executive Officer who, in turn, is supported by the Executive Directors. There are also various management committees that meet regularly.

Responsibilities

The Board reviews and approves the company's performance by way of quarterly, half yearly and full year financial statements. It determines and monitors the strategic objectives and policies of the Company while also ensuring the maintenance of appropriate system of internal controls to engender regulatory compliance and safeguard the interest of all shareholders.

The Board meets quarterly and additional and/emergency meetings are held as required. The board met five (5) times during the 2012 financial year.

Appointments and retirements

Following the appointment of the erstwhile Executive Director (Operations), Mr. Kins U. Ekebuike as Managing Director on 17th May, 2011, Mallam Lawal Mijinyawa was appointed as Executive Director (Operations) on 14th March, 2012. Lawal Mijinyawa's appointment was after a rigorous interview exercise conducted by the Board Establishment Committee.

In addition, Mr. Razack Adeola resigned his membership of the board in 2012 and was replaced by Mr. Bamidele D. Adeleke.

Shareholders

The General Meeting of the shareholders of the Company is the highest decision making body. Notices of the meeting are sent and/or published very well in advance. These meetings are attended by representatives of the regulatory authorities. The meetings are conducted fairly and transparently. In addition, the shareholders and the general public are made aware of the company's quarterly, half-yearly and annual performances via publication in the dailies in compliance with the Nigerian Stock Exchange (NSE) post-listing requirements.

Shareholders' Rights

The board places serious importance on effective communication with its shareholders. While ensuring the protection of their interest at all times notices of meetings are communicated promptly.

Board Committees

The Board carries out its responsibilities directly in Board meetings and through its Committees which consist of:

Finance, Investment and Risk Management Committee

This Committee which comprises of the Managing Director/Chief Executive Officer, the Executive Director (Finance and Administration) and three other non-Executive Directors is tasked with the responsibility of reviewing and recommending the company's annual budget to the board, recommending strategic investment initiatives, reviewing and recommending the annual audited accounts to the board and reviewing and assessing the overall adequacy and integrity of the risk management framework of the company. The Committee also considers, review and recommend approval limits to the board while monitoring compliance with approved limits at all times. The members of this Committee are:

S/No	Names	Status	Position
1	Ado Y. Wanka	Non-Executive Director	Chairman
2	Dr. Emmanuel I. U. Ojei	Non-Executive Director	Member
3	Abdullahi Umar	Non-Executive Director	Member
4	Kins U. Ekebuike	Managing Director & CEO	Member
5	John A. Oyidih	Executive Director (Finance & Admin)	Member

Establishment Committee

This Committee is made up of five (5) members. These are the Managing Director, an Executive Director and three(3) non-Executive Directors. The responsibility of this Committee includes the consideration and recommendation for board approval the compensation policy of the company. The Committee is also saddled with the task of strategic peoples issue oversight generally, including employee retention and other employees' related matters. The members of this Committee are:

S/No	Names	Status	Position
1	Farouk L. Yola	Non-Executive Director	Chairman
2	Abdullahi Umar	Non-Executive Director	Member
3	Bamidele D. Adeleke	Non-Executive Director	Member
4	Kins U. Ekebuike	Managing Director & CEO	Member
5	Lawal Mijinyawa	Executive Director (Operations)	Member

The Statutory Audit Committee

This Committee was set up in compliance with the provisions of the companies and Allied Matters Act, CAP20, LFN 2004. The Committee consists of six members three of which are non-Executive Directors while the other three are other shareholders. The Committee's primary responsibility is monitoring statutory and regulatory compliance. They Committee also review the annual audited accounts, along with the Management Letter, before submission to the Board. This they do in conjunction with Management and the external auditors. The members of this Committee are:

S/No	Names	Status	Position
1	Mohammed A. Sheriff	Shareholders' representative	Chairman
2	Adekunle Ogunmefun	Shareholders' representative	Member
3	Mrs. Osarieme. O. Ezekiel	Shareholders' representative	Member
4	Ado Y. Wanka	Non-Executive Director	Member
5	Farouk L. Yola	Non-Executive Director	Member
6	Emmanuel I. U. Ojei	Non-Executive Director	Member

Attendance at Board and Committee meetings

The table below shows the frequency of meetings of the Board of Directors, Board Committees and the Statutory Audit Committee as well as members' attendance during the financial year ended 31st December, 2012.

Directors/members	Board	Finance, Investment & Risk Committee	Establishment Committee	Statutory Audit Committee
Falalu Bello	5			
Ado Y. Wanka	5			3
Kins U. Ekebuike	5		1	
John A. Oyidih	5			
Emmanuel I. U. Ojei	0			0
Farouk L.Yola	5		1	4
Abdullahi Umar	5		1	
Lawal Mijinyawa	4		0	
Bamidele D.Adeleke	4		0	
Mohammed A. Sheriff				4
Kunle Ogunmefun				4
Mrs. Osarieme. O. Ezekiel				4

Insider Trading

Directors, insiders and other related persons with non-public, confidential and price sensitive information are prohibited from dealing in the equities of the Company where this will amount to insider trading. This prohibition will last until the information in question is released to the general public.

Regulatory Compliance

The Company has always complied with all regulatory provisions including filing of statutory returns with Nigerian Stock Exchange, Securities and Exchange Commission, Corporate Affairs Commission, National Insurance Commission, etc. However, due to the new reporting requirements engendered by the transition from Nigerian Generally Accepted Accounting Practice (NGAAP) to International Financial Reporting Standards (IFRS), the Company filed its 2012 annual accounts with the Nigerian Stock Exchange out of time and paid a fine of N2.1 million. Other contraventions are as contained on page 87 of this report.

Unclaimed Dividends

The list of unclaimed dividends has been provided by the Registrars in a separate document.

Management Committees

For a smooth and effective running of the Company, the following Management Committees exist. These Committees give support to the Managing Director in running the company and also make recommendations to the Board and the relevant Board Committees:

Management Investment Committee
General Executive Committee
Management Project Committee
Information Technology Steering Committee and
Claims Committee

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, the members of the Audit Committee of UnityKapital Assurance Plchereby report as follows:

- We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act and acknowledge the co-operation of management and staff in the conduct 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 the external audit for the year ended 31December2012 were satisfactory and reinforce the company's internal control systems.
- We reviewed the management letter of the independent auditors and are satisfied with management's response thereto.
- We have deliberated with the independent auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit.

Mohammed A. Sheriff
FRC/2013/ICAN/00000003097
Chairman, Audit Committee

17June 2013

Members of the Committee

1. Osarieme O. Ezekiel (Mrs)
2. Kunle Ogunmefun
3. Ado Y. Wanka - Director
4. Emmanuel I. U. Ojei - Director
5. Farouk Lawal Yola - Director

Aminu Ibrahim & Co
Chartered Accountants

CityPlaza
Plot 596 Ahmadu Bello Way
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Garki II
Abuja. Nigeria
www.aminuibrahim.com

We have audited the accompanying separate and consolidated financial statements of UnityKapital Assurance Plc('the company') and its subsidiaries (together 'the group'). These financial statements comprise the consolidated and separate statements of financial position as at 31 December 2012 and the consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Respective responsibilities of Directors and Auditors:

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standardsand the requirements of the Companies and Allied Matters Act, the Insurance Act 2003 and relevant National Insurance Commission circulars. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

Our responsibility as independent auditors is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with International standards onAuditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which weconsidered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the company and the group as at 31 December 2012 and of the financial performance and cash flows of the company and group for the year then ended in accordance with International Financial Reporting Standardsand the requirements of the Companies and Allied Matters Act, the Insurance Act and the Financial Reporting Council Act.

Report on other legal requirements

The Companies and Allied Matters Act requires that in carrying out our audit, we consider and report to the members of the company on the following matters. 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 purposes of our audit.
ii. The company has kept proper books of account, so far as appears from our examination of those books and we received adequate returns from branches not visited by us.
iii. The company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Abuja. Nigeria
17 June 2013

Aminu Ibrahim & Co
Chartered Accountants
FRC/2013/ICAN/0000000945

1. *Reporting entity*

UnityKapital Assurance Plc ("the company") was initially incorporated under the name of KapitalInsurance Company Limited as a private limited liability company on the 8 August 1973. On 14March 2007, it acquired and merged with two other insurance companies and became a publiclimited liability company. Its shares are quoted on the Nigerian Stock Exchange.
Its Head Office is located at 497 Abogo Largema Street, Off Constitution Avenue, Central Business District, Abuja. Nigeria. The principal business of the company is underwriting of non- life insurance risks.
The Company has 93.46% equity interest in Health Care Security Limited and 70% interest in Future Unity Glanvills Pensions Limited. These two subsidiary companies together with the Company constitute the Group.

2. *Component of financial statements*

The financial statements comprise the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of CashFlows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment of the statement of comprehensive income to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised in the statement of profit or loss as required or permitted by IFRS.

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

Reclassification adjustments are amounts reclassified to statement of comprehensive income in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

3. *Basis of preparation*

3.1 *Basis of measurement*

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matter Act, Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM). Historical cost basis was used in preparation of the financial statements as modified by the certain items of:

- Property plant and equipment at valuation
- investment property at fair value
- investments at fair value
- impaired assets at their recoverable amounts

3.2 *Compliance with IFRS*

These financial statements for the year ended 31 December 2012 have been explicitly and unreservedly prepared in accordance with International Financial Reporting Standards (IFRS) Issued by the International Accounting Standards Board (IASB), which were effective and available as at 31 December 2012. Consequently, the Group's transitiondate was January 1, 2011.

3.3 *Going Concern status*

The Group has consistently been making profits. The Directors believe that there is no intention or threat from any source to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on going concern basis.

3.4 *Significant judgements and key sources of estimation uncertainty*

In the process of applying the accounting policies adopted by the Group, the directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

The preparation of the Group'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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include:

The judgements made by the directors in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- *Claims arising from insurance contracts*
  Liabilities for unpaid claims are estimated on a case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate.

- *Fair value of unquoted equity financial instruments*
  The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models.

- *Property, plant and equipment*
  Property,plant and equipment represent one of the most significant proportion of the asset base of the Group,

accounting for about 25% of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

- *Taxation*
  Whether it is probable that that future taxable profits will be available against which temporary differences can be utilised; and

- *Fair value of HTM financial instruments*
  Whether the Group has the ability to hold 'held-to maturity' investments until they mature. If the Group were to sell other than an insignificant amount of such investments before maturity, it would be required to classify the entire class as 'available-for-sale' and measure them at fair value.

3.5 *Functional and presentation currency*

The financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, which is also the functional currency of the Group.3.6*First time adoption of International Financial Reporting Standards (IFRS)*
These are the first financial statements prepared in accordance with IFRSs, and IFRS 1, First-time adoption of International Financial Reporting Standards has been applied. The Group
publishes comparative information for the year in its financial statements, the date of transition to IFRS is effectively, 1 January 2011, which represents the start of the earliest period of comparative information presented. The opening balance sheet as at 1 January 2011 has been restated accordingly.

3.6.1 *Transition elections*

In preparing these financial statements in accordance with IFRS 1, the Company has applied the mandatory exceptions from full retrospective application of IFRS. The optional exemptions from full retrospective application selected by the Company are summarised below:

Fair value or revaluation as deemed cost (IAS 16 and IAS 38)
An entity may elect to measure an item of property, plant and equipment, investment property or intangible assets at the date of transition to IFRS at its fair value and use that fair value as its deemed cost at that date; or may elect to use a previous GAAP revaluation of these assets at, or before, the date of transition to IFRS as deemed cost at the date of the revaluation.

The Group has property, plant and equipment and the Company has an option to revalue its property plant and equipment for the financial year ending 1 January 2011 and the revalued amount represents the deemed cost in the Company's opening IFRS statement of financial position under IFRS. Due to regulatory requirements, the Group has broadly classified its property and equipment at cost less depreciation under NGAAP as the deemed cost under IFRS.

Investments in subsidiaries, jointly controlled entities and associates (IAS 27)
Where a first-time adopter measures its investment in subsidiaries, jointly controlled entities and associates at cost, it shall measure that investment in its separate opening IFRS statement of financial position either at cost determined in accordance with IAS 27 or at deemed cost. The deemed cost for the first-time adopter shall be the investment's fair value (determined in accordance with IAS 39) at the entity's date of transition to IFRS in its separate financial statements or previous GAAP carrying amount at that date.

The entity has adopted to measure its investments in its subsidiaries in its separate opening IFRS statement of financial position at cost determined in accordance with IAS 27

Designation of previously recognized financial instruments (IAS 39)
IAS 39 permits a financial asset to be designated on initial recognition as available for sale or a financial instrument (provided it meets certain criteria) to be designated as a financial asset or financial liability at fair value through profit or loss. Despite this requirement exceptions apply in the following circumstances: an entity is permitted to make an available-for-sale designation at the date of transition to IFRSs. An entity is permitted to designate, at the date of transition to IFRSs, any financial asset or financial liability as at fair value through profit or loss provided the asset or liability meets the criteria in paragraph 9(b)(i), 9(b)(ii) or 11A of IAS 39 at that date.

The Group has designated its financial assets or financial liability as either, held to maturity, loans and recoverable, available for sale, held for trading, fair value through profit and loss for those that meets the criteria in IAS 39.

Fair value measurement of financial assets or financial liabilities at initial recognition
Provides an exemption from certain requirements from IAS 39 - instead of full retrospective application, an entity may choose to apply the requirements prospectively to certain transactions entered into after 25 October 2002 or 1 January 2004.

The Group has designated its financial assets or financial liability as either, available for sale, held to maturity and loans and receivables (debt instruments), fair value through profit or loss for those that meets the criteria in IAS 39.

De-recognition of financial assets and financial liabilities
Requires an entity to avoid retrospective application of de-recognition requirements in IAS 39 for transactions entered into before 1 January 2004.

Estimates
Requires estimates at the date of transition to be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. In short, this precludes the use of hindsight.

An entity's estimates under IFRS at the date of transition to IFRS shall be consistent with estimates made for the same date under previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. An entity may receive information after the date of transition to IFRS about estimates that it had made under previous GAAP. Under paragraph 31, an entity shall treat the receipt of that information in the same way as non-adjusting events after the reporting period under IAS 10 on Events after the Reporting Period.

An entity may need to make estimates under IFRS at the date of transition to IFRS that were not required at that date under previous GAAP. To achieve consistency with IAS 10, those estimates under IFRS shall reflect conditions that existed at the date of transition to IFRS. In particular, estimates at the date of transition to IFRS of market prices, interest rates or foreign exchange rates shall reflect market conditions at that date.

The above apply to the opening IFRS statement of financial position and to the comparative period presented in the entity's first IFRS financial statements.

The estimates made by UnityKapital under the Nigerian GAAP at the transition date, i.e. 1 January 2011 shall be consistent with estimates made in the Company's opening IFRS statement of financial position (after adjustments to reflect any difference in accounting policies).

3.7 *Changes in Accounting Policies and Disclosures*

3.7.1 *New standards and amendments issued but not effective for the financial year beginning 1 January 2012 and not early adopted*

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2012, and have not been applied in preparing these consolidated financial statements.

Amendment to IAS 1–Presentation of Financial Statements. This addresses changes in the presentation of Other Comprehensive Income. It is applicable for annual periods beginning on or after 1 July 2012, with early adoption permitted.

Amendments to IFRS7 - Financial instruments Disclosure (Transfer of financial Assets). The entity did not transfer any financial asset during the financial year.

Amendment to IAS 24 - Related party Disclosure (Disclosure on Entities that are controlled, jointly controlled or significantly influenced by Government). The entity is neither controlled nor significantly influenced by Government.

3.7.2 *Standards and interpretations issued but not yet effective as at 31 December 2012 are:*

Standard	Content	Effective Year
IFRS 9	Financial instruments	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2013
IFRS11Joint	Arrangements	1 January 2013
IFRS 12	Disclosure of interest in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IFRS 32	Financial instruments: Presentation	1 January 2014
IAS 19	Employee Benefits	1 January 2013
IAS 27	Separate financial statements	1 January 2013
IAS 28	Investment in associates and joint ventures	1 January 2013

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are described as follows:

IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated at fair value through profit or loss was presented in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted. The directors anticipate that the standard will be adopted in the Company's financial statements for the annual period beginning 1 January 2015. The application of this standard will not have significant impact on amounts reported in the financial statements.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation - that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, pending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors anticipate that IFRS 13 will be adopted in the Company's financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to IAS 19 may not have impact on financial statements as the Company does not operate defined benefit plans.

3.7.3 The group did not early adopt any new or amended standards in 2012.

3.8 *Off setting and net off*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a current and legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

3.9 *Presentation of financial statements*

The Group presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

4 *Summary of Significant Accounting Policies*

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the Group operates or transact business), which is Nigerian Naira. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised ona net basis in the income statement in the year in which they arise, except for differences arising on translation of non-monetary available-for-sale financial assets, which are recognised in other comprehensive income

4.2 *Segmentreporting*

A segment is a distinguishable component of the company that isengaged either inproviding relatedproductsor services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues for example startup operations may be operating segments before earning revenues.
The Company currently operates a single line of business and entirely within a geographical region.

4.3 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents have a maturity period of less than or equal to three months.

4.4 *Financial instruments*

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised and derecognised on the basis of trade date (the date at which the agreement has been entered) accounting.

4.4.1 *Recognition of financial assets*

Financial instruments are recognised initially at fair value.
The Group classifies its financial instruments in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity
- available-for-sale investments

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates such designation at every reporting date.

4.4.1a *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit and loss include financial assets held for trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held for trading. For investments designated as at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis, or

- The assets and liabilities are part of a portfolio of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information regarding these instruments are reported to the key management personnel on a fair value basis.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are re-measured at fair value. Fair value adjustments and realised gain and loss are recognised in the statement of profit or loss.

Financial assets at fair value through profit or loss comprise of:
- Quoted shares,
- Government securities-Bonds & Treasury Bills
- Commercial paper and corporate bonds.

4.4.1b Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are disclosed on the face of the statement of financial position.

Loans and receivables are initially recognised at fair value which is the cash consideration to originate or purchase the loan including any transaction costs and subsequently measured at amortised cost using the effective interest method, less any impairment loss. Interest on loans is included in the income statement and is reported as interest income. Where the asset is impaired, they are carried on the statement of financial position as a deduction from the carrying amount of the loan and receivable and recognized in profit or loss as impairment losses.

4.4.1c *Held–to-maturityinvestments*
Held–to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments comprise bonds on lien. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. Gains and losses on held to maturity assets are recognised on impairment, de-recognition and through the amortisation process.

4.4.1d Available–for–saleinvestments
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. They include investment in –non-quoted shares. These

investments are initially recorded at fair value. Where equity instruments do not have a quoted market price in an active market and whose fair value cannot be reliably measured the instruments have been measured at cost. After initial measurement, available-for-sale financial assets are measured at fair value. Fair value gains and losses are reported asa separate component in other comprehensive income until the investment is derecognised or the investment is determined to be impaired.

On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss.

4.4.2 *Derecognition of financial assets*

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cashflows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the amount of the asset and the maximum amount of consideration that the Group could be required to repay. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured ona basis that reflects the rights and obligations that the Group has retained.

4.4.3 *Amortised cost*

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integralpart of the effective interest rate.

4.4.4 *Fairvalue*

The fairvaluesof quoted investmentsare based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques.
These include:

- the use of recent arm's length transactions,
- reference to other instruments that are substantially the same,
- discounted cash flow analysis and
- option pricing models refined to reflect the issuer's specific circumstances

4.4.5 *Impairment of financial assets*

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment asa result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in other comprehensive income, is transferred from equity to the income statement.

Reversals in respect of equity instruments classified as available-for-sale are not recognised in the income statement. Reversals of impairment losses on debt instruments classified at available-for- sale are reversed through the income statement if the increase in the fair value of the instruments can be objectively related to an event occurring after the impairment losses were recognised in the income statement.

4.5 *Trade/Premiumreceivables*

Receivables are recognised when due. These include amounts due from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and re cognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

4.6 *Reinsurance*

The Group cedes insurance risk in the normal course of business for all of its businesses.

4.6.1 *Reinsurance assets*

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims or insurance contract liabilities associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance assets are reviewed for impairment

at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence asa result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss recorded in the statement of profit or loss and other comprehensive income.

Gains or losses on buying reinsurance are recognised in the income statement immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

4.6.2 *Reinsurance Liabilities*

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

4.7 *Deferred Policy Acquisition Costs(DAC)*

Acquisition costs comprise all direct and indirect costs arising from the writing of non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium.

4.8 *Prepayments*

Prepayments are carried at cost less accumulated impairment losses

4.9 *Consolidation*

4.9.1 *Subsidiaries*

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-Group transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statement of the parent entity is measured at cost.

Acquisition-related costs are expensed as incurred.
If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

4.9.1a *Disposal of Subsidiaries*

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

4.9.2 Investment in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

4.10 Investment Properties

Investment property is property held to earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuations carried out by external registered valuers. Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

4.11 Intangible Assets

Software licence costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Group are recognised as intangible assets.

Amortisation is calculated using the straight line method to write down the cost of each licence or item of software to its residual value over its estimated useful life.

Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortisation ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognised and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Intangibles recognised as assets are amortised over their useful lives, which does not exceed five years.

4.12 *Goodwill*

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see 4.9 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated [statement of comprehensive income/income statement]. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at 21 below.

4.13 *Property Plant and Equipment*

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system, that is an integral part of the related hardware is capitalised as part of the computer equipment.

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet decomponetised as the asset have not been put into use.

Subsequent costs are included in the asset's carrying amount or recognised asa separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of profit or loss.

Freehold land is not depreciated. Depreciation is calculated using the straight line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

Lease hold land	Over the lease period
Buildings	2%
Furniture & Fittings	20%
Office Equipment	20%
Computer Equipment	20%
Plant & Equipment	20%
Motor Vehicles	25%

Depreciation on an item of property, plant and equipment commences when it is available for use and continues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal.

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

4.14 *Statutory deposits*

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.

4.15 *Insurance contract liabilities*

Contracts that are classified as insurance contracts are those under which the Group underwrites significant insurance risk from another party (the broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policy holder or other beneficiary.

4.15.1 *Types of Insurance Contracts*

Insurance contracts may be non-life or life. The group issues only non-life insurance contracts. Non-life insurance contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group'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 Group'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 (business interruption cover).

Non- life insurance contracts protect the Group'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. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. There are no maturity or surrender benefits.

4.15.2 Recognition and measurement of non-life insurance contracts

a. For all non-life insurance contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims.

Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

b. *Salvages*
Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group 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 used to reduce the claim expense when the claim is settled.

c. *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 assets when the liability is settled and the Group has the right to receive future

cash flow from the third party.

d. *Deferred Income*
Deferred income represents a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

e. *Reinsurance contracts held*
Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

f. *Technical reserves*
These are computed in accordance with the provisions of section 22 of the insurance Act 2003 as follow:

- Reserve for unearned premium: In compliance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

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

g. *Liability adequacy test*
At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act 2003 require an actuarial valuation for life insurance reserves only. However,IFRS4 requires a liability adequacy test for both life and non-lifeinsurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the company's prudential concerns well.

4.16 *Trade and other payables*
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the

effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

4.17 Retirement benefit obligations

4.17.1 Pension Cost

The Group operates a defined contributory retirement benefit scheme as stipulated in the Pension Reforms Act 2004. Under the defined contribution scheme, the Group pays fixed contributions of7.5% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 7.5% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

4.17.2 Gratuities

The Group also maintains a funded defined contribution and self-administered gratuity scheme for the majority of its employees based on the employee's years of service. The scheme is non-contributory but the Group annual contribution of 5% of their pensionable emoluments is charged to the profit and loss account. Qualified retiring employees are only entitled to lump sum payment of the accumulated contribution in their favour without interest

4.18 Provisions

General Provisions are recognised when the Group has a present obligation (legal or constructive) asa result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised asa separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounting using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised asa finance cost.

4.19 Income Taxes

Income tax expense is the aggregate amount charged in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the income statement except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly inequity in which case it is also recognised directly in equity.

4.19.1 Current Income tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

4.19.2 Deferred Income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.
Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off such as:

- Current tax assets against current income tax liabilities and
- the deferred taxes relate to the same taxable entity and
- the same taxation authority

4.20 *Share capital and share premium*

Ordinary shares are recognized at par value and classified as 'share capital 'inequity. Any amounts received over and above the par value of the shares issue dare classified as 'share premium' in equity.

4.21 *Statutory contingency reserve*

The Group maintains contingency reserves in accordance with the provisions of 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.

4.22 *Retained Earnings*

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

4.23 *Assets revaluation reserve*
This represents the Group's revaluation reserve emanating from revaluations of certain assets.

4.24 *Income recognition*

4.24.1 *Gross premiums*
gross premiums on insurance contract are recognized as revenue when payable by the policyholder.

For single premium business revenue is recognised on the date on which the policy is effective. Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred asa provision for unearned premiums.

4.24.2 *Reinsurance premiums*
Gross reinsurance premiums on insurance contracts are recognized as an expense when payable or on the date on which the policy is effective. Gross reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

4.24.3 *Commission income*
Commissions are recognized on ceding business to the reinsurers and are credited to the Income Statements.

4.24.4 *Investment income*
Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividend income which is recognised when the right to receive the payment is established.

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

4.24.5 *Realised/unrealised gains and losses*

Realised or unrealised gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original carrying or amortised cost and are recorded on occurrence of the sale transaction.

4.25 *Claims and expenses recognition*

4.25.1 *Gross benefits and claims*

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance and investment contract liabilities. All claims paid and incurred are charged against revenue as expenses when incurred.

4.25.2 *Reinsurance claims*

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

4.26 *Interest income and expense*

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash (or, where appropriate, the next re-pricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the entity estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees and points paid or received, transaction costs and discounts or premiums that are integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the financial statement include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.
- Interest on financial assets measured at fair value through profit or loss calculated on an effective interest rate basis.

4.27 *Expenses*

Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment).

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined expenses are recognised in the income statement on the basis of systematic and rational allocation procedures. This is often necessary in recognising the equipment associated with the using up of assets such as property, plant and equipment in such cases the expense is referred to as a depreciation or amortisation.

These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire.

An expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

4.27.1 *Underwriting Expenses*

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These cost are charged in the income statement in the period they are incurred.

4.28 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expenses categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. In this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

4.29 *Earnings Per Share*

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

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.

4.30 *Dividends*

Dividends on ordinary shares are recognised asa liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognised in equity until they have been declared at a general meeting. Dividends for the year that are approved after the statement of financial position date are dealt with asa non-adjusting event after the statement of financial position date.

4.31 *Comparatives*

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current year. Where changes are made and affect the statement of financial position, a third statement of financial position at the beginning of the earliest period presented is presented together with the corresponding notes

4.32 *Contingent liabilities*

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

4.33 *Contingent assets*

Contingent assets are not recognised in the financial statements but are disclosed when, as a result of the past events, it is highly likely that economic benefits will flow to the Group, 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 group's control.


ACCOUNTS
1861.56

UNITYKAPITAL ASSURANCE PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	NOTES	Group 31-Dec-12 N'000	Group 31-Dec-11 N'000
ASSETS			
Cash and cash equivalents	3	3,979,308	5,080,362
Financial assets	4	708,922	244,499
Trade receivables	5	454,323	99,174
Reinsurance assets	6	215,801	54,740
Deferred acquisition cost	7	85,036	40,832
Other receivables and prepayments	8	671,352	397,493
Investment in associates	10	1,010,650	843,365
Investment properties	11	472,526	387,289
Goodwill	12	386,444	386,444
Other intangible asset	13	80,826	56,546
Property, plant and equipment	14	2,421,454	2,110,243
Statutory deposits	15	355,000	355,000
Total assets		**10,841,642**	**10,055,988**
LIABILITIES			
Insurance contract liabilities	16	678,769	411,214
Trade payables	17	75,936	25,488
Retirement benefit obligation	18	33,729	37,338
Provision and other payables	19	216,947	248,153
Income tax liabilities	20	54,327	60,533
Deferred tax liabilities	21	308,397	204,424
Total liabilities		**1,368,104**	**987,151**
EQUITY			
Issued and paid up share capital	22	6,933,333	6,500,000
Share premium	23	663,600	1,096,933
Statutory contingency reserves	24	369,982	283,883
Retained earnings	25	121,333	12,591
Asset revaluation reserve	26	1,040,330	903,594
		9,128,578	8,797,001
Non controlling interest	40	344,960	271,837
Total Equity		**9,473,538**	**9,068,838**
TOTAL LIABILITIES AND EQUITY		**10,841,642**	**10,055,988**

The consolidated financial statements were approved by the Board of Directors on *17 June 2013*, and signed on its behalf by:

....

John Oyidih *[Executive Director/CFO]*
FRC/2013/ICAN/00000001675

....

Kins U. Ekebuike *[Managing Director / CEO]*
FRC/2013/CIIN/00000002404

....

Falalu Bello *[Chairman]*
FRC/2013/CIBN/00000002035

UNITYKAPITAL ASSURANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	NOTES	Parent 31-Dec-12 N'000	Parent 31-Dec-11 N'000	Parent 1-Jan-11 N'000
ASSETS				
Cash and cash equivalents	3	3,009,116	4,572,301	5,680,673
Financial assets	4	328,967	244,499	680,217
Trade receivables	5	454,323	99,174	108,740
Reinsurance assets	6	215,801	54,740	54,971
Deferred acquisition cost	7	85,036	40,832	26,060
Other receivables and prepayments	8	606,723	357,081	275,996
Investment in subsidiaries	9	1,576,300	826,300	0
Investment in associates	10	1,010,650	843,365	0
Investment properties	11	472,526	387,289	387,289
Goodwill and other intangible asset	12 & 13	80,826	56,546	72,479
Property, plant and equipment	14	2,349,854	2,061,693	1,982,674
Statutory deposits	15	355,000	355,000	355,000
Total assets		**10,545,121**	**9,898,821**	**9,624,100**
LIABILITIES				
Insurance contract liabilities	16	678,769	411,214	333,530
Trade payables	17	75,936	25,487	4,978
Retirement benefit obligation	18	33,729	37,338	26,687
Provision and other payables	19	174,954	205,161	167,879
Income tax liabilities	20	28,925	51,017	44,240
Deferred tax liabilities	21	434,891	374,284	374,284
Total liabilities		**1,427,203**	**1,104,501**	**951,598**
EQUITY				
Issued and paid up share capital	22	6,933,333	6,500,000	6,500,000
Share premium	23	663,600	1,096,933	1,096,933
Statutory contingency reserves	24	365,982	283,883	201,100
Retained earnings	25	114,673	9,910	(29,125)
Asset revaluation reserve		1,040,330	903,594	903,594
Shareholders fund		**9,117,918**	**8,794,320**	**8,672,502**
TOTAL LIABILITIES AND EQUITY		**10,545,121**	**9,898,821**	**9,624,100**

The company financial statements were approved by the Board of Directors on *17 June 2013*, and signed on its behalf by:

…………………………………………………
John Oyidih *[Executive Director/CFO]*
FRC/2013/ICAN/00000001675

…………………… …
Kins Ekebuike *[Managing Director / CEO]*
FRC/2013/CIIN/00000002404

………………………………………………………………..
Falalu Bello *[Chairman]*
FRC/2013/CIBN/00000002035

UNITYKAPITAL ASSURANCE PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012.

	Note	Group 2012 N'000	Group 2011 N'000
Gross premium written		**2,736,658**	**1,871,699**
Gross premium income	29	2,472,195	1,733,212
Reinsurance expenses	30	(254,605)	(179,192)
Net premium income		2,217,590	1,554,020
Fees and commission income	31	8,510	16,590
Net underwriting income		**2,226,101**	**1,570,610**
Claims expense	32	(268,447)	(104,718)
Underwriting expenses	33	(286,290)	(232,427)
Underwriting profit		**1,671,364**	**1,233,465**
Investment income	35	583,106	436,364
Net realised gains / (losses) on PPE disposal	36	(3,476)	2,731
Net fair value gains / (loss) on financial assets at fair value through profit or loss	4a	85,424	230,285
Fair value gains on investment properties at fair value through profit or loss	11	42,537	-
Impairment charges on receivables	34	(411,155)	(581,375)
Other operating income	37	582,373	156,400
Management expenses	38	(1,966,325)	(1,249,607)
Profit before taxation		583,848	228,263
Income taxes	39	(220,240)	(99,884)
Profit for the year		**363,608**	**128,379**
Profit attributable to:			
Owners of the Parent		357,022	124,497
Attributable to non-controlling interest		6,586	3,882
		363,608	128,379
Other comprehensive income			
Gain on revaluation of properties, plant and equipment after deferred tax	26	136,736	-
Other comprehensive income for the year		136,736	-
Total comprehensive income for the year		500,344	**128,379**
Attributable to :			
Owners of the Parent		493,758	124,497
Attributable to non-controlling interest		6,586	3,882
		500,344	**128,379**
Basic earnings per share (kobo)	27	3	1

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

UNITYKAPITAL ASSURANCE PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012.

	Note	Parent 2012 N'000	Parent 2011 N'000
Gross premium written		**2,736,658**	**1,871,699**
Gross premium income	29	2,472,195	1,733,212
Reinsurance expenses	30	(254,605)	(179,192)
Net premium income		2,217,590	1,554,020
Fees and commission income	31	8,510	16,590
Net underwriting income		**2,226,100**	**1,570,610**
Claims expenses	32	(268,447)	(104,718)
Underwriting expenses	33	(286,290)	(232,427)
Underwriting profit		**1,671,363**	**1,233,465**
Investment income	35	519,281	419,872
Net realised gains / (losses) on PPE disposal	36	(3,476)	2,731
Net fair value gains / (loss) on financial assets at fair value through profit or loss	4a	85,424	230,285
Fair value gains on investment properties at fair value through profit or loss	11	42,537	-
Impairment charges on receivables	34	(411,155)	(581,375)
Other operating income	37	4,789	838
Management expenses	38	(1,435,746)	(1,088,873)
Profit before taxation		473,017	216,943
Income taxes	39	(156,154)	(95,126)
Profit for the year		**316,863**	**121,817**
Other comprehensive income			
Gain on revaluation of properties, plant and equipment after deferred tax	26	136,736	-
Other comprehensive income for the year		136,736	-
Total comprehensive income for the year		**453,599**	**121,817**
Basic earnings per share (kobo)	27	2	1

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

UNITYKAPITAL ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

GROUP
YEAR ENDED 31 DECEMBER 2012

	Paid up share capital N'000	Share premium N'000	Asset revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000	Non controlling interest N'000	Total N'000
Balance at 1 January 2012	6,500,000	1,096,933	903,594	283,883	12,591	8,797,000	271,837	9,068,838
Transferred from statement of profit or loss	-	-		-	357,022	357,022	6,586	363,608
Gain on revaluation of properties, plant and equipment after deferred tax			136,736			136,736	-	136,736
Transfer to contingency reserve				86,100	(84,900)	1,200	-	1,200
	6,500,000	1,096,933	1,040,330	369,982	284,712	9,291,958	278,424	9,570,382
Transactions with owners of equity								-
Bonus share issue	433,333	(433,333)	-			-		-
Dividends to equity holders	-	-	-	-	(130,000)	(130,000)		(130,000)
Adjustment for further acquisition in subsidiaries					(33,379)	(33,379)	66,536	33,157
Balance at 31 December 2012	**6,933,333**	**663,600**	**1,040,330**	**369,982**	**121,333**	**9,128,579**	**344,960**	**9,473,539**

YEAR ENDED 31 DECEMBER 2011

	Paid up share capital N'000	Share premium N'000	Asset revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000	Non controlling interest N'000	Total N'000
Balance at 1 January 2011	6,500,000	1,096,933	903,594	201,100	(29,125)	8,672,502	-	8,672,502
Transferred from statement of profit or loss	-	-	-	-	124,497	124,497	3,882	128,379
Transfer to contingency reserve	-	-	-	82,783	(82,783)	-	-	-
Non controlling interest on acquisition							267,956	267,956
Balance at 31 December 2011	**6,500,000**	**1,096,933**	**903,594**	**283,883**	**12,591**	**8,796,999**	**271,837**	**9,068,837**

UNITYKAPITAL ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

PARENT
YEAR ENDED 31 DECEMBER 2012

	Paid up share capital N'000	Share premium N'000	Asset revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2012	6,500,000	1,096,933	903,594	283,883	9,910	8,794,320
Transferred from statement of profit or loss	-	-	-	-	316,863	316,863
Gain on revaluation of properties, plant and equipment after deferred tax			136,736			136,736
Transfer to contingency reserve				82,100	(82,100)	-
Total comprehensive income for the year	6,500,000	1,096,933	1,040,330	365,982	244,673	9,247,919
Transactions with owners of equity						
Bonus share issue	433,333	(433,333)	-	-	-	-
Dividends to equity holders	-	-	-	-	(130,000)	(130,000)
Total transactions with owners of equity	433,333	(433,333)	-	-	(130,000)	(130,000)
Balance at 31 December 2012	**6,933,333**	**663,600**	**1,040,330**	**365,982**	**114,673**	**9,117,919**

YEAR ENDED 31 DECEMBER 2011

	Paid up share capital N'000	Share premium N'000	Asset revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2011	6,500,000	1,096,933	903,594	201,100	(29,125)	8,672,502
Transferred from statement of profit or loss	-	-	-	-	121,817	121,817
Transfer to contingency reserve	-	-	-	82,783	(82,783)	-
Balance at 31 December 2011	**6,500,000**	**1,096,933**	**903,594**	**283,883**	**9,910**	**8,794,319**

UNITYKAPITAL ASSURANCE PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Group 2012 N'000	Group 2011 N'000
Cash flows from operating activities			
Operating profit before changes in working capital	28	191,562	345,428
Changes in working capital			
Trade receivables		(252,409)	(379,784)
Reinsurance assets		(161,062)	232
Other receivables		(268,289)	(108,775)
Deferred acquisition cost		(44,203)	(14,772)
Claims reported and loss adjustment expenses		3,092	(60,802)
Trade payables		50,448	20,509
Other payables		(31,207)	80,274
Staff gratuity fund		(3,609)	10,651
Income tax paid		(138,498)	(88,348)
Net cash from operating activities		(654,177)	(195,389)
Cash Flows from Investing Activities			
Purchase of property and equipment		(315,946)	(355,229)
Purchase of intangible assets		(40,412)	(6,216)
Proceeds from sale of property and equipment		3,614	15,116
Dividend received		13,081	7,203
Interest received		570,025	429,161
Purchase of HTM financial assets		(379,955)	-
Acquisition of subsidiaries, net of cash acquired	42	-	(318,240)
Additional investments in Associates		(167,285)	(176,718)
Net Cash provided by investing activities		(316,877)	(404,923)
Cash Flows from Financing Activities			
Dividend paid		(130,000)	-
Net cash provided by financing activities		(130,000)	-
Net Increase/(decrease) in cash and cash equiv.		(1,101,054)	(600,312)
Cash and Cash equivalent at the beginning		5,080,362	5,680,673
Cash and Cash equivalent at the end of the year		3,979,308	5,080,362

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

UNITYKAPITAL ASSURANCE PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

		Parent 2012 N'000	Parent 2011 N'000
Cash flows from operating activities			
Operating profit before changes in working capital	28	119,192	189,964
Changes in working capital			
Trade receivables		(252,409)	(379,784)
Reinsurance assets		(161,062)	232
Other receivables		(226,381)	(89,602)
Deferred acquisition cost		(44,203)	(14,772)
Claims reported and loss adjustment expenses		3,092	(60,802)
Trade payables		50,449	20,509
Other payables		(30,208)	37,282
Staff gratuity fund		(3,609)	10,651
Income tax paid		(132,832)	(88,348)
Net cash from operating activities		(677,973)	(374,672)
Cash Flows from Investing Activities			
Purchase of property and equipment		(277,710)	(159,455)
Purchase of intangible assets		(40,412)	(6,216)
Proceeds from sale of property and equipment		3,614	15,116
Dividend received		13,081	7,203
Interest received		506,200	412,669
Purchase of investment property		(42,700)	-
Additional investments in Associates and Subsidiaries.		(917,285)	(1,003,018)
Net Cash provided by investing activities		(755,211)	(733,701)
Cash Flows from Financing Activities			
Dividend paid		(130,000)	-
Net cash provided by financing activities		(130,000)	-
Net Increase/(decrease) in cash and cash equiv.		(1,563,184)	(1,108,373)
Cash and Cash equivalent at the beginning		4,572,301	5,680,673
Cash and Cash equivalent at the end of the year		3,009,117	4,572,300

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

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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1 General information

UnityKapital Assurance Plc ("the company") was initially incorporated under the name of Kapital Insurance Company Limited as a private limited liability company on the 8 August 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public limited liability company. Its shares are quoted on the Nigerian Stock Exchange.

Its Head Office is located at 497 Abogo Largema Street, Off Constitution Avenue, Central Business District, Abuja. Nigeria.

The principal business of the company is underwriting of non- life insurance risks.

The Company has 93.46% equity interest in Health Care Security Limited and 70% interest in Future Unity Glanvills Pensions Limited. These two subsidiary companies together with the Company constitute the Group.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are disclosed under 'General Information on Reporting Entity and Summary of Significant Accounting Policies'. These policies have been consistently applied to all the years presented, unless otherwise stated.

UNITYKAPITAL ASSURANCE PLC
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FOR THE YEAR ENDED 31 DECEMBER 2012

		Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
3	**Cash and cash equivalents**					
a.	This comprises of:					
	Cash at hand	3,182	3,781	2,852	980	992
	Cash at bank	130,903	120,262	50,085	101,866	121,688
	Staff gratuity fund assets	52,210	37,885	52,210	37,885	23,680
	Short term deposit	3,793,013	4,918,434	2,903,969	4,431,571	5,534,313
	Total	**3,979,308**	**5,080,362**	**3,009,116**	**4,572,301**	**5,680,673**
b.	In compliance with section 19(3) of Insurance Act 2003, the short-term deposit is financed as follows:					
	Financed by insurance fund	678,769	409,550	678,769	409,550	333,530
	Financed by other funds	3,114,243	4,508,884	2,225,199	4,022,021	5,200,783
	Total short term deposit	3,793,013	4,918,434	2,903,969	4,431,571	5,534,313
4	**Financial assets**					
	This comprises of:					
	Fair value through profit or loss (Note 4a)	284,161	199,694	284,161	199,694	636,132
	Held to Maturity (Note 4b)	379,955	-	-	-	-
	Available for sale (Note 4c)	44,805	44,805	44,805	44,805	44,085
		708,922	**244,499**	**328,967**	**244,499**	**680,217**
	Current	284,161	199,694	284,161	199,694	636,132
	Non current	424,760	44,805	44,805	44,805	44,085
		708,922	244,499	328,967	244,499	680,217
4a	These are quoted equities on the Nigerian Stock Exchange, and are derived as follows:					
	Cost					
	Balance, beginning of year	303,866	970,590	303,866	970,590	826,080
	Movement in the year	(142)	(77)	(142)	(77)	144,510
	Reclassification to investment in associates	-	(666,647)	-	(666,647)	-
	Balance, end of year	**303,724**	**303,866**	**303,724**	**303,866**	**970,590**
	Market value reserve					
	Balance, beginning of year	(104,172)	(334,458)	(104,172)	(334,458)	(304,363)
	Movement in the year	85,424	(84,138)	85,424	(84,138)	(30,095)
	Reclassification to investment in associates	-	314,424	-	314,424	-
	Balance, end of year	**(18,748)**	**(104,172)**	**(18,748)**	**(104,172)**	**(334,458)**
	Fair value as at 31 December	**284,976**	**199,694**	**284,976**	**199,694**	**636,132**
4b	Held to maturity are debt securities with fixed interest rates and maturity dates stated at amortised cost, and details are:					
	10% FGN July 2030	207,123				
	12.49% FGN May 2029	103,764				
	7% FMBN SPV S3 May 2019	53,958				
	14.75% Osun State bond December 2019	15,109				
		379,955				

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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		Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
4c	Available for sale are long term investments in unquoted equities, and are carried at cost less impairment, and are derived as follows:					
	Cost					
	Balance, beginning of year	51,129	50,408	51,129	50,408	50,408
	Movement in the year	-	721	-	721	0
	Balance, end of year	**51,129**	**51,129**	**51,129**	**51,129**	**50,408**
	Provision for impairment					
	Balance, beginning of year	(6,324)	(6,324)	(6,324)	(6,324)	0
	Movement in the year	-	-	-	-	(6,324)
	Balance, end of year	**(6,324)**	**(6,324)**	**(6,324)**	**(6,324)**	**(6,324)**
	Fair value, end of year	**44,805**	**44,805**	**44,805**	**44,805**	**44,084**
5	**Trade receivables**					
5a	This comprises of:					
	Premium receivable from insurance brokers	971,182	809,351	971,182	809,351	515,080
	Premium receivable from insurance agents	34,545	73,240	34,545	73,240	109,243
	Premium receivable from policy holders	224,420	127,026	224,420	127,026	12,492
	Premium receivable from Insurance Companies	47,332	9,607	47,332	9,607	0
	Premium receivable from re-insurer	34,315	40,161	34,315	40,161	42,785
		1,311,794	1,059,385	1,311,794	1,059,385	679,601
	Less:					
	Impairment of premium receivables (Note 5b)	(857,471)	(960,211)	(857,471)	(960,211)	(570,861)
		454,323	**99,174**	**454,323**	**99,174**	**108,740**
5b	Movement in impairment is as follow:					
	Balance beginning of the year	960,211	570,862	960,211	570,862	590,518
	Debts written off	(513,081)	(193,007)	(513,081)	(193,007)	(41,366)
	Charge for the year	410,341	582,356	410,341	582,356	21,710
	Balance, end of year	**857,471**	**960,211**	**857,471**	**960,211**	**570,862**
6	**Reinsurance assets**					
	This is analysed as follows:					
	Prepaid reinsurance	204,419	35,430	204,419	35,430	36,018
	Claim recoverable	11,383	19,309	11,383	19,309	18,953
		215,801	**54,740**	**215,801**	**54,740**	**54,971**
7	**Deferred acquisition cost**					
(a)	This is analysed as follows:					
	Motor	27,173	9,303	27,173	9,303	15,436
	Fire	24,038	10,463	24,038	10,463	3,416
	General Accident	7,874	5,886	7,874	5,886	5,944
	Marine	7,894	6,803	7,894	6,803	718
	Aviation	5,923	61	5,923	61	0
	Engineering	9,126	7,511	9,126	7,511	541
	Oil & Gas	2,096	16	2,096	16	0
	Bond	911	789	911	789	6
	Deferred acquisition cost	**85,036**	**40,832**	**85,036**	**40,832**	**26,060**

UNITYKAPITAL ASSURANCE PLC
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		Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
8	**Other receivables and prepayments**					
(i)	The balance is analysed as follow:					
	Receivables from staff	21,848	29,842	18,539	25,092	51,076
	Deposits for investments (Note 8(ii))	128,058	118,004	128,058	118,004	121,972
	Other receivables	127,733	66,329	75,644	30,667	13,459
	Prepayments	420,371	209,977	411,140	209,977	117,130
		698,010	424,152	633,381	383,740	303,636
	Impairment of other receivables and prepayment (Note 8(iii))	(26,658)	(26,658)	(26,658)	(26,658)	(27,640)
		671,352	**397,493**	**606,723**	**357,081**	**275,996**
(ii)	Deposit for investments represent net balances with stockbrokers for the purchase of quoted equities on the Nigerian Stock exchange.					
(iii)	The movement in impairment charge is as follow:					
	Balance, beginning of year	26,658	27,640	26,658	27,640	56,274
	Written back during the year	-	(982)	-	(982)	(28,634)
	Balance, end of year	26,658	26,658	26,658	26,658	27,640
9	**Investment in subsidiaries**					
a	This comprises of investment in:					
	Future Unity Glanvills (FUG) Pension Limited at cost (Note 8b)			1,160,000	660,000	-
	Health Care Security Limited at cost (Note 8c)			416,300	166,300	-
				1,576,300	**826,300**	-

b Future Unity Glanvills (FUG) Pension Limited has issued ordinary share capital of 1.5 billion units of N1 each. (2011: 1 billion units)

UnityKapital holds 1.05 billion units (70%) : (2011: 550 million (55%). The company was incorporated on 20 April 2005, and licensed by National Pension Commission to carry on the business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos.

c Health Care Security Limited has issued ordinary share capital of 429,075,000 units of N1 each (2011: 179,075,000 units)

UnityKapital holds 401,000,000 units (93.5%) : (2011: 151,000,000 (84.3%)). The company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

10 Investment in associates

	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
Goldlink Insurance Plc	**1,010,650**	**843,365**	**1,010,650**	**843,365**	**-**

UnityKapital holds 1,268,314,351 ordinary shares representing 28% holding in Goldlink Insurance Plc as at 31/12/2012 [2011:978,077,678 (21.6%)]

Goldlink Insurance Plc became the associate company of UnityKapital in 2011 but was taken over in 2012 by the regulatory authority - National Insurance Commission for infractions of insurance regulations and its Board of Directors was dissolved. UnityKapital is not represented on the interim Board of Directors constituted by the regulatory authority hence its control is currently impaired. The company has not issued any financial statements since 31/12/2010, therefore, the UnityKapital's share of its profit or loss could not be determined for inclusion in these financial statements, hence the investment in the company has been accounted for at cost instead of equity method which is appropriate method of accounting for associate.

UNITYKAPITAL ASSURANCE PLC
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11 Investment properties

These are real estates held for capital appreciation and /or for rental purposes.

Investment properties were independently valued by Jide Taiwo & Co - Estate surveyors and valuers as at December 2012 to ascertain the open market value of the investment properties. The open market value of the properties were N472,525,900 (2011: N387,288,700). The determination of open market value of the investment properties were supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and recent experience in the location and category of the property being valued. The movement in investment properties is given as follows:-

	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
Balance, beginning of year	387,289	387,289	387,289	387,289	-
Addition in the year	42,700	-	42,700	-	197,969
Fair value gain	42,537	-	42,537	-	189,320
Balance, end of year	**472,526**	**387,289**	**472,526**	**387,289**	**387,289**
12 Goodwill					
Balance, beginning of year	386,444	-			
Purchase price of entity acquired	-	826,300			
Net assets of entity	-	(439,856)			
Balance, end of year	**386,444**	**386,444**			

Goodwill arose on the acquisition of Health Care Security Limited and FUG Pensions Limited. There is no event to suggest that this goodwill has been impaired.

13 Other intangible assets

a *This comprises of acquired computer software which does* not form part of a related hardware.

	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
Computer software (Note 13b)	**80,826**	**56,546**	**80,826**	**56,546**	**72,479**
b Computer software					
Cost					
Balance, beginning of year	105,058	98,842	105,058	98,842	-
Additions	40,412	6,216	40,412	6,216	98,842
Balance, end of year	145,470	105,058	145,470	105,058	98,842
Accumulated amortisation					
Balance, beginning of year	48,512	26,363	48,512	26,363	-
Amortisation expense/impairment charge	16,132	22,149	16,132	22,149	26,363
Balance, end of year	64,644	48,512	64,644	48,512	26,363
Carrying amount					
31 December	**80,826**	**56,546**	**80,826**	**56,546**	**72,479**

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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GROUP
14 **Property, plant and equipment**

2012

	Leasehold land ₦'000	Building ₦'000	Office & computer equipment ₦'000	Motor vehicles ₦'000	Office furniture and fittings ₦'000	Capital Work in Progress ₦'000	Total ₦'000
Cost / valuation							
At 1 January 2012	641,230	1,134,327	217,690	283,247	109,658	128,823	2,514,975
Reclassification		142,034	-	-	-	(168,734)	(26,700)
Revaluation gain	60,683	91,246	-	-	-	-	151,929
Additions	-	45,272	58,645	144,761	27,357	39,911	315,946
Disposals	-	-	(140)	(22,140)	-	0	(22,280)
At 31 December, 2012	**701,912**	**1,412,879**	**276,195**	**405,868**	**137,015**	**0**	**2,933,869**
Accumulated depreciation							
At 1 January 2012	-	27,192	130,932	182,837	63,770	-	404,731
Reclassification	-	-	-	-	-	-	-
Depreciation expenses	-	25,352	34,657	48,332	14,532	-	122,874
Disposals	-	-	(140)	(15,050)	-	-	(15,190)
At 31 December, 2012	**0**	**52,544**	**165,449**	**216,119**	**78,302**	**-**	**512,415**
Net book value as at 31 December 2012	**701,912**	**1,360,335**	**110,746**	**189,749**	**58,712**	**-**	**2,421,454**
Net book value as at 31 December 2011	641,230	1,107,135	86,758	100,410	45,888	128,823	2,110,243

2011

	Leasehold land ₦'000	Building ₦'000	Office & computer equipment ₦'000	Motor vehicles ₦'000	Office furniture and fittings ₦'000	Capital Work in Progress ₦'000	Total ₦'000
Cost / valuation							
At 1 January 2011	641,230	1,127,800	98,412	232,823	137,821	-	2,238,085
Reclassification		-	12,651		(12,651)		-
Additions		-	12,777	17,855	(0)	128,823	159,455
Additions from subsidiaries acquired		6,527	111,204	67,922	10,121	-	195,774
Disposals	-	-	(17,354)	(35,353)	(25,633)	-	(78,340)
At 31 December, 2011	**641,230**	**1,134,327**	**217,690**	**283,247**	**109,658**	**128,823**	**2,514,975**
Depreciation							
At 1 January 2011	-	-	45,860	141,815	67,736	-	255,411
Reclassification	-	-	2,194	-	(2,194)	-	-
Charges for the year	-	22,556	535	34,863	10,097	-	68,051
Additions from subsidiaries acquired		4,636	99,697	34,070	8,821		147,224
Disposals	-	-	(17,354)	(27,911)	(20,690)	-	(65,955)
At 31 December, 2011	**0**	**27,192**	**130,932**	**182,837**	**63,770**	**-**	**404,731**
Carrying amount at 31 December 2011	**641,230**	**1,107,135**	**86,758**	**100,410**	**45,888**	**128,823**	**2,110,243**
Carrying amount at 31 December 2010	641,230	1,127,800	52,552	91,008	70,085	-	1,982,674

UNITYKAPITAL ASSURANCE PLC
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PARENT

14 **Property, plant and equipment**

2012

	Leasehold land ₦'000	Building ₦'000	Office & computer equipment ₦'000	Motor vehicles ₦'000	Office furniture and fittings ₦'000	Capital Work in Progress ₦'000	Total ₦'000
Cost / valuation							
At 1 January 2012	641,230	1,127,800	106,486	215,325	99,537	128,823	2,319,201
Reclassification		142,034	-	-	-	(168,734)	(26,700)
Revaluation gain	60,683	91,246	-	-	-	-	151,929
Additions	-	45,272	55,026	115,889	21,612	39,911	277,710
Disposals	-	-	(140)	(22,140)	-	0	(22,280)
At 31 December, 2012	701,912	1,406,352	161,372	309,074	121,149	0	2,699,859
Accumulated depreciation							
At 1 January 2012	-	22,556	31,235	148,767	54,949	-	257,507
Reclassification	-	-	-	-	-	-	-
Depreciation expenses	-	23,461	29,879	40,252	14,095	-	107,688
Disposals	-	-	(140)	(15,050)	-	-	(15,190)
At 31 December, 2012	0	46,017	60,974	173,969	69,044	-	350,005
Carrying amount at 31 December 2012	**701,912**	**1,360,335**	**100,398**	**135,105**	**52,104**	**-**	**2,349,854**
Carrying amount at 31 December 2011	641,230	1,105,244	75,251	66,558	44,588	128,823	2,061,693

2011

	Leasehold land ₦'000	Building ₦'000	Office & computer equipment ₦'000	Motor vehicles ₦'000	Office furniture and fittings ₦'000	Capital Work in Progress ₦'000	Total ₦'000
Cost / valuation							
At 1 January 2011	641,230	1,127,800	98,412	232,823	137,821	-	2,238,085
Reclassification			12,651		(12,651)		-
Additions			12,777	17,855	(0)	128,823	159,455
Disposals	-	-	(17,354)	(35,353)	(25,633)	0	(78,340)
At 31 December, 2011	**641,230**	**1,127,800**	**106,486**	**215,325**	**99,537**	**128,823**	**2,319,201**
Depreciation							
At 1 January 2011	-	-	45,860	141,815	67,736	-	255,411
Reclassification	-	-	2,194	-	(2,194)	-	-
Charges for the year	-	22,556	535	34,863	10,097	-	68,051
Disposals	-	-	(17,354)	(27,911)	(20,690)	-	(65,955)
At 31 December, 2011	**0**	**22,556**	**31,235**	**148,767**	**54,949**	**-**	**257,507**
Carrying amount at 31 December 2011	**641,230**	**1,105,244**	**75,251**	**66,558**	**44,588**	**128,823**	**2,061,693**
Carrying amount at 31 December 2010	641,230	1,127,800	52,552	91,008	70,085	-	1,982,674

14.1 Leasehold land and buildings were independently valued by Jide Taiwo & Co - Estate surveyors and valuers as at December 2012 to ascertain the open market value. The open market value of Land was N701,912,166 (2011 : N641,229,600), while that of building was N1,360,337,834 (2011: N1,134,327,000). The determination of open market value of the land and buildings were supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and recent experience in the location and category of the property being valued. The revaluation gain has been taken to revaluation reserve account.

14.2 Capital work in progress relates to buildings under construction. As each building is completed , it is transferred to the appropriate class of assets.

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	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
15 Statutory deposit	**355,000**	**355,000**	**355,000**	**355,000**	**355,000**
This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003. The deposit is not available for the use by the Company on a normal day-to-day business.					
16 Insurance contract liabilities					
Outstanding claims [see Note (a) below]					
Outstanding claims reported	39,140	40,361	39,140	40,361	97,148
Claims incurred but not repoted	3,914	4,036	3,914	4,036	9,715
Actuarial adjustment on valuation	6,099	1,664	6,099	1,664	-
Details in Note 16a	49,153	46,061	49,153	46,061	106,863
Unearned premium [see Note (b) below]	629,616	365,153	629,616	365,153	226,667
	678,769	411,214	678,769	411,214	333,530
(a) Provision for outstanding claims					
Motor insurance	1,401	732	1,401	732	1,065
Fire insurance	2,863	96	2,863	96	5,419
General accident insurance	17,736	17,342	17,736	17,342	29,515
Marine insurance	2,629	-	2,629		-
Engineering	3,001	-	3,001		-
Aviation	590	-	590		-
Oil and gas	19,847	27,891	19,847	27,891	70,864
Bond	1,086	-	1,086	-	-
	49,153	46,061	49,153	46,061	106,863
(b) Reserve for unearned premium					
Motor insurance	273,993	113,257	273,993	113,257	161,980
Fire insurance	159,014	73,715	159,014	73,715	18,105
General accident insurance	88,758	72,897	88,758	72,897	30,276
Marine insurance	285	56,893	285	56,893	9,110
Bond	6,311	3,994	6,311	3,994	78
Engineering	46,476	37,636	46,476	37,636	4,614
Aviation	27,599	411	27,599	411	-
Oil and gas	27,180	6,350	27,180	6,350	2,504
	629,616	365,153	629,616	365,153	226,667
	678,769	**411,214**	**678,769**	**411,214**	**333,530**
(c) The investment in respect of this insurance funds is as stated in Note 1b.					
17 Trade payables					
This is analysed as follow:					
Re - insurance premium	78	(384)	78	(384)	-
Co - insurance premium	44,090	25,488	44,090	25,488	4,978
Commission payable	31,768	384	31,768	384	-
	75,936	**25,488**	**75,936**	**25,488**	**4,978**

UNITYKAPITAL ASSURANCE PLC
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	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
18 Retirement benefit obligation					
a *Gratuity Scheme*					
Balance, beginning of year	37,338	26,687	37,338	26,687	15,374
Contribution in the year	11,458	10,651	11,458	10,651	11,313
Payments in the year	(15,067)	(0)	(15,067)	(0)	0
Balance, end of year	**33,729**	**37,338**	**33,729**	**37,338**	**26,687**

The company operates a funded defined contribution gratuity scheme for its qualified employees based on the employee's years of service. The scheme is self administered and the fund is deposited in a term deposit bank account which is included in Cash and cash equivalent in Note 3a. The scheme is non-contributory but the company's annual contribution of 5% of the relevant emoluments (as defined in the scheme terms and conditions) of qualifying employee is charged to the profit and loss account. Qualified retiring employees are only entitled to lump sum payment of the accumulated contribution in their favour without interest

b *Pension scheme*

In addition to the gratuity scheme, the employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The Company is required to contribute a matching 7.5% of the employees' pensionable emoluments to the retirement benefit scheme to fund the benefits in addition to the employees' contribution. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
19 Provision and other payables					
This is analysed as follow:					
Life insurance fund (Note 44)	131,460	131,460	131,460	131,460	131,460
PAYE tax, NHF and other remitable deductions	13,155	8,282	-	7,461	5,050
Staff accounts	2,253	2,594	2,253	2,594	-
Accrued audit fees	10,620	9,000	7,500	7,500	5,000
Other accruals and payables	59,459	96,817	33,741	56,146	26,369
	216,947	**248,153**	**174,954**	**205,161**	**167,879**
20 Income tax liabilities					
Company income tax	47,198	53,510	26,756	43,994	41,656
Education tax	3,279	6,861	2,169	6,861	2,584
Under / (over) provision in prior years	81,815	44,271	81,815	44,271	31,968
Per income statement	**132,292**	**104,642**	**110,740**	**95,126**	**76,208**
Balance at beginning of the year	60,533	44,240	51,017	44,240	104,171
Payments during the year	(138,498)	(88,348)	(132,832)	(88,348)	(136,139)
Per statement of financial position	**54,327**	**60,533**	**28,925**	**51,017**	**44,240**
21 Deferred tax liabilities					
Balance, beginning of year	204,424	374,284	374,284	374,284	197,163
Charge for the year	84,526	(169,860)	41,160	-	-
Charge on revaluation of investment property	4,254	-	4,254	-	120,512
Charge on revaluation of land and buildings	15,193	-	15,193	-	56,609
	308,397	**204,424**	**434,891**	**374,284**	**374,284**

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		Notes	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
22	**Issued and paid up share capital**						
(a)	***Authorised***						
	14 billion ordinary shares of 50 kobo each		7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
(b)	***Issued and fully paid***						
	Balance, beginning of year		6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
	Bonus shares issued from share premium during the year		433,333	-	433,333	-	-
	Balance, end of year		**6,933,333**	**6,500,000**	**6,933,333**	**6,500,000**	**6,500,000**
23	**Share premium**						
	Balance, beginning of year		1,096,933	1,096,933	1,096,933	1,096,933	1,096,933
	Transfer to share capital		(433,333)	-	(433,333)	-	-
	Balance, end of year		**663,600**	**1,096,933**	**663,600**	**1,096,933**	**1,096,933**

24 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
Balance, beginning of year	283,883	201,100	283,883	201,100	175,038
Charge for the year	86,100	82,783	82,100	82,783	26,062
Balance, end of year	**369,982**	**283,883**	**365,982**	**283,883**	**201,100**

25 Retained earnings

The retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company . See statement of changes in equity for movement in retained earnings.

26 Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000	Parent 1 January 2011 N'000
Land					
Balance, beginning of year	310,453	310,453	310,453	310,453	138,290
Addition to land	53,479	0	53,479	0	172,163
Balance, end of year	363,932	310,453	363,932	310,453	310,453
Building					
Balance, beginning of year	593,141	593,141	593,141	593,141	264,211
Addition to building	83,257		83,257		328,930
Balance, end of year	676,398	593,141	676,398	593,141	593,141
Carrying amount	**1,040,330**	**903,594**	**1,040,330**	**903,594**	**903,594**

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27 **Earnings per share**

Basic earnings per share (kobo)

The calculation of basic earnings per share at 31 December 2012 was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follows:

	Notes	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000
Profit after tax attributable to equity holders		357,022	124,497	316,863	121,817
Weighted average number of ordinary shares at end of year		6,716,667	6,500,000	6,716,667	6,500,000
Basic earnings per share (kobo)		3	1	2	1
28 Net cash flow from operating activities before changes in operating assets:					
Profit after taxation		363,608	128,379	316,863	121,817
Taxation		220,240	99,884	156,154	95,126
Operating profit		583,848	228,263	473,017	216,943
Adjustments to reconcile profit before taxation to net cashflow from operating activities:					
Depreciation and amortisation	*38*	149,184	250,836	123,820	90,200
(Profit)/loss on disposal of property and equipment	*36*	3,476	(2,731)	3,476	(2,731)
Allowance for doubtful accounts	*34*	410,341	581,375	410,341	581,375
Unrealised fair value gains on financial assets	*34*	(85,424)	(230,285)	(85,424)	(230,285)
Actuarial losses on outstanding claims		6,099	1,664	6,099	1,664
Debts written off		(513,081)	(193,007)	(513,081)	(193,007)
Fair value loss/(gain) on investment properties	*11*	(42,537)	-	(42,537)	-
Dividend income		(13,081)	(7,203)	(13,081)	(7,203)
Exchange (gain) / loss		(1,701)	7,189	(1,701)	7,189
Interest Income		(570,025)	(429,161)	(506,200)	(412,669)
Increase/(decrease) in unearned premium	*29*	264,462	138,487	264,462	138,487
Cash flow from operating activities		**191,562**	**345,428**	**119,192**	**189,964**
29 Gross premium					
Direct premium		2,719,589	1,867,646	2,719,589	1,867,646
Inward reinsurance premium		17,068	4,053	17,068	4,053
Gross written premium		2,736,658	1,871,699	2,736,658	1,871,699
Changes in unearned premium		(264,462)	(138,487)	(264,462)	(138,487)
Gross premium earned (Note 29a)		**2,472,195**	**1,733,212**	**2,472,195**	**1,733,212**
a Gross premium earned is further analysed as follows:					
Fire		360,416	149,096	360,416	149,096
General accident		391,820	525,158	391,820	525,158
Marine		281,753	95,456	281,753	95,456
Motor		610,574	630,675	610,574	630,675
Oil and gas		593,488	231,380	593,488	231,380
Aviation		88,979	5,906	88,979	5,906
Engineering		122,691	87,406	122,691	87,406
Bond		22,472	8,135	22,472	8,135
		2,472,195	**1,733,212**	**2,472,195**	**1,733,212**

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		Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000
30	**Reinsurance cost**				
	Reinsurance premium	(469,198)	(214,622)	(469,198)	(214,622)
	Prepaid reinsurance	214,594	35,430	214,594	35,430
		(254,604)	**(179,192)**	**(254,604)**	**(179,192)**
31	**Commission income**	**8,510**	**16,590**	**8,510**	**16,590**
32	**Claims expenses**				
	Direct claims paid	266,287	166,058	266,287	166,058
	Changes in outstanding claims	3,092	(60,802)	3,092	(60,802)
	Actuarial losses in outstanding claims	6,099	1,664	6,099	1,664
	Gross claims incurred	275,478	106,920	275,478	106,920
	Reinsurance recovery	(7,032)	(2,202)	(7,032)	(2,202)
		268,447	**104,718**	**268,447**	**104,718**
33	**Underwriting expenses**				
	Business acquisition cost	83,348	73,712	83,348	73,712
	Business maintenance cost	202,942	158,715	202,942	158,715
		286,290	**232,427**	**286,290**	**232,427**
34	**Impairment charges**				
	On premium receivables through profit or loss	410,341	582,356	410,341	582,356
	Write back on other receivables		(981)	-	(981)
	On financial assets through profit or loss	(85,424)	(53,053)	(85,424)	(53,053)
	Fair value reserve on investment in associated company now at cost	-	(177,232)	-	(177,232)
		324,917	**351,090**	**324,917**	**351,090**
35	**Investment income**				
	Dividends from equity investments at FVTPL	13,081	7,203	13,081	7,203
	Interest received from:				
	Short term deposits	509,819	402,301	445,994	385,809
	Statutory deposit	60,206	26,860	60,206	26,860
		583,106	**436,364**	**519,281**	**419,872**
	Further analysed as follows:				
	Attributable to policy holders fund	102,579	34,723	102,579	34,723
	Attributable to shareholders funds	480,528	401,641	416,703	385,149
		583,106	**436,364**	**519,281**	**419,872**
36	**Net realised gains or losses**				
	(Loss) / gain on disposal of equipment	**(3,476)**	**2,731**	**(3,476)**	**2,731**
37	**Other income**				
	Rental income	613	-	613	-
	Pension management and administration fees	577,584	155,562	-	-
	Exchange gain	1,701	0	1,701	-
	Sundry income	2,475	838	2,475	838
		582,373	**156,400**	**4,789**	**838**

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	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000
38 Management expenses				
Staff costs	647,732	631,898	473,596	582,702
Depreciation and amortisation	149,184	103,613	123,820	90,200
Auditors' remuneration	10,620	8,300	7,500	7,500
Marketing and advertisement	289,301	86,884	289,301	25,540
Administration expenses	500,589	120,010	362,494	120,010
Repairs and maintenance	124,432	125,047	37,432	115,047
Travel costs and allowances	186,651	107,425	111,651	97,425
Directors' Costs	51,879	44,828	29,936	40,386
Exchange loss	-	7,189	-	7,189
Other expenses	5,937	14,414	16	2,874
	1,966,325	**1,249,607**	**1,435,746**	**1,088,873**
39 Income tax expense				
Education tax	5,931	6,861	4,821	6,861
Company income tax	43,714	48,752	24,104	43,994
Under provision in prior years	81,815	44,271	81,815	44,271
Deferred tax expense	88,780	-	45,414	-
	220,240	**99,884**	**156,154**	**95,126**
b Reconciliation of effective tax rate				
Profit before income tax			472,168	
Income tax using the domestic corporation tax rate			155,769	
Companies Income Tax (CIT)			18,963	
Non-deductible expenses			6,130	
Education tax levy			3,753	
Information Technology Levy			4,675	
Tax exempt income			(4,596)	
Prior year under provision			81,815	
Deferred tax expense			45,414	
Total income tax expense in comprehensive income			156,154	

40 Proposed dividend

The Directors propose that a cash dividend of two kobo per ordinary share will be paid out of the current year profits to shareholders in respect of the current year. (2011: one kobo). The proposed dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The dividend is payable to all shareholders on the Register of Members as at closure date subject to a withholding tax at the appropriate rate. The total estimated cash dividend to be paid is N277.33million (2011: N130million).

41 Non-controlling interest

The movement in non-controlling interest during the year is shown below:

Balance, beginning of year	271,837	-
Share of net assets at 1 July 2011	-	267,956
Share of profit for the period	6,586	3,882
Loss of equity interest	(99,814)	-
Share of increase in share capital	166,350	-
	344,960	**271,837**

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42 Acquisition of subsidiaries, net of cash acquired

	Group December 2012 N'000	Group December 2011 N'000	Parent December 2012 N'000	Parent December 2011 N'000
Future Unity Glanvills (FUG) Pension Ltd	-	660,000		
Health Care Security Limited (HCSL)	-	166,300		
	-	826,300		
Cash balance - FUG	-	(338,895)		
Cash balance - HCSL	-	(169,166)		
	-	**318,239**		

Net assets acquired

	FUG N'000	HCSL N'000
Fair value of assets at 1 July 2011	583,993	182,888
Fair value of liabilities at 1 July 2011	(38,892)	(13,615)
Net assets of subsidiaries acquired	545,101	169,273
Non controlling interest in subsidiaries	(245,295)	(26,542)
Goodwill on acquisition	360,194	23,569
Fair value net assets acquired	**660,000**	**166,300**
Satisfied by:		
Cash paid	**660,000**	**166,300**

43 **Information regarding employees**

(i)

The table below shows the number of staff whose emoluments during the year excluding pension contributions were within the ranges stated:

N		N	2012 Number	2011 Number	2012 Number	2011 Number
Below	-	1,000,000	44	75	20	42
1,000,001	-	3,000,000	180	153	151	128
3,000,001	-	5,000,000	23	24	18	14
5,000,001	-	8,000,000	10	10	5	7
8,000,001	-	10,000,000	4	3	0	1
Above	-	10,000,000	3	1	3	1
			264	**266**	**197**	**193**

(ii) The related staff costs were:

	2012	2011	2012	2011
Staff cost	636,274	468,760	462,138	419,564
Staff pension and gratuity	11,458	10,651	11,458	10,651
Superannuation paid to directors	-	152,487	-	152,487
	647,732	631,898	**473,596**	**582,702**

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44 **Life insurance fund in abeyance**

Life insurance fund arose from the life business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged UnityKapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company. The net fund liability was as determined by actuarial valuation of the life insurance fund which was done by Alexander Forbes Consulting Actuaries Nigeria Limited as at 31 December 2008 and A.D. Sani & Associates (Actuaries) as at 31 December 2012.

The net liability actuarially determined at 31 December 2012 was N13.955 million [31/12/2008 (the previous actuarial valuation date): N16.416 million]. The life fund in the financial statements throughout the periods reported after cessation is N131.46 million giving rise to surplus at 31/12/2012 of N117.505 million (2011: N115.044 million). This surplus is being carried over as part of the life fund pending the conclusion of the transfer of the net liability to a licensed life assurance company when the final surplus/(deficit) will be determined as at that date for recognition in the income statement of UnityKapital.

45 **Contingent liabilities**

There were four (4) claims and litigations against the company as at 31 December 2011 amounting to N1,028,598,226 (2011: N1,030,200,000). These claims include a N1 billion suit instituted against the owner of a property that the company acquired and to which the company is a joined party. However the Directors having sought the advice of legal counsels are of the opinion that based on the advice received, the liability of the company in respect of all the cases is not likely to exceed N1.7 million. No provision is made in respect of this on account of its insignificance. The company also instituted three (3) court cases in the ordinary course of business. One of the cases was resolved out of court as reported under events after reporting period in Note 46.

46 **Events after reporting period**

The commercial dispute between the company and Transnational Corporation Nigeria Plc (Transcorp) on the acquisition of the then Nicon Hilton Hotel (now Transcorp Hilton Hotel) was settled out of court through Arbitration in early 2013. The executed terms of settlement resulted in the company relinquishing its claim to the joint ownership of the Capital Leisure and Hospitality Limited (the special purpose company used in acquiring the hotel) in return for a payment of N1.75 billion by Transcorp which will be shared with another joint owner after deducting expenses incurred on arbitration. (The company estimated its net benefit to be in the region of N1.3 billion). This income has not been recognised in these financial statements.

47 **Related parties transactions**

The Company underwrote, in the ordinary course of business, insurance policies in favour of its major shareholder, Unity Bank Plc. Premium written during the year amounted to N179.123 million (2011 : N513.832 million).

Transactions between the company, and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

48 **Hypothecation**

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities at 31/12/2012 were allocated as follows:

	Insurance contract N'000	Shareholders' funds N'000	Total N'000
Cash and cash equivalents	678,769	2,330,347	3,009,116
Financial assets	131,460	197,507	328,967
Trade receivables	-	454,323	454,323
Reinsurance assets	11,383	204,418	215,801
Deferred acquisition cost	-	85,036	85,036
Other receivables and prepayments	-	606,723	606,723
Investment in subsidiaries	-	1,576,300	1,576,300
Investment in associates	-	1,010,650	1,010,650
Investment properties	-	472,526	472,526
Goodwill and other intangible asset	-	80,826	80,826
Property, plant and equipment	-	2,349,854	2,349,854
Statutory deposits	-	355,000	355,000
Total assets	821,612	9,723,510	10,545,122

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	Insurance contract N'000	Shareholders' funds N'000	Total N'000
Insurance contract liabilities	678,769	0.50	678,769
Trade payables	-	75,936	75,936
Retirement benefit obligation	-	33,729	33,729
Provision and other payables	131,460	43,494	174,954
Income tax liabilities	-	28,925	28,925
Deferred tax liabilities	-	434,891	434,891
Total liabilities	810,229	616,975	1,427,204
Gap (surplus)	**11,383**	**9,106,535**	**9,117,918**

49 **Contraventions**

The company contravened some regulations and operational guidelines during the year and was penalised by the relevant authorities as detailed below:

	Nature of Contravention	Regulator	Penalties N'000
1	Failure to submit annual employee training programme on Anti-Money Laundering	NAICOM	250
2	Failure to render return on the business placed by Brokers with the company for the first quarter of 2012	NAICOM	225
3	Failure to transfer the life funds arising from pre 2007 discontinued life business of one of the legacy companies to a licensed life assurance company	NAICOM	1,100
4	Late submission of 2011 annual accounts	Stock Exchange	900

50 **Explanation of transition to IFRS**

a 50(v) represents a reconciliation of the statement of financial position and comprehensive income for both the group and parent from the previous Nigerian GAAP to IFRS:

b *New terminologies and captions*

The following terminologies, account names or captions have been used in the IFRS financial statements:

- Cash and cash equivalents: This include cash on hand, bank balances and short-term liquid instruments with maturities not exceeding 3 months at the date of origination of the instrument.
- Financial assets: These represent short term investments (other than those classified under cash and cash equivalents), long-term investments in bills, bonds and equities. Under NGAAP, these were presented as short-term or long-term investments.

Under NGAAP, short-term investments were carried at the lower of cost and market value. Long-term investments were carried at cost less impairments.

Under IFRS, financial assets are categorised as Held for Trading, Available for Sale and Held to Maturity and they are measured as follows

Category	Measurement basis
Held for Trading	Fair value through profit or loss
Available for Sale	Fair value through equity
Held to Maturity	Amortised cost with changes recognised in profit or loss

- Trade receivables: These are receivables due on insurance contracts that were presented as premium debtors under the Nigerian GAAP.

- Reinsurance assets: This is principally made up of amounts due from reinsurers. Under NGAAP, the amounts were reported as part of other receivables and prepayments. Under IFRS, the amounts due from reinsurers are separately reported on the face of the statement of financial position.

- Insurance contract liabilities: This account warehouses all liabilities relating to insurance contracts which were previously individually or collectively presented as insurance funds; claims payable or outstanding claims provisions.

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50(i) **RECONCILIATION OF NIGERIAN GAAP TO IFRS - STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2011

			GROUP **Conversion adjustments**		
	Note	**Nigerian GAAP N'000**	**Re-classification N'000**	**Re-measurement N'000**	**IFRS N'000**
Assets:					
Cash and bank balances	a1 (a2)	161,928	(161,928)	-	-
Cash and cash equivalent	a2 (a1,a3,d2)	-	5,080,362	-	5,080,362
Financial assets	a3 (a2,b)	-	244,499	-	244,499
Short-term investments	b (a3,e)	5,079,129	(5,079,129)	-	-
Underwriting debtors	c1 (c2)	572,831	(572,831)	-	-
Trade receivables	c2 (c1)	-	572,831	(473,657)	99,174
Other debtors and prepayments	d1 (d2)	451,919	(451,919)	-	-
Other receivables and prepayments	d2 (d1,a2,f,j)	-	397,493	-	397,493
Long-term investments	e (b,h,i)	710,939	(710,939)	-	-
Reinsurance assets	f (d2)	-	54,740	-	54,740
Deferred commission	g	40,832	(40,832)	-	-
Deferred acquisition cost	g	-	40,832	-	40,832
Investment in associates	i (e,t)	-	666,133	177,232	843,365
Stock of stationeries	j (d2)	39,311	(39,311)	-	-
Investment properties	k (l1,t)	-	197,968	189,320	387,288
Fixed assets	l1 (k,l2,t)	1,737,978	(1,737,978)	-	-
Property, plant and equipment	l2 (l1,r,s,t)	0	1,532,509	577,734	2,110,243
Goodwill	m (t)	394,440	-	(7,996)	386,444
Other intangible assets		56,546	-	-	56,546
Statutory deposits		355,000	-	-	355,000
Total assets		**9,600,853**	**(7,500)**	**462,633**	**10,055,986**
Liabilities					
Due within one year:					
Insurance funds	n1 (n2)	409,550	(409,550)	-	-
Insurance contract liabilities	n2 (n1,t)	-	409,550	1,664	411,214
Creditors and accruals	o (p,q1)	142,181	(142,181)	-	-
Trade payables	p (o)	-	25,040	-	25,040
Other payables and accruals	q1 (o,q3)	-	285,939	-	285,939
Life insurance fund (in abeyance)	q2 (q1)	131,460	(131,460)	-	-
Taxation		60,533		-	60,533
Deferred taxation	r (l2,t)	129,815		74,609	204,424
		873,539	37,338	76,273	987,150
Due after more than one year:					
Staff gratuity fund	q3 (q1)	37,338	(37,338)	-	-
Equity					
Share capital		6,500,000	-	-	6,500,000
Share premium		1,096,933	-	-	1,096,933
Revaluation reserve	s (l2)	402,501		501,093	903,594
Contingency reserve		283,883	-	-	283,883
Retained earnings	t (k,r,m,l1,l2,i,c2,n2)	134,822		(122,232)	12,590
Shareholders' funds		8,418,139	-	378,861	8,797,000
Non controlling interest		271,837	-	-	271,837
Total Equity		**8,689,976**	**-**	**378,861**	**9,068,837**
Total liabilities and Equity		**9,600,853**	**0**	**455,134**	**10,055,987**

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

50(ii) **RECONCILIATION OF NIGERIAN GAAP TO IFRS - STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2011

PARENT

Conversion adjustments

	Note	Nigerian GAAP N'000	Re-classification N'000	Re-measurement	IFRS N'000
Assets:					
Cash and bank balances	a1 (a2)	140,730	(140,730)	-	-
Cash and cash equivalent	a2 (a1,a3,d2)	-	4,572,301	-	4,572,301
Short-term investments	a3 (a2,b)	4,599,694	(4,599,694)	-	-
Financial assets	b (a3,e)	-	244,499	-	244,499
Underwriting debtors	c1 (c2)	572,831	(572,831)	-	-
Trade receivables	c2 (c1)	-	572,831	(473,657)	99,174
Other debtors and prepayments	d1 (d2)	404,081	(404,081)	-	-
Other receivables and prepayments	d2 (d1,a2,f,j)	-	357,081	-	357,081
Long-term investments	e (b,h,i)	1,537,239	(1,537,239)	-	-
Reinsurance assets	f (d2)	-	54,740	-	54,740
Deferred commission	g	40,832	(40,832)	-	-
Deferred acquisition cost	g	-	40,832	-	40,832
Investment in subsidiaries	h (e)	-	826,300	-	826,300
Investment in associates	i (e)	-	666,133	177,232	843,365
Stock of stationeries	j (d2)	39,311	(39,311)	-	-
Investment properties	k (l1,t)	-	197,968	189,320	387,288
Fixed assets	l1 (k,l2,t)	1,689,429	(1,689,429)	-	-
Property, plant and equipment	l2 (l1,r,s,t)		1,483,961	577,734	2,061,695
Goodwill	m (t)	7,996	-	(7,996)	-
Other intangible assets		56,546	-	-	56,546
Statutory deposits		355,000	-	-	355,000
Total assets		**9,443,689**	**(7,501)**	**462,633**	**9,898,821**
Liabilities					
Due within one year:					
Insurance funds	n1 (n2)	409,550	(409,550)	-	-
Insurance contract liabilities	n2 (n1,t)	-	409,550	1,664	411,214
Creditors and accruals	o (p,q1)	99,190	(99,190)	-	-
Trade payables	p (o)	-	25,040	-	25,040
Other payables and accruals	q1 (o,q3)	-	242,948	-	242,948
Life insurance fund (in abeyance)	q2 (q1)	131,460	(131,460)	-	-
Taxation		51,017	-	-	51,017
Deferred taxation	r (l2,t)	299,675		74,609	374,284
		990,892	37,338	76,273	1,104,503
Due after more than one year:					
Staff gratuity fund	q3 (q1)	37,338	(37,338)	-	-
Equity					
Share capital		6,500,000	-	-	6,500,000
Share premium		1,096,933	-	-	1,096,933
Revaluation reserve	s (l2)	402,501		501,093	903,594
Contingency reserve		283,883	-	-	283,883
Retained earnings	t (k,r,m,l1,l2,i,c2,n2)	132,142	-	(122,233)	9,909
Total Equity		**8,415,459**	**-**	**378,860**	**8,794,319**
Total liabilities and Equity		**9,443,689**	**0**	**455,133**	**9,898,822**

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

50(iii) **RECONCILIATION OF NIGERIAN GAAP TO IFRS - OPENING STATEMENT OF FINANCIAL POSITION**

AS AT 1 JANUARY 2011

Parent
Conversion adjustments

	Note	Nigerian GAAP N'000	Re-classification N'000	Re-measurement	IFRS N'000
Assets:					
Cash and bank balances	a1 (a2)	146,360	(146,360)	-	-
Cash and Cash equivalents	a2 (a1,a3,d2)	-	5,680,673	-	5,680,673
Short-term investments	a3 (a2,b)	5,809,331	(5,809,331)	-	-
Financial assets	b (a3,e)	-	680,217	-	680,217
Underwriting debtors	c1 (c2)	122,233	(122,233)	-	-
Trade receivables	c2 (c1)	-	122,233	(13,494)	108,739
Other debtors and prepayments	d1 (d2)	322,055	(322,055)	-	-
Other receivables and prepayments	d2 (d1,a2,f,j)	-	275,991	-	275,991
Long-term investments	e (b)	396,307	(396,307)	-	-
Reinsurance assets	f (d2)	-	54,971	-	54,971
Deferred commission	g	26,060	(26,060)	-	-
Deferred acquisition cost	g	-	26,060		26,060
Stock of stationeries	j (d2)	17,798	(17,798)	-	-
Investment properties	k (l1,t)	-	197,969	189,320	387,289
Fixed assets	l1 (k,l2,t)	1,602,909	(1,602,909)	-	-
Property, plant and equipment	l2 (l1,r,s,t)	-	1,404,940	577,734	1,982,674
Goodwill	m (t)	7,996	-	(7,996)	-
Other intangible assets		72,479	-	-	72,479
Statutory deposits		355,000	-	-	355,000
Total assets		**8,878,528**	**1**	**745,564**	**9,624,093**
Liabilities					
Due within one year:					
Insurance funds	n1 (n2)	333,530	(333,530)	-	-
Insurance contract liabilities	n2 (n1)	-	333,530	-	333,530
Creditors and accruals	o (p,q1)	41,391	(41,391)	-	-
Trade payables	p (o)	-	4,978	-	4,978
Other payables and accruals	q1 (o,q2,q3)	-	194,560	-	194,560
Life insurance fund (in abeyance)	q2 (q1)	131,460	(131,460)	-	-
Taxation		44,240		-	44,240
Deferred taxation	r (l2,t)	299,675		74,609	374,284
		850,296	26,687	74,609.00	951,592
Due after more than one year:					
Staff gratuity fund	q3 (q1)	26,687	(26,687)	-	-
Equity					
Share capital		6,500,000	-	-	6,500,000
Share premium		1,096,933	-	-	1,096,933
Revaluation reserve	s (l2)	402,501		501,093	903,594
Contingency reserve		201,100	-	-	201,100
Retained earnings	t (k,r,m,l1,l2,i,c2)	(198,989)	-	169,864	(29,125)
Shareholders' funds		**8,001,545**	**-**	**670,957**	**8,672,502**
Total liabilities and equity		**8,878,528**	**0**	**745,566**	**9,624,094**

UNITYKAPITAL ASSURANCE PLC
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The adoption of IFRS by the Group was effective 1st January 2011. The key principle of IFRS 1– First-time Adoption of International Financial Reporting Standards for reporting entities with adoption date subsequent to 1 January 2006 is a full retrospective application of IFRS. However, this statement provides exemption from retrospective application in certain instances due to costs and practical considerations.

Key impact analysis of IFRS on the financial position as at 1 January 2011, date of transition and 31 December 2011, the comparative period is as analysed below:-

		Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
a1	**Cash and bank balances**			
	Per Nigerian GAAP	161,928	140,730	146,360
	Reclassification to cash and cash equivalents (a2)	(161,928)	(140,730)	(146,360)
	Per IFRS	-	-	-

a2 Cash and cash equivalents

Under Nigerian GAAP, placements with maturity profile less than one year are classified as short term investments, while under IFRS classification of investments is dependent on the characteristics of the instruments and / or the management intent for holding it. Under IFRS placements form part of cash equivalents and are carried at amortised cost by reclassifying the interest receivable on the placement. The changes above are as follows:

		Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
	Reclassification from cash and bank balances (a1)	161,928	140,730	146,360
	Reclassification from short term investments - placements (a3)	4,879,437	4,400,000	5,525,421
	Accrued interest on placements reclassified from prepayments (d2)	38,997	31,571	8,892
	Per IFRS	**5,080,362**	**4,572,301**	**5,680,673**
a3	**Short-term investments**			
	Per Nigerian GAAP	5,079,131	4,599,694	5,809,331
	Reclassification to cash and cash equivalent (a2)	(4,879,437)	(4,400,000)	(5,525,421)
	Reclassification to financial assets (b)	(199,694)	(199,694)	(283,910)
	Per IFRS	-	-	-

UNITYKAPITAL ASSURANCE PLC
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b Financial assets

Under IFRS, financial assets and liabilities are required to be classified as held for trading, at fair value through profit or loss, fair value through equity, available for sale, loans and receivables and held to maturity and other financial assets and liabilities. Financial instruments are measured based on their classification. In Nigerian GAAP investments are classified as short term and long term investments and are measured based on their nature at market value or cost less impairment provision. The basis of valuation of individual instruments instrument is provided in the Statement of accounting policies.

	Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
Quoted equities at fair value through profit or loss reclassified from short term investments (a3)	199,694	199,694	283,910
Available-for-sale unquoted equities at cost less impairment reclassified from long term investments (e)	44,805	44,805	44,084
Quoted equities designated at fair value through profit or loss reclassified from long term investments (e)	-	-	352,223
Per IFRS	244,499	244,499	680,217

c1 **Underwriting debtors**

	Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
Per Nigerian GAAP	572,831	572,831	122,233
Reclassification to trade receivables (c2)	(572,831)	(572,831)	(122,233)
Per IFRS	-	-	-

c2 Trade receivables

Under Nigerian GAAP, loans and receivables are measured at cost net of impairment losses using an expected loss model. A specific risk provision for loan impairment is established to provide for management's estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. In applying IFRS an impairment loss can only be accounted for if there is objective evidence that a loss has occurred after the initial recognition but before the statement of financial position date. The difference in the measurement basis of impairment loss assessment between IFRS and Nigerian GAAP has been adjusted.

	Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
Reclassification from underwriting debtors (c1)	572,831	572,831	122,233
Additional allowance for impairment as required per IFRS	(473,657)	(473,657)	(13,494)
Per IFRS	99,174	99,174	108,739

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

IFRS transition adjustments

		Group **December 2011** **N'000**	Parent **December 2011** **N'000**	Parent **January 2011** **N'000**
d1	**Other debtors and prepayments**			
	Per Nigerian GAAP	451,919	404,081	322,055
	Reclassification to other receivables and prepayments (d2)	(451,919)	(404,081)	(322,055)
	Per IFRS	-	-	-
d2	Other receivables and prepayments			
	Reclassification from other debtors and prepayments (d1)	451,919	404,081	322,055
	Interest on placements reclassified to cash and cash equivalent (a2)	(38,997)	(31,571)	(8,892)
	Prepaid reinsurance reclassified to reinsurance assets (f)	(35,403)	(35,403)	(35,988)
	Claim recoverable reclassified to reinsurance assets (f)	(19,337)	(19,337)	(18,983)
	Reclassification of stock of stationeries (j)	39,311	39,311	17,798
	Per IFRS	397,493	357,081	275,991
	Other receivables and prepayments were measured consistent with the same basis as trade receivables.			
e	**Long-term investments**			
	Per Nigerian GAAP	710,939	1,537,239	396,307
	Reclassification to available-for-sale financial assets (b)	(44,805)	(44,805)	(44,084)
	Reclassification to quoted equities designated at fair value through profit or loss - financial assets (b)	-	-	(352,223)
	Reclassification to investment in subsidiaries (h)	-	(826,300)	-
	Reclassification to investment in associates (i)	(666,134)	(666,134)	-
	Per IFRS	-	-	-
f	Reinsurance assets			
	Prepaid reinsurance reclassified from other receivables and prepayment (d2)	35,403	35,403	35,988
	Claim recoverable reclassified from other receivable and prepayment (d2)	19,337	19,337	18,983
	Per IFRS	54,740	54,740	54,971
g	**Deferred commission**			
	The designation changed from deferred commission to deferred acquisition cost under IFRS.			
h	**Investment in subsidiaries**			
	Investment in FUG Pensions Ltd reclassified from long term investment (e)	-	660,000	-
	Investment in Healthcare Security Ltd reclassified from long term investment (e)	-	166,300	-
	Per IFRS	-	826,300	-

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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IFRS transition adjustments

i **Investment in associates**

Under IFRS (IAS 28) investment in associates are accounted through the equity method. The associate is measured at cost plus / (minus) the group's share of post acquisition profit (or losses). However due to the issues noted in Note 10, the investment is stated at cost. In the Nigerian GAAP accounts the investment was stated at market value as it did not meet the conditions for associate then.

	Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
Carrying amount of Goldlink Insurance Plc reclassified from long term investment (e)	666,134	666,134	-
Fair value reserve on investment in associated company now at cost (t)	177,232	177,232	-
Per IFRS	843,366	843,366	-
j Stock of stationeries			
Per Nigerian GAAP	39,311	39,311	17,798
Reclassification to other receivables and prepayments (d2)	(39,311)	(39,311)	(17,798)
Per IFRS	-	-	-

k **Investment properties**

These are properties held for rentals and/or for capital appreciation, and have been measured through the fair value model under IFRS (IAS 40, IFRS 13).The properties were independently valued by Jide Taiwo & Co - Estate Surveyors and Valuers to determine their open market value as at 1 January 2011.

	Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
Carrying amount of land and building reclassified from fixed assets (l1)	197,969	197,969	197,969
Fair value gain through profit or loss (t)	189,320	189,320	189,320
Per IFRS	387,289	387,289	387,289
l1 Fixed assets			
Per Nigerian GAAP	1,737,978	1,689,429	1,602,909
Reclassification to investment properties (k)	(197,968)	(197,968)	(197,969)
Reclassification to property, plant and equipment (l2)	(1,532,509)	(1,483,961)	(1,404,940)
Reversal of NGAAP depreciation on land and building from retained earning (t)	15,055	15,055	
IFRS depreciation on building taken to retained earning (t)	(22,555)	(22,555)	-
Per IFRS	0	-	0

l2 **Property, plant and equipment (PPE)**

Under NGAAP, fixed assets are carried at cost modified by the revaluation of land and building, and on conversion to IFRS , land and buildings were independently revalued to open market values by Jide Taiwo - Estate Valuers and Surveyors. Land and building are carried at revalued amount (fair value) less subsequent accumulated depreciation.

	Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
Reclassification from fixed assets (l1)	1,532,509	1,483,961	1,404,940
Deferred tax liability on revaluation gain on land and building (r)	55,677	55,677	55,677
Revaluation reserve on land and building (s)	501,093	501,093	501,093
Reversal of accum. depreciation charged on land from retained earning (t)	20,964	20,964	20,964
Per IFRS	2,110,243	2,061,695	1,982,674

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

IFRS transition adjustments	Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
m **Goodwill**			
Under IFRS (IAS 38) purchased goodwill is carried at cost less any accumulated impairment losses. On conversion to IFRS the goodwill was tested for impairment and the loss was taken to retained earning			
Per Nigerian GAAP	394,440	7,996	7,996
Impairment loss taken to retained earning (t)	(7,996)	(7,996)	(7,996)
Per IFRS	386,444	-	-
n1 **Insurance funds**			
Per Nigerian GAAP	409,550	409,550	333,530
Reclassification to Insurance contract liabilities (n2)	(409,550)	(409,550)	(333,530)
Per IFRS	-	-	-
n2 **Insurance contract liabilities**			
Actuarial valuation was carried out to determine the liability adequacy, resulting into the adjustment below:			
Reclassification from insurance funds (n1)	409,550	409,550	333,530
Actuarial adjustment taken to retained earnings (t)	1,664	1,664	-
Per IFRS	411,214	411,214	333,530
o **Creditors and accruals**			
Per Nigerian GAAP	142,181	99,190	41,391
Co-insurance premium reclassified to trade payables (p)	(25,040)	(25,040)	(4,978)
Sundry creditors and accruals reclassified to other payables and accruals (q1)	(117,141)	(74,150)	(36,413)
Per IFRS	-	-	-
p **Trade payables**			
Co-insurance premium reclassified from creditors and accruals (o)	25,040	25,040	4,978
q1 **Other payables and accruals**			
Sundry creditors and accruals reclassified from creditors and accruals (o)	117,141	74,150	36,413
Staff gratuity fund reclassified (q3)	37,338	37,338	26,687
Life insurance fund	131,460	131,460	131,460
Per IFRS	285,939	242,948	194,560

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

		Group December 2011 N'000	Parent December 2011 N'000	Parent January 2011 N'000
q2	**Life insurance fund (in abeyance)**			
	Per Nigerian GAAP	131,460	131,460	131,460
	Reclassification to other payables and accruals (q1)	(131,460)	(131,460)	(131,460)
	Per IFRS	-	-	-
q3	**Retirement benefit obligation**			
	Per Nigerian GAAP	37,338	37,338	26,687
	Reclassification to other payables and accruals (q1)	(37,338)	(37,338)	(26,687)
	Per IFRS	-	-	-
r	**Deferred taxation liabilities**			
	Per Nigerian GAAP	129,815	299,675	299,675
	Revaluation gain on land and buildings (l2)	55,677	55,677	55,677
	Fair value gain on investment properties (t)	18,932	18,932	18,932
	Per IFRS	204,424	374,284	374,284
s	**Revaluation reserve**			
	Per Nigerian GAAP	402,501	402,501	402,501
	Net of tax revaluation gain on land and buildings (l2)	501,093	501,093	501,093
	Per IFRS	903,594	903,594	903,594
t	**Retained earnings**			
	NGAAP as at 31 December 2011	134,821	132,142	(198,989)
	Fair value gain on investment property (k)	189,320	189,320	189,320
	Deferred tax charge on fair value gain (r)	(18,932)	(18,932)	(18,932)
	Write-off of goodwill (m)	(7,996)	(7,996)	(7,996)
	Reversal of NGAAP depreciation on land @1 January 2011 (l2)	20,964	20,964	20,964
	Reversal of NGAAP depreciation on land and building @31 December 2011 (l1)	15,055	15,055	-
	IFRS depreciation on building @ 31 December 2011 (l1)	(22,555)	(22,555)	-
	Fair value reserve on investment in associated company now at cost (i)	177,232	177,232	-
	Additional impairment on trade receivable (c2)	(473,656)	(473,656)	(13,493)
	Actuarial losses on outstanding claims (n2)	(1,664)	(1,664)	0
	Per IFRS	12,589	9,910	(29,126)

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

50(iv) RECONCILIATION OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

GROUP

	Note	Nigerian GAAP N'000	Re-classification N'000	Re-measurement N'000	IFRS N'000
			Conversion adjustments		
Direct premium		1,867,646			1,867,646
Inward reinsurance premium		4,053			4,053
Gross premium written		1,871,699			1,871,699
Changes in unearned premium		(138,487)			(138,487)
Gross premium income		**1,733,212**			1,733,212
Outward premium less prepaid insurance	i	(179,192)	179,192		-
Reinsurance expenses	i	-	(179,192)		(179,192)
Net premium earned		1,554,020	-	-	1,554,020
Commission Received		16,590			16,590
Total Operating Income		*1,570,610*			1,570,610
Net claims incurred	ii	(103,054)	103,054		-
Claims expenses	ii		(103,054)	(1,664)	(104,718)
Commission paid	iii	(232,427)	232,427		-
Underwriting expenses	iii	-	(232,427)		(232,427)
					-
Underwriting profit		**1,235,129**	-	(1,664)	1,233,465
Investment income		436,364			436,364
Fair value reserve on investment in associated company now at cost	iv	-		177,232	177,232
Sundry income		166,320			166,320
					-
Net Operating Income		*1,837,812*	-	*175,568*	*2,013,380*
Management expenses	v	(1,244,152)		(12,641)	(1,256,795)
Allowance for bad and doubtful balances	vi	(68,159)		(460,163)	(528,322)
					-
Profit before tax		**525,501**	**-**	**(297,237)**	**228,263**
Current taxation		(99,884)			(99,884)
Information technology levy	vii	(5,142)	5,142		-
					-
Profit/(Loss) after tax		**420,475**	**5,142**	**(297,237)**	**128,379**

UNITYKAPITAL ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

50(v) RECONCILIATION OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

PARENT

			Conversion adjustments		
	Note	**Nigerian GAAP N'000**	**Re-classification N'000**	**Re-measurement N'000**	**IFRS N'000**
Direct premium		1,867,646			1,867,646
Inward reinsurance premium		4,053			4,053
Gross premium written		1,871,699			1,871,699
Changes in unearned premium		(138,487)			(138,487)
Gross premium income		**1,733,212**			1,733,212
Outward premium less prepaid insurance	i	(179,192)	179,192		-
Reinsurance expenses	i	-	(179,192)		(179,192)
Net premium earned		1,554,020	-	-	1,554,020
Commission Received		16,590			16,590
					-
Total Operating Income		*1,570,610*			1,570,610
Net claims incurred	ii	(103,054)	103,054		-
Claims expenses	ii	-	(103,054)	(1,664)	(104,718)
Commission paid	iii	(232,427)	232,427		-
Underwriting expenses	iii	-	(232,427)		(232,427)
					-
Underwriting profit		**1,235,129**	-	(1,664)	**1,233,465**
Investment income		419,872			419,872
Fair value reserve on investment in associated company now at cost	iv	-	-	177,232	177,232
Sundry income		10,758			10,758
					-
Net Operating Income		*1,665,759*	-	*175,568*	*1,841,327*
Management expenses	v	(1,083,418)		(12,641)	(1,096,061)
Allowance for bad and doubtful balances	vi	(68,159)		(460,163)	(528,322)
					-
Profit before tax		**514,182**	**-**	**(297,237)**	**216,943**
Current taxation		(95,126)			(95,126)
Information technology levy	vii	(5,142)	5,142	-	-
					-
Profit/(Loss) after tax		**413,914**	**5,142**	**(297,237)**	**121,817**

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Key impact analysis of IFRS on the profit or loss account during the year ended 31 December 2011, is as analysed below:-

		Group December 2011 N'000	Parent December 2011 N'000
i	**Outward premium less prepaid insurance**	**179,192**	**179,192**
	The designation changed from outward premium less prepaid insurance to re-insurance expenses under IFRS.		
ii	**Net claims incurred**		
	The designation changed from Net claims incurred to Claim expenses under IFRS. Actuarial valuation was carried out to determine the liability adequacy, resulting into the adjustment below:-		
	Per Nigerian GAAP	103,054	103,054
	Actuarial adjustment	1,664	1,664
	Per IFRS	**104,718**	**104,718**
iii	**Commission paid**	**232,427**	**232,427**
	The designation changed from Commission paid to underwriting expenses under IFRS.		
iv	**Fair value reserve on investment in associated company now at cost**	177,232	177,232
	The group holds 28% equity in Goldlink Insurance Plc - making it an associate company. Under NGAAP this was classified as long term investment at market value because it was not an associate then, but under IFRS, IAS 28 requires investment in associate companies to be accounted using the equity method at cost plus share of post acquisition profit or loss.		
v	**Management expenses**		
	Per Nigerian GAAP	1,244,152	1,083,418
	Reversal of depreciation on land and building	(15,056)	(15,056)
	IFRS depreciation on building	22,557	22,557
	Reclassification of IT levy from taxation	5,142	5,142
	Per IFRS	1,256,795	1,096,061
vi	**Allowance for bad and doubtful balances**		
	Per Nigerian GAAP	(68,159)	(68,159)
	Additional provision on trade receivable	(460,163)	(460,163)
	Per IFRS	(528,322)	(528,322)
vii	**Information technology levy**		
	Reclassification to management expenses	**5,142**	**5,142**

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51 Management of insurance and financial risk

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

51.1 Insurance risk

The risk in any insurance contract is the possibility that the insured event occurs which could result in a claim. This risk is very random and unpredictable.

The principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

a *Frequency and severity of claims*

The frequency and severity of claims can be affected by several factors. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, and to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs.

The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses in any one year.

Management assesses risk concentration per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from non-life insurance for the year ended 31 December 2012.

	Gross sum insured N'000	Re-insurance N'000	Net sum insured N'000
Fire	360,416	(8,713)	351,703
General Accident	391,820	(12,986)	378,835
Marine	281,754	(9,531)	272,223
Motor	610,576	(4,950)	605,626
Oil & Gas	593,488	(209,821)	383,667
Aviation	88,979	-	88,979
Engineering	122,691	(5,660)	117,031
Bond	22,471	(2,946)	19,525
	2,472,195	**(254,606)**	**2,217,589**

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b *Sources of uncertainty in the estimation of future claim payments*

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The reserves held for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

c *Process used to decide on assumptions*

Two set of valuations were carried out using different methods. The first method known as *The Basic Chain Ladder Method (BCL)* uses historical claims paid over a period of years after the year of occurrence of the insured risk.

The group used 6 year cohorts called claims development years representing when they were paid after the accident and studied the patterns for 6 years. These historical paid claims (2007 – 2012) are then projected to their ultimate values for each accident year. Using the above result, the latest paid losses are then projected in the BCL and calculate the Loss Development Factors (LDF) for each development year. The ultimate claims are then derived using the LDF and the latest paid historical claims. For each line of business, the provision for outstanding claims, including IBNR, was determined on both gross and net of reinsurance basis.

In the same vein as above, a yearly cohort from year 2007 has been employed to construct the historical claims. Where, as in some cases, only the year of accidents or settlement was available and it became difficult to determine the actual period of the year when the accident or settlement was made, we have assumed that the accident or settlement was made in the same year.

The second method known as *The Discounted Basic Chain Ladder Method (DBCL)*, uses the historical paid claims and discounting functions. The historical claims paid in each of the accident years to the year of valuation. The figures are then accumulated to their ultimate values for each accident year to arrive at the projected outstanding claims which are further multiplied by the discounting functions from the year of valuation to the future year of payment of the outstanding claims. For this we rely of the official historical experience of interests and an assumption of 10% per annum.

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The claims development history of the company at the reporting date was as follows:

Fire

	Development Year					
Accident year	**1**	**2**	**3**	**4**	**5**	**6**
2007	3,519,698	5,820,273	6,276,862	6,276,862	6,276,862	6,276,862
2008	3,824,802	6,324,802	6,346,015	6,346,015	6,346,015	
2009	7,806,411	12,908,905	12,908,905	12,908,905		
2010	11,661,486	15,956,294	15,956,294			
2011	5,861,178	11,364,633				
2012	19,837,523					

Motor

	Development Year					
Accident year	**1**	**2**	**3**	**4**	**5**	**6**
2007	54,571,838	95,612,506	96,562,506	96,562,506	96,562,506	96,562,506
2008	64,739,332	76,305,216	77,654,854	77,654,854	77,654,854	
2009	48,687,116	85,302,188	85,400,697	85,400,697		
2010	35,891,939	45,918,552	45,918,552			
2011	26,992,478	37,331,025				
2012	48,364,913					

Accident

	Development Year					
Accident year	**1**	**2**	**3**	**4**	**5**	**6**
2007	24,360,791	42,279,440	52,347,964	52,347,964	52,347,964	52,347,964
2008	15,222,846	37,474,741	49,978,124	49,978,124	49,978,124	
2009	48,216,582	67,221,718	79,019,753	80,459,753		
2010	24,440,254	35,566,462	41,163,195			
2011	25,380,997	33,834,966				
2012	40,706,936					

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51.2 Financial risk

The company has an Enterprise-wide Risk Management (ERM) Framework that is responsible for identifying and managing the inherent and residual risks facing the Group. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks

Other key risks faced by the Group as a result of its existence and operations include operational risks, underwriting risks, reputational and business risks.

This note presents information about the Group's exposure to each of the risks stated above, the Group's policies and processes for measuring and managing risks, and the Group's management of capital

a **Credit risk:** This is the risk arising from the uncertainty of an obligor's ability to perform its contractual obligations. As the company is not in the business of granting loans like banks, credit risks in terms of customer default on loans repayment is not applicable. However, in terms of premium payment and investments in counterparties, considerable risks exist that brokers and large corporate who are allowed extended payment period may default and this is closely allied to cash flow risks. The three sources of credit risk identified are:

• Direct Default Risk: risk that the company will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations.
• Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.
• Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions

Mitigation: The company puts limit on the fixed income and money market instruments including portfolio composition limits and corporate sector limits. The maximum amount of credit that may be approved by specific authorised individual is limited, with the amounts above such limit being approved by the relevant committee of the Board.

Premium debtors by intermediaries as at 31 December 2012	2012 N'm	2011 N'm
Brokers/policy holders	1,195.6	936.4
Agents	34.6	73.3
Insurance companies	81.7	49.8
Gross debt	**1,311.8**	**1,059.4**
Premium debtors by age band as 31 December 2012		
Under 90 days	345.6	518.3
91 - 180 days	286.1	109.0
Over 180 days	680.2	432.1
	1,311.8	**1,059.4**

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b **Liquidity risk:** The company recognizes the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfil its financial obligation once claims crystallize. Our exposure to liquidity risk comprises:

· Funding liquidity risk: Arising from our investment-linked products where there is a financial obligation to customers.

· Asset liquidity risk: arising from our financial assets where we might not be able to execute transactions at prevailing market price because there is temporarily, no appetite for the deal at the other side of the market.

Mitigation: The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income. The Group has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The following table shows the undiscounted cash flows on the company's financial assets and liabilities and on the basis of their possible contractual maturity

Residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ (outflow) N'000	0 - 3 months N'000	3 - 12 months N'000	1 - 5 years N'000
Assets					
Cash and cash equivalents	3,009,116	3,009,116	3,009,116		
Equity securities - available for sale	44,805	44,805			44,805
Equity securities - held for trading	284,161	284,161		284,161	
Trade receivables	454,323	454,323		454,323	
	3,792,405	3,792,405	3,009,116	738,484	44,805
Liabilities					
Insurance liabilities	678,769	678,769		678,769	
Trade and other payables	313,544	313,544	148,355	131,460	33,729
	992,313	992,313	148,355	810,229	33,729
Gap (asset - liabilities)	2,800,092	2,800,092	2,860,761	(71,745)	11,076
Cumulative liquidity gap	**2,800,092**	**2,800,092**	**2,860,761**	**2,789,016**	**2,800,092**

c **Market risk:** This reflects the possibility that the value of investment's funds will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Company is exposed to this risk through its financial assets and comprises:

· Equity price risk: the risk associated with volatility in the stocks in our investment portfolio.

· Interest rate risk: this is the probability that the market interest rates will rise significantly higher than the interest rate than earned on investments such as bonds, resulting in lower market value. The company is exposed to interest bearing assets and liabilities in its books.

· Property price risk: The Company's portfolio is subject to property price risk arising from changes in the market value of properties

Mitigation: The equity price risk is guided by (i) investment quality and limit analysis, (ii) stop loss limit analysis and (iii) limitation of concentration in particular sector. Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across all investment portfolio. Property price risk is managed by converting some of the properties to investment properties.

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UnityKapital does not have material interest-rate sensitive liabilities compared to its interest-rate sensitive assets; thus fluctuations in interest rates cannot significantly impact its balance sheet. It is moderately exposed to interest rate risk through its investment approach with high investment in money market instruments.

A significant portion of our assets relate to capital rather than liabilities. As a result, the company's investment income will move with interest rates over the medium to long term, while the short-term interest rates fluctuations create unrealised gains or losses in other comprehensive income.

A summary of the company's interest rate gap position on non-trading portfolios was as follows

31 December 2012	Carrying amount N'000	Re-pricing period No stated maturity N'000	1 - 3 months N'000	3 - 12 months N'000	1 - 5 years N'000
Assets					
Cash and cash equivalents	3,009,116		3,009,116		
Equity securities - available for sale	44,805	44,805			
Equity securities - held for trading	284,161	284,161			
Trade receivables	454,323			454,323	
	3,792,405	328,966	3,009,116	454,323	-
Liabilities					
Insurance liabilities	678,769			678,769	
Trade and other payables	313,544		148,355	131,460	33,729
	992,313	-	148,355	810,229	33,729
Total interest re-pricing gap	**2,800,092**	**328,966**	**2,860,761**	**(355,906)**	**(33,729)**

31 December 2011	Carrying amount N'000	Re-pricing period No stated maturity N'000	1 - 3 months N'000	3 - 12 months N'000	1 - 5 years N'000
Assets					
Cash and cash equivalents	4,572,301		4,572,301		
Equity securities - available for sale	44,805	44,805			
Equity securities - held for trading	199,694	199,694			
Trade receivables	99,174			99,174	
	4,915,974	244,499	4,572,301	99,174	-
Liabilities					
Insurance liabilities	411,214			678,769	
Trade and other payables	319,005		281,667	131,460	37,338
	730,219	-	281,667	810,229	37,338
Total interest re-pricing gap	**4,185,755**	**244,499**	**4,290,634**	**(711,055)**	**(37,338)**

d **Operational risk:** This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk, strategic risk and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

Mitigation : This risk is managed through issue tracking report, risk threshold setting and business continuity plan among others.

UNITYKAPITAL ASSURANCE PLC
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e **Reputational risk:** The Company is exposed to this risk through events that damage its image amongst stakeholders and the public which may impair the ability to retain generate and drive sustainable business. We understand that reputational risk is the biggest risk to our business as it poses a special threat to the confidence of our customers, regulators and industry.

Mitigation: The company's reputed values set a tone for acceptable behaviours required for all staff members. These are consistently assessed and managed within the company's business process.

f **Underwriting risk:** Our activities are primarily concerned with the pricing, acceptance and management of risks arising from our contracts with customers. It entails the risk that:

- The prices charged by the company for insurance contracts will be ultimately inadequate to support the future obligations arising from those contracts, risk exposure under its insurance contracts that were unanticipated in the design and pricing of the insurance contract;
- risks are not adequately ceded to reinsurers exposing the company to potential high claims pay-out;
- many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses and;
- The company's policyholder will act in ways that are unanticipated and have an adverse effect on the company.

Mitigation: The company manages its underwriting risk by diversification across large portfolio of insurance as well as re-insurance arrangement.

g **Business risk:** Business risk relates to the potential erosion of our market position or revenue shortfall compared to the cost base due to strategic and/or reputational reasons.

Mitigation: This is managed through consistent monitoring of product lines' profitability.

51.3 Capital management

The Group's objectives with respect to capital management are to maintain a capital base that is structure to exceed regulatory and to best utilize capital allocations.

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement.

Section 24 of the Insurance Act 2003 define Solvency Margin of a Non-life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net Premium Income (Gross Premium Income less Re-insurance premium paid) or the minimum capital base (3 billion) whichever is higher.

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the company's operations if the company falls below this requirement and deemed necessary.

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The solvency margin for the company as at 31 December 2012 is as follows:

		N'000
Cash and Cash Equivalents		105,148
Placement with Financial Institutions		2,903,969
Investment in Ordinary & Preference Shares		328,967
Loan to staff		18,539
Statutory Deposits		355,000
Trade Receivables		454,323
Less trade receivables		(454,323)
Reinsurance Assets		215,801
Other Receivables & Prepayments		588,184
Deferred Acquisition cost		85,036
Investment in subsidiaries,		1,576,300
Investment in Associates		1,010,650
Investments in subsidiaries & associates above 25% limit disallowed		(567,766)
Investment Properties & Land & Building		2,534,773
Less revaluation surplus of less than 3 years for land and buildings		(637,829)
Property, Plant & Equipment; excluding Land & Building		287,607
	Total Admissible Assets	**8,804,378**
Insurance Contract Liabilities		678,769
Trade payables		75,936
Provision and Other Payables		174,954
Retirement Benefit Obligations		33,729
Tax payable		28,925
	Total Admissible Liabilities	**992,313**
	Solvency Margin	**7,812,065**
The higher of 15% of Net premium income and minimum capital base		3,000,000
Solvency ratio		260%

UNITYKAPITAL ASSURANCE PLC
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51.4 **Fair value Hierarchy**

The Group's accounting policy on fair value measurements is discussed under accounting policy 3.6.1

The Group measures fair value using the following fair value hierarchy that reflects the nature and process used in making the measurements.

Level 1: Fair value measurements classi?ed as Level 1 include exchange-traded prices of ?xed maturities and equity securities unadjusted in active market for identical assets and liabilities.

Level 2: valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Observable inputs generally used to measure the fair value of securities classi?ed as Level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques. This category include investment securities and other borrowed funds.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized

(All figures are in thousands of naira)
Group
31 December 2012

Asset Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities at fair value through profit or loss	284,161	-	-	284,161
	284,161	**-**	**-**	**284,161**

31 December 2011

Asset Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities at fair value through profit or loss	199,694	-	-	199,694
	199,694	**-**	**-**	**199,694**

Parent
31 December 2012

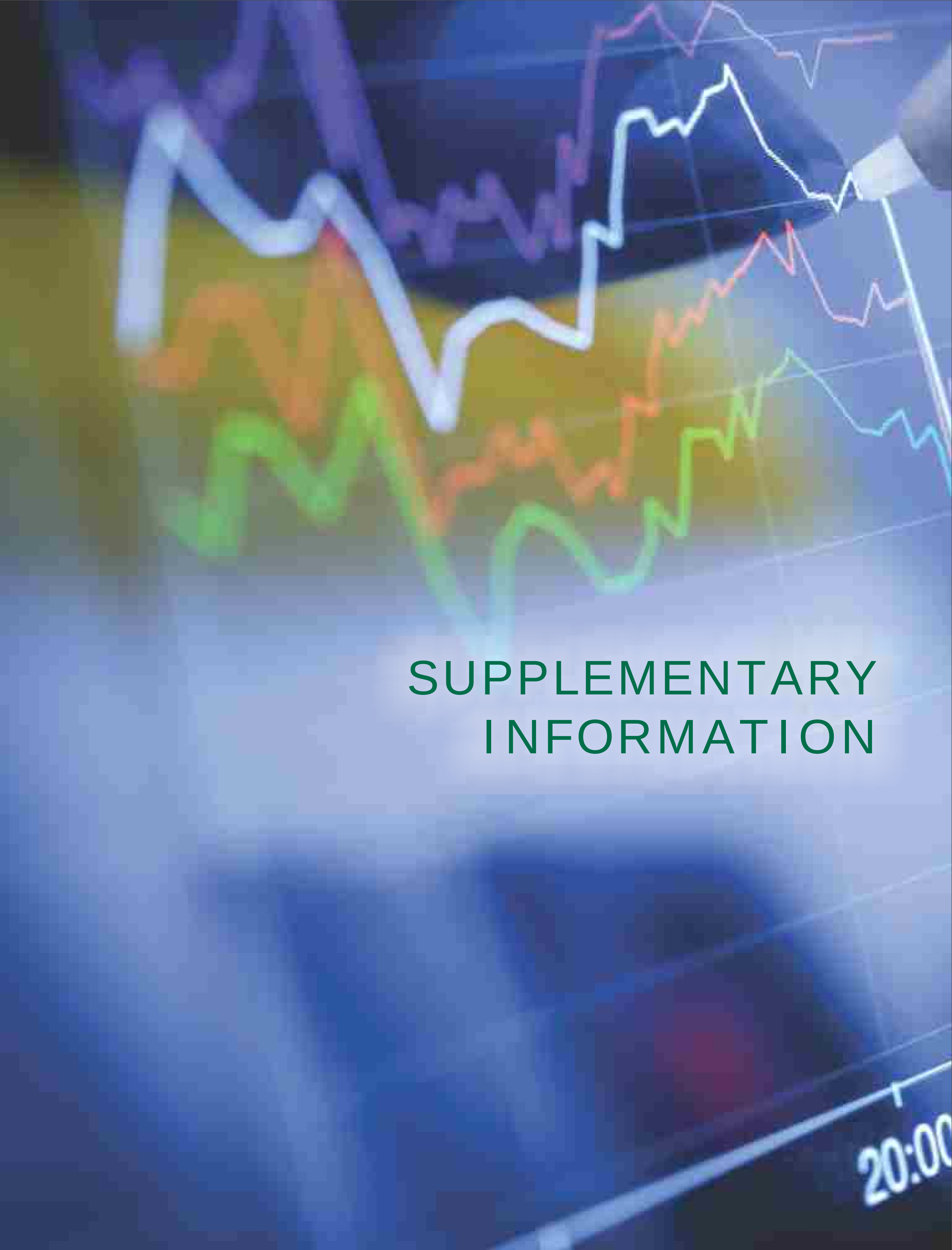
Asset Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities at fair value through profit or loss	284,161	-	-	284,161
	284,161	**-**	**-**	**284,161**

31 December 2011

Asset Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities at fair value through profit or loss	199,694	-	-	199,694
	199,694	**-**	**-**	**199,694**

1 January 2011

Asset Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities at fair value through profit or loss	636,132	-	-	636,132
	636,132	**-**	**-**	**636,132**



SUPPLEMENTARY INFORMATION

UNITYKAPITAL ASSURANCE PLC
PARENT UNDERWRITING REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	FIRE N'000	G/ACCIDENT N'000	MARINE N'000	MOTOR N'000	OIL & GAS N'000	AVIATION N'000	ENGINEERING N'000	BOND N'000	2012 N'000	2011 N'000
INCOME										
Direct premium	445,092	405,476	223,417	770,959	614,318	115,516	125,231	19,581	**2,719,589**	1,867,646
Inward premium	623	2,206	1,728	352	0	651	6,300	5,208	**17,068**	4,053
Gross premium written	445,715	407,681	225,145	771,311	614,318	116,167	131,531	24,789	**2,736,658**	1,871,699
(Increase)/Decrease in provision for unexpired risks	(85,299)	(15,861)	56,608	(160,736)	(20,830)	(27,188)	(8,840)	(2,317)	**(264,462)**	(138,487)
Gross premium earned	360,416	391,820	281,753	610,574	593,488	88,979	122,691	22,472	**2,472,195**	1,733,212
Outward premium	(8,713)	(12,986)	(9,531)	(4,950)	(209,821)	0	(5,660)	(2,946)	**(254,605)**	(214,622)
Net Premium earned	351,703	378,835	272,223	605,624	383,667	88,979	117,031	19,526	**2,217,590**	1,554,020
Commission Received	0	0	0	0	8,510	0	0	0	**8,510**	16,590
TOTAL OPERATING INCOME	351,703	378,835	272,223	605,624	392,176	88,978	117,030	19,525	**2,226,100**	1,570,610
Claims Expenses										
Gross claims paid	(25,341)	(58,484)	(1,278)	(94,800)	(75,024)	(3,498)	(7,863)	0	**(266,287)**	(166,058)
Change in provision for outstanding claims	(2,767)	(394)	(2,629)	(669)	8,044	(590)	(3,001)	(1,086)	**(3,092)**	60,802
Actuarial loss adjustment	(2,791)	(2,591)	(2,219)	(1,189)	6,207	(13)	(2,639)	(864)	**(6,099)**	(1,664)
Gross claims incurred	(28,108)	(58,878)	(3,907)	(95,469)	(66,980)	(4,088)	(10,864)	(1,086)	**(275,478)**	(106,920)
Reinsurance claims recoveries	0	105	0	827	6,100	0	0	0	**7,032**	2,202
Net claims incurred	(28,108)	(58,773)	(3,907)	(94,642)	(60,880)	(4,088)	(10,864)	(1,086)	**(268,447)**	(104,718)
Underwriting Expenses										
Acquisition & maintenance costs less deferred cost	(16,834)	(23,532)	(25,317)	(66,619)	(57,351)	(44,145)	(50,540)	(1,951)	**(286,290)**	(73,712)
Acquisition cost	(5,892)	(7,060)	(6,836)	(21,984)	(15,485)	(11,919)	(13,646)	(527)	**(83,348)**	(73,712)
Maintenance cost	(10,942)	(16,472)	(18,482)	(44,635)	(41,866)	(32,226)	(36,894)	(1,425)	**(202,942)**	(158,715)
	(16,834)	(23,532)	(25,317)	(66,619)	(57,351)	(44,145)	(50,540)	(1,951)	**(286,290)**	(232,427)
TOTAL DIRECT EXPENSES	(44,942)	(82,305)	(29,225)	(161,261)	(118,231)	(48,233)	(61,403)	(3,037)	**(554,736)**	(335,481)
UNDERWRITING PROFIT:										
2012	**396,646**	**461,140**	**301,447**	**766,885**	**510,406**	**137,211**	**178,434**	**22,562**	**1,671,363**	
2011	47,636	363,636	94,656	516,899	115,622	5,905	71,438	19,337		1,235,129

STATEMENT OF VALUE ADDED
YEAR ENDED 31 DECEMBER 2012

	Group 2012 N'000	%	Group 2011 N'000	%	Parent 2012 N'000	%	Parent 2011 N'000	%
Premium income	2,472,195		1,733,212		2,472,195		1,733,212	
Re-insurance, claims and commission and others	(2,063,133)		(1,513,683)		(2,062,303)		(1,513,683)	
	409,062		219,529		409,892		219,529	
Investment and other income	965,116		740,363		660,541		670,316	
Valued added	**1,374,178**	**100**	**959,892**	**100**	1,070,433	**100**	889,845	**100**
Applied to pay:								
Staff cost	647,732	47	631,898	66	473,596	44	582,702	65
Government as tax	220,240	16	99,884	10	156,154	15	95,126	11
Shareholders as dividend	130,000	9	0	-	130,000	12	-	-
Retained in the business								
Depreciation and amortisation	149,184	11	103,613	11	123,820	12	90,200	10
Retained profit for the year	227,022	17	124,497	13	186,863	17	121,817	14
	1,374,179	100	959,892	100	1,070,434	100	889,845	100

Value added is the additional wealth the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, finance providers, government and that retained for the future creation of more wealth or for amortisation.

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

YEAR ENDED: 31 DECEMBER	<<<<<<<<<<<<<<< IFRS >>>>>>>>>>>>>>>>		
	Parent 2012 N'000	Parent 2011 N'000	Parent 2010 N'000
ASSETS			
Cash and cash equivalents	3,009,116	4,572,301	5,680,673
Financial assets	328,967	244,499	680,217
Trade receivables	454,323	99,174	108,740
Reinsurance assets	215,801	54,740	54,971
Deferred acquisition cost	85,036	40,832	26,060
Other receivables and prepayments	606,723	357,081	275,996
Investment in subsidiaries	1,576,300	826,300	0
Investment in associates	1,010,650	843,365	0
Investment properties	472,526	387,289	387,289
Goodwill and other intangible asset	80,826	56,546	72,479
Property, plant and equipment	2,349,854	2,061,693	1,982,674
Statutory deposits	355,000	355,000	355,000
Total assets	**10,545,121**	**9,898,821**	**9,624,100**
LIABILITIES			
Insurance contract liabilities	678,769	411,214	333,530
Trade payables	75,936	25,487	4,978
Retirement benefit obligation	33,729	37,338	26,687
Provision and other payables	174,954	205,161	167,879
Income tax liabilities	28,925	51,017	44,240
Deferred tax liabilities	434,891	374,284	374,284
Total liabilities	**1,427,203**	**1,104,501**	**951,598**
EQUITY			
Issued and paid up share capital	6,933,333	6,500,000	6,500,000
Share premium	663,600	1,096,933	1,096,933
Statutory contingency reserves	365,982	283,883	201,100
Retained earnings	114,673	9,910	(29,125)
Asset revaluation reserve	1,040,330	903,594	903,594
Shareholders fund	**9,117,918**	**8,794,320**	**8,672,502**
TOTAL LIABILITIES AND EQUITY	**10,545,121**	**9,898,820**	**9,624,100**

BALANCE SHEET

	<<< NIGERIAN GAAP >>>>>	
	Parent 2009 N'000	Parent 2008 N'000
Assets:		
Cash and bank balances	868,104	111,952
Short-term investments	4,641,549	6,116,196
Debtors and prepayments	953,505	638,913
Long-term investments	477,957	15,847
Stock of stationeries	12,194	6,303
Statutory deposits	355,000	355,000
Deferred commission	46,713	54,106
Fixed assets	1,631,731	1,588,780
Goodwill	7,996	7,996
	8,994,749	8,895,093
Liabilities		
Due within one year:		
Bank overdrafts	14,984	42,861
Creditors and accruals	147,283	56,138
Taxation	104,171	1,349
Deferred taxation	179,163	75,421
Insurance funds	341,995	555,199
	787,596	730,968
Due after more than one year:		
Staff gratuity fund	15,374	8,053
Total Liabilities	802,970	739,021
Net Assets	**8,191,779**	**8,156,072**
Financed by:		
Share capital	6,175,000	6,175,000
Share premium	1,421,933	1,421,933
Revaluation reserves	402,501	478,854
Contingency reserve	175,038	134,665
Retained earnings	17,307	(54,380)
SHAREHOLDERS' FUNDS	**8,191,779**	**8,156,072**

FIVE YEAR FINANCIAL SUMMARY

YEAR ENDED: 31 DECEMBER	Parent 2012 N'000	Parent 2011 N'000
COMPREHENSIVE INCOME	<<<<<<< IFRS	>>>>>>>>>
Gross premium earned	2,472,195	1,733,212
Underwriting profit	1,671,363	1,233,465
Investment and other income	524,070	420,710
Provisions	(286,670)	(348,359)
Exceptional items	-	-
Less management expenses	(1,435,746)	(1,088,873)
Profit/(Loss) before taxation	473,017	216,943
Taxation	(156,154)	(95,126)
Profit after taxation	316,863	121,817
Transfer to contingency reserve	82,100	82,783
Other comprehensive income	136,736	-
Earnings per share (kobo)	2	1

	Parent 2010 N'000	Parent 2009 N'000
PROFIT AND LOSS	<<<<<<<<<<< NIGERIAN GAAP	>>>>>>>>>
Gross premium earned	868,741	1,345,800
Underwriting profit	613,319	892,668
Investment and other income	538,530	949,451
Provisions	(190,484)	(433,722)
Exceptional items	(32,375)	(84,718)
Less management expenses	(922,439)	(989,050)
Profit/(Loss) before taxation	6,551	334,629
Taxation	(196,785)	(222,568)
Profit/(loss) after taxation	(190,234)	112,061
Transfer to contingency reserve	26,062	40,374
Earnings/(loss) per share (kobo)	0.9	1.2

Branch Network

ADDRESS OF OUR BRANCHES NATIONWIDE AND THE BRANCH HEADS

HEAD OFFICE
Plot 497, Abogo Largema Street, Off Constitution Avenue, Central Business District, P.M.B 13233 Wuse, Abuja, FCT-Nigeria 900211.

Website: www.unitykapital.com email: info@unitykapital.com Tel:09 461 9900 Fax: 09 461 9901

Branch/Zonal office Address

Branch/Zonal Head Name & Telephone contact.

HEAD OFFICE ZONE

1.Abuja Zonal Office
3rd Floor, Left Wing, UnityKapital Assurance Plc, Plot 497 Abogo Largema Street, Off Constitution Av, CBD Abuja-FCT
Ambali Olugbenga (Zonal Head)
08181951725

2.LAFIA BRANCH OFFICE
White House, Opp. PHCN Office, Makurdi Rd, Lafia.
Hauwa K. Hassan (Branch Head)
08033491972

3.MINNA BRANCH OFFICE
2, Airport Rd, Minna.
Kusogi Abdulmumini Adamu (Branch Head)
08050248655

4. LOKOJA BRANCH OFFICE
Gains Plaza, No. 2, Marine Road by General Post Office junction, Lokoja, Kogi state.
Akor Ademu Sabah (Branch Head)
08033300905

5. JOS BRANCH OFFICE
55, Murtala Mohammed Way, Jos.
Ali Ado Julius (Branch Head)
08038066723

PORT-HARCOURT ZONE

6. PORT-HARCOURT ZONAL OFFICE
UnityBank Plc Premises
198A, Aba Road, Opp. Presidential Hotel, PH
Modebe Ogbonna (Zonal Head)
07060606258/08033790285

7. WARRI BRANCH OFFICE
No. 69, Sapele/Effurun Rd., Effurun, Warri
Napoleon Atanafe (Branch Head)
08023122061

8. PORT HARCOURT BRANCH OFFICE
Unity Bank Plc Premises, 198A, Aba Road, Opp. Presidential Hotel, Port Harcourt.
Victor Opara Uzodinma (Branch Head)
08056037351

9. CALABAR BRANCH OFFICE
Ephraim Keys Int'l Plaza, No. 45, Murtala Mohammed Highway, Calabar.
Idaresit Rufus Davies (Branch Head)
08065176296/08098680434

10. OWERRI BRANCH OFFICE
2nd Floor Unique Mall, Plot 562, Ikenegbu Layout, Owerri
Michael Emeka Opara (Branch Head)
08033320438/07023163875

11. ONITSHA BRANCH OFFICE
No. 41 New Market Road, NOC Link Plaza, Onitsha.
Alfred Mbonu (Branch Head)
'08055931272

12. ENUGU BRANCH OFFICE
148, Zik Avenue, Uwani, Enugu
Joel Madubuike
08037308063/07053301712

13.ABA BRANCH OFFICE
1st Floor, Unity Bank Office, No.7, Factory Road, Aba, Opp. Mr. Biggs. Abia State.
Emmanuel Ekekwe. (Branch Head)
08054657988/08068406465

LAGOS HEAD OFFICE ANNEXE/LAGOS ZONE

14. Head Office Annex (Lagos)
Lagos.
UnityKapital House,
Plot 173 Gbagada/Oshodi Expressway, Opposite UPS Express Office. Gbagada, Lagos
Olukoya Bamidele Rasheed
(SR/Biz Development, South)
08023052651

15. LAGOS ZONAL OFFICE
UnityKapital House,
Plot 173 Gbagada/Oshodi Expressway, Opposite UPS Express Office. Gbagada, Lagos
Ojo Samuel (Zonal Head)
08023065653/08035209811

16. VICTORIA ISLAND BRANCH OFFICE
Plot 1698 C&D, Oyin Jolayemi Street, Victoria Island, and Lagos.
Francisca Nonyelum Okafor (Mrs)
(Branch Head)
08033800554

17. LAGOS ISLAND BRANCH OFFICE
1st Floor, Kingsway Building, 51/52, Marina Lagos.
Adeleye Aderogba
08029067882 (Branch Head)

Branch / Zonal office Address

Branch / Zonal Head Name & Telephone contact.

18.GBAGADA BRANCH OFFICE
UnityKapital House,
Plot 173 Gbagada/Oshodi Expressway, Opposite UPS Express Office. Gbagada, Lagos
Ngozika Ajuzie (Miss) (Branch Head)
08063806388/08021119666

19.APAPA BRANCH OFFICE
2nd Floor, Unity Bank Office,
Eleganza Plaza, No3, Wharf Road, Apapa.
Christie Okwudishu (Mrs.) (Branch Head)
08033825511

IBADAN ZONE

20.IBADAN ZONAL OFFICE
Iba Oluyole Mall, 16, Obafemi Awolowo Rd, J' Allen, Dugbe, Okebola, Ibadan
Idowu Olaide Egbeolowo (Zonal Head)
08023065653/08035209811

21. IBADAN BRANCH OFFICE
Iba Oluyole Mall, 16, Obafemi Awolowo Rd, J' Allen, Dugbe, Okebola, Ibadan
Ganiyu Ishawu Adedeji (Branch Head)
08066216641

22.BENIN BRANCH OFFICE
No 82, 1st East Circular Rd, Benin City, Edo State.
Ekomwa Anthony Denny (Branch Head)
07039377720

23.AKURE BRANCH OFFICE
Bank of Industry building, 2nd Floor, oval wing, Opp. 1st Bank Plc, Alagbaka, Akure.
Morakinyo Olugbenga (Branch Head)
08068863045

BAUCHI ZONE

24.Bauchi Zonal Office
Gidan Mai, Off Adamu Jumba Road, By Local Government Pension Board Bauchi.
Abdu, Ibrahim Shehu (Zonal Head)
08053200132

25.BAUCHI BRANCH OFFICE
Gidan Mai, Off Adamu Jumba Road, By Local Government Pension Board, Bauchi.
Amina Lame Ahmed (Branch Head)
08036445053

26.MAIDUGURI BRANCH OFFICE
Unity Bank Plc Premises, Lake Chad Rd Branch, Maiduguri, Borno State.
Bala Ibrahim Sale (Branch Head)
08067574113

27.DUTSE BRANCH OFFICE
Plot 7 F2 G9 Quarters Road, Near Asma'u House, Dutse, Jigawa State
Usman Tukur Usman (Branch Head)
08037605971

28.SOKOTO BRANCH OFFICE
No 8, Kano Road, Sossco Building, 2nd Floor, Sokoto, Sokoto State.
Salisu Mohammed Ali (Branch Head)
08169373096

29.GOMBE BRANCH OFFICE
Gombe State Inv. Building, Behind Govt. House, Off Pantami Rd
Auwal Abubakar (Branch Head)
08034516766

KANO HEAD OFFICE ANNEXE/KANOZONE

30.Head Office Annex (Kano)
UnityKapital House,116, Hadejia Road, Kano.
Dogo Michael Danjuma
AGM (Business Development, North)

31.KANO ZONAL OFFICE
UnityKapital House,116, Hadejia Road
Kano.
Mahmoud Abdullahi (Zonal Head)
08035675488

32.KANO BRANCH OFFICE
UnityKapital House, No116, Hadejia Rd, Kano.
Sabo Salmanu (Branch Head)
08035675488

33.KADUNA BRANCH OFFICE
Unity Bank Regional Office Building, Intercity Bank Rd, Mogadishu Layout, Off Ahmadu Bello Way, Kaduna.
Ibrahim Bashir Mormoni (Branch Head)
08056202444

34.KATSINA BRANCH OFFICE
Katsina State Investment & Property Dev. Co Ltd Building, No61 IBB Way, Katsina.
Usman Aliyu (Branch Head)
08036869133

35. YOLA BRANCH OFFICE
No. 4 Gimba Road, Opposite Diwarki Pharmacy, Jimeta, Yola.
Ahmed Buba (Branch Head)
08037867737

PROXY FORM

Being member /members of Unitykapital Assurance Plc. hereby appoint.. or failing him Mallam Falalu Bello, OFR,FCIB or failing him Kins Ekebuike as my /our proxy to act and vote for me/us on my /our behalf at the 37th Annual General Meeting of the company to be held on 24th October 2013 at 11am and at any adjournment thereof.
As witness my/our hand this................................Day of 2013

Signed..

I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out whichever is desired)		ORDINARY BUSINESS	FOR	AGAINST
	1.	To receive and adopt the audited account for the year ended 31st December, 2012 together with the reports of the directors and Auditors thereon.		
	2.	To elect/re-elect Directors		
	3.	To appoint Auditors		
	4.	To authorize Directors to fix the remuneration of the Auditors		
	5.	To approve remuneration of Directors		
	6.	To elect members of the Audit Committee		
		Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolution set out above. Unless otherwise instructed, the proxy votes/or abstain from voting at his/ his discretion.		

NOTES:

1. A member to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. A proxy need not be a member of the company.
2. All proxies should be deposited at the office of Unity Registrars, 94 Agege Motor Road, Idi -Oro Bus Stop, Mushin, Lagos, not less than 48 hours before the time for holding the meeting.
3. In the case of joint shareholders, any one of such may complete the form but the name of all joint share holders must be stated.
4. It is required by law under the Stamp Duties Act, Cap 411-Laws of the Federation of Nigeria 1990, that any of proxy to be used for the purpose of voting by any instrument person entitled to vote at any meeting of shareholders must bear Stamp Duty at the appropriate rate, not adhesive postage stamps.
5. If the shareholder is a corporation, this form must be under its common seal or under the hand of some officers or attorney duly authorized in that behalf.
6. This proxy will be used only in the event of poll being directed or demanded.

Before posting the above card, tear off this part and retain it.

ADMISSION CARD

37TH UNITYKAPITAL ASSURANCE PLC
ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHARE HOLDERS NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE THIRTY SEVENTH ANNUAL GENERAL MEETING BEING HELD JIGAWA HOTELS LIMITED, DUTSE, JIGAWA STATE ON THURSDAY 24TH OCTOBER, 2013.

NAME OF SHAREHOLDERS/PROXY -- SIGNATURE ----------------------------

ADDRESS--- ---------

THE CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR

E Dividend Form

TO:
The Registrars,
Unity Registrars Limited,
Unity Bank Building,
94 Agege Motor Road,
Idi-Oro Bus Stop, Mushin, Lagos,
Nigeria

Important! The form should be completed in CAPITAL LETTERS using a black or dark blue ballpoint/fountain pen. Characters and numbers should be similar in style to the following:
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 1 2 3 4 5

Please fill in the form and return to the address above.

Surname..

First Name...

Other Names..

Address..

....

....

Mobile Phone...

Email...

Shareholder's Signature

(1)...

Second signature for joint/company account

(2)...

Company's Authorised Signatures/Seal...

Bank Account Details

Bank Name...

Bank Branch Address...

....

Bank Account Number..

Branch Sort Code (very important)..

Bank's Authorised Signatures & Stamp...

CSCS Account Notification Form

TO:
The Registrars,
Unity Registrars Limited,
Unity Bank Building,
94 Agege Motor Road,
Idi-Oro Bus Stop, Mushin, Lagos,
Nigeria

Please credit my account at Central Securities Clearing Systems L imited (CSCS) with all subsequent allotments and bonuses due to me from holdings in UnityKapital Assurance Plc Account No...............................

Personal Data

Surname...

Other Names..

Address...

....

....

Mobile Phone...

Email..

Shareholder's Signature

(1)..

(2)..

Corporate Seal/Stamp (for Corpo rate Shareholders)..............................

CSCS Details

Stockbroker...

Clearing House Number..... C...

....

Authorised Signature & Stamp of Stockbroker

Please attach a copy of your CSCS statement to this form as evidence that CSCS account has been opened for you.

NOTES