

# Veritas Kapital Assurance Plc

(formerly UnityKapital Assurance Plc)

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED  
30 JUNE, 2018

**BOARD OF DIRECTORS**  
*Non-Executive Directors:*

Thomas Etuh (Chairman)  
Ibrahim Muhammad Kashim  
Priyal Heal  
Sen. Maj. General Mohammed Magoro (RTD)  
Abe N. Ibraheem  
Yabawa Lawan Yabi  
Aminu Babangida  
Oluwafunsho Obasanjo



*Executive Director:*

**VERITAS KAPITAL ASSURANCE PLC**

Abuja Office: Plot 497 Abogo Largema Street,  
off Constitution Avenue, CBD, Abuja.

Lagos Office: Plot 173 Gbagada/Oshodi Expressway,  
Opposite UPS Express Office, Gbagada Lagos.


+234 (09) - 461 9900

[www.veritaskapital.com](http://www.veritaskapital.com)

**Consolidated and Separate Statement of Financial Position**  
**As at JUNE 30, 2018**

	Note	30-Jun-18 Company N'000	31-Dec-2017 Company N'000
<b>ASSETS</b>			
Cash and cash equivalents	3	3,878,230	3,756,993
Financial assets	4	92,230	92,230
Trade receivable	5	46,101	24,279
Reinsurance assets	6	473,190	216,302
Deferred acquisition cost	7	182,150	98,318
Other receivables and prepayments	8	596,373	317,882
Investment in subsidiaries	9	1,576,300	1,576,300
Investment properties	11	880,201	880,201
Intangible assets - Software	13	50,351	68,378
Property, plant and equipment	14	2,841,081	2,849,945
Statutory deposits	15	355,000	355,000
<b>Total Assets</b>		<b>10,971,206</b>	<b>10,235,829</b>
<b>Liabilities:</b>			
Insurance contract liabilities	16	2,561,223	1,687,090
Trade payables	17	34,411	43,520
Provision and other payables	19	174,737	276,806
Income tax liabilities	20	70,686	42,600
Deferred Tax Liabilities	21.2	172,730	292,730
<b>Total Liabilities</b>		<b>3,013,787</b>	<b>2,342,746</b>
<b>EQUITY &amp; LIABILITIES</b>			
Share capital & reserves:			
Issued and paid up share capital	22	6,933,333	6,933,333
Share premium	23	663,600	663,600
Statutory Contingency reserves	24	754,172	754,172
Retained earnings	25	(1,987,179)	(2,052,714)
Asset revaluation reserve	26a	1,559,768	1,559,768
Fair value reserve	26b	33,725	34,924
Non Controlling interest(NCI)	38		
<b>Total Equity</b>		<b>7,957,419</b>	<b>7,893,083</b>
<b>Total Equity &amp; Liabilities</b>		<b>10,971,206</b>	<b>10,235,829</b>

The Financial statements were approved by the Board of Directors on 19 July 2018 and signed on its behalf by:



**Awolola Rotimi**  
 Chief Finance Officer  
 FRC/2013/ICAN/00000002881



**Polycarp Didam**  
 Managing Director/ CEO  
 FRC/2013/CIIN/00000005294

**BOARD OF DIRECTORS**  
**Non-Executive Directors:**

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**Executive Director:**

Polycarp Didam (MD/CEO)

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**Consolidated and Separate Statement of Profit or Loss and Other  
Comprehensive income for the period ended June 30, 2018**

		January-June	January-June	April-June	April-June
		2018	2017	2018	2017
		Company	Company	Company	Company
	Note	N'000	N'000	N'000	N'000
<b>Gross Premium written</b>		2,133,454	1,655,441	905,429	461,999
Gross Premium Income	28	1,478,278	1,355,228	520,037	723,966
Reinsurance Expenses	29	(324,666)	(411,206)	(59,596)	(301,197)
<b>Net premium income</b>		1,153,612	944,022	460,441	422,769
Fees and commission income	30	34,154	25,002	8,518	11,785
<b>Net underwriting income</b>		1,187,766	969,023	468,959	434,554
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	31	(469,280)	(198,673)	(188,456)	(114,839)
Underwriting expenses(including BAC)	32	(272,761)	(295,586)	(131,336)	(146,156)
<b>Underwriting result</b>		445,725	474,764	149,167	173,558
Investment income	34	274,613	261,634	128,655	96,578
Fair value changes in financial assets-FVTPL		-	24,238	-	24,238
Fair value changes in investment property		-	376	-	376
Other operating income	35	7,670	44,124	(2,000)	36,412
Management expenses	36	(634,386)	(504,117)	(308,090)	(255,033)
<b>(Loss)\profit before tax</b>		93,621	301,019	(32,269)	76,130
Income tax expense	34	(28,086)	(56,326)	(2,908)	(30,918)
<b>(Loss)\profit for the year from continuing operations</b>		65,535	244,693	(35,177)	45,212

# STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE, 2018

		2018	2017
Cash flows from operating activities		Company	Company
	Notes	N'000	N'000
Premium received	28	2,133,454	2,296,489
Commission received	30	34,154	48,167
Reinsurance receipts in respect of claims 31(i)			-
Other operating receipts	34	5,919	65,067
Cash paid to and on behalf of employees	36	(309,725)	(465,935)
Reinsurance premium paid	29	(409,082)	(600,331)
Insurance benefits and claims paid	31	(268,626)	(540,400)
Underwriting expenses	32	(438,109)	(503,143)
Cash paid to intermediaries and other suppliers		(840,121)	(711,474)
Company income tax paid	20	-	(60,389)
<b>Net cash usedin/from operating activites</b>		<b>(92,136)</b>	<b>(471,949)</b>
 Cash flow from Investing Activities			
Purchase of property and equipments	14	(61,241)	(30,155)
Purchase of intangible assets	13b	0	(28,314)
Proceed from saleo property and equipment		-	1,856
Proceed from sales of equity investment		-	24,290
Dividend receivables	34	543	7,016
Interest receivables	34	274,070	508,644
Disposal of financial assets	4(a)	-	-
Purchase of investment property	11	-	(222,500)
<b>Net cash provided by investing activites</b>		<b>213,372</b>	<b>260,837</b>
 Cash flow from Financing Activities			
Dividend paid		-	(69,333)
<b>Net cash provided by financing activites</b>		<b>-</b>	<b>(69,333)</b>
 Net increase/(decrease) in cash and cash equivalent		121,237	(280,445)
Cash and cash equivalent at the beginning		3,756,993	4,037,438
Cash and cash equivalent at the end of the year		<u>3,878,230</u>	<u>3,756,993</u>



# Consolidated and Separate Statement of Financial Position

## Statement of Changes in Equity for the period ended 30, June 2018 Company-2018

As at 1 January 2018

Transferred from statement of Profit or loss for the  
Other Comprehensive Income:  
Changes in fair value of AFS Investments

**Total Comprehensive Income**  
Transfer to Contingency Reserve

**Transactions with owners of equity**  
Dividends to equity holders  
As at June 30 2018

Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
6,933,333	663,600	1,559,767	34,923	754,172	(2,052,714)	7,893,081
-	-	-	-	-	65,535	65,535
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>6,933,333</b>	<b>663,600</b>	<b>1,559,767</b>	<b>34,923</b>	<b>754,172</b>	<b>(1,987,179)</b>	<b>7,958,616</b>
<b>6,933,333</b>	<b>663,600</b>	<b>1,559,767</b>	<b>34,923</b>	<b>754,172</b>	<b>(1,987,179)</b>	<b>7,958,616</b>
Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
6,933,333	663,600	1,559,768	33,725	684,549	(1,051,655)	8,823,320
-	-	-	-	-	(861,813)	(861,813)
-	-	-	1,198	-	-	1,198
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,933,333	663,600	1,559,768	34,923	754,172	(1,983,091)	7,962,705
6,933,333	663,600	1,559,768	34,923	754,172	(2,052,714)	7,893,082
6,933,333	663,600	1,559,768	34,923	754,172	(2,052,714)	7,893,082

Transferred to Contingency Reserve  
Total Comprehensive Income  
Transactions with owners of equity  
Dividends to equity holders  
As at June 30 2017

## NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018

### 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 liability company. Its shares are quoted on the Nigeria Stock Exchange.

Its Head office is located at 497 AbologoLargema 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.

### Summary of significant accounting policies

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

### 3 Cash and cash equivalents

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
a. This comprises of :		
Cash at hand	4,165	2,898
Cash at Bank	189,848	469,813
Short term deposit (3a)	3,684,217	3,284,282
Total	<u>3,878,230</u>	<u>3,756,993</u>

In compliance with section 19(3) of Insurance Act 2003, the short term deposit is financed as follows:

Financed by Insurance fund	1,687,090	1,007,068
Financed by other funds	1,997,127	2,277,214
Total short term deposit	<u>3,684,217</u>	<u>3,284,282</u>

Short term deposits consist of placements with commercial banks with a maturity date of less than 3 months.

**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>4 Financial Assets</b>		
This comprises of:		
Fair value through profit or loss-quoted equities (note 4a)	55,037	55,037
Held to maturity (Note 4b)	-	-
Available for sales (Note 4c)	37,193	37,193
	<b>92,230</b>	<b>92,230</b>
Current	55,037	55,037
Non-current	37,193	37,193
	<b>92,230</b>	<b>92,230</b>

**a Fair value through profit or loss**

These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting year, and are derived as

Cost	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
Balance, beginning of year	55,037	84,136
Additions during the year	-	-
Disposal during the year	-	(23,635)
Fair value loss	-	(5,464)
Balance, end of year	55,037	55,037
<b>Fair value as at 31 December 2017</b>	<b>55,037</b>	<b>55,037</b>

**b Held-to-maturity.**

Held-to-maturity investments are measured at amortised cost using the effective interest method and assessed for impairment for uncollectibility at the end of each reporting period.

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
FGN treasury bills b (i)	-	-
State/FGN government bonds b(ii)	-	-
Corporate bond b(iii)	-	-
	<b>-</b>	<b>-</b>
Balance, beginning of year	-	-
Movement during the year	-	-
Balance, end of the year	-	-
<b>i</b> Balance, beginning of year	-	-
Addition during the year	-	-
Redemption/Repayment during the year	-	-
Accrued interest	-	-
Impairment loss	-	-
Balance, end of the year	-	-
<b>ii</b> Balance, beginning of year	-	-
Addition during the year	-	-
Redemption/Repayment during the year	-	-
Accrued interest	-	-
Balance, end of the year	-	-
<b>iii</b> Balance, beginning of year	-	-
Addition during the year	-	-
Redemption/Repayment during the year	-	-
Accrued interest	-	-
Impairment loss	-	-
Balance, end of the year	-	-

**Available for sale**

- c The fair value of some of the unlisted equity investments could not be reliably determined at the end of the reporting period. As such, those unlisted equity investments have been accounted for at cost less impairment. Management believes that the recoverable amount of these unlisted investments is not significantly different from the carrying amount.

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>Cost</b>		
Balance, beginning of year	37,193	78,530
Fair value gain		1,198
Reclassification to other receivables		(6,825)
Impairment charge during the year		(35,710)
Balance, end of year	<u>37,193</u>	<u>37,193</u>



**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

**5 Trade receivables**

a. This comprises of:

Premium receivable from insurance brokers  
Premium receivable from insurance agents  
Premium receivable from policy holders  
Premium receivable from insurance companies

Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
521,534	577,800
7,263	6,004
2,158	2,183
259,289	182,436
<u>790,244</u>	<u>768,423</u>

Less:

Impairment of premium receivables (note 5b)

(744,144)	(744,144)
<u>46,101</u>	<u>24,279</u>

**b. Movement in impairment is as follow:**

Balance, beginning of period

Debts written off

Charge for the period

Balance, at end of the period

744,144	744,144
-	-
-	-
<u>744,144</u>	<u>744,144</u>

**Age analysis of gross trade receivables as at year end are as follows**

0-90 days

91-180 days

Above 180 days

24,279	24,279
-	-
744,144	744,144
<u>768,423</u>	<u>768,423</u>

No trade receivables were impaired as at reporting date

Analysis of movement in impairment allowance

Provision no longer required N'000	Balance at 30 June N'000
	545,262
	6,728
	55,610
	136,544
<u>-</u>	<u>744,144</u>

Premium receivable from insurance brokers

Premium receivable from insurance agents

Premium receivable from policy holders

Premium receivable from insurance companies

**6 Reinsurance assets**

This is analysed as follows:

Prepaid reinsurance( see note(a) below)

Reinsurer' share of outstanding claims (see note(b)below)

Reinsurers share of claims paid

338,016	78,867
135,174	109,434
	28,001
<u>473,190</u>	<u>216,302</u>

**7 Deferred acquisition cost**

a This is analysed as follows:

Motor	25,245	16,993
Fire	55,920	11,910
General Accident	21,654	7,873
Marine	10,347	3,880
Aviation	2,739	1,426
Engineering	13,046	27,366
Oil and Gas	41,412	27,245
Bond	11,788	1,626
Total	<b>182,150</b>	<b>98,318</b>

**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>8 Other receivables and prepayments</b>		
The balance is analysed as follow:		
Receivables from staff	32,526	38,252
Deposit for investment (See Note (a)below)	121,457	121,457
Commercial papers (See Note (b)below)	261,872	261,872
Prepayment	333,571	49,283
Inventory	7,486	7,556
Fees receivables	33,591	33,591
Reclassification from available for sales	6,825	6,825
ASO saving and loans(see note 8(iii))	219,361	219,361
	<u>1,016,688</u>	<u>738,197</u>
Impairment of other receivables and prepayment(See Note (d)below)	<u>(420,315)</u>	<u>(420,315)</u>
	<u><b>596,373</b></u>	<u><b>317,882</b></u>
Current		317,882
Non-current	-	-
	<u>-</u>	<u>-</u>
<b>a</b> Deposit for investment represent net balances with Lighthouse stockbrokers for purchase of quoted equities on the Nigeria Stock exchange. An impairment charge has been recognised in the financial statement with respect to this as the .		
<b>b</b> Commercial papers represents receivables from the following entities		
a) Back-up Network Ltd	44,412	44,412
b) TKM Mestro Nigeria Ltd	131,649	131,649
C) Off-shore intergrated Concession Ltd	39,711	49,711
d) Kruger Brent Global Services Ltd	46,099	46,099
	<u><b>261,872</b></u>	<u><b>271,871</b></u>
These commercial paper have being impaired by the company as they are in doubt of recovery.		
<b>c</b> This repreents amount receivable from Aso Savings on loans on the fund placed with the entity. As at the reporting date, the placement has matured but the fund is yet to be returned		
<b>d</b> The movement in impairment charge is as follows:		
Balance, beginning of year	243,780	253,780
Provision no longer required	(34,500)	(10,000)
Impairment charge during the year	-	-
Balance, end of the year	<u><b>209,280</b></u>	<u><b>243,780</b></u>
Within one year	596,373	317,882
More than one year	-	-

**9 Investment in Subsidiaries**

UnityKapital has 2 subsidiaries as at 31 December 2017. The details of the subsidiaries and principal activities are detailed below:

	30-Jun-18 N'000	31-Dec-2017 N'000
Future Unity Glanvills(FUG) Pension Limited at cost(See	1,160,000	1,160,000
Health care Security Limited at cost (See Note (b)below)	416,300	416,300
	<u><b>1,576,300</b></u>	<u><b>1,576,300</b></u>

- a** Future Unity Glanvills (FUG) Pension Limited has issued share ordinary share capital of 1.5 UnityKapital holds 1.05 billion (70%): The company was incorporated on 20 April 2005, and licenced by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos

Health Care Security Limited has issued ordinary share capital of 429,075,000 units of N1 each UnityKapital holds 401,000,000 units (93.5%): The company carries on the business of a

- b** health maintenance organisation, and its principal place of business is Abuja.

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The summarised financial information below represents amounts before intragroup

**Healthare Securities**

30-Jun-18

31-Dec-2017

**N'000**

**N'000**

Total revenue	198,112	162,505
Profit before tax	17,065	27,015
Total assets	566,167	545,950
Total liabilities	59,488	40,456
Shareholders fund	506,679	505,494



**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

**10 Investment in Associates**

Share of associate loss (see note(a)below)

Impairment(see note(b)below)

GOLDLINK Insurance Plc

UnityKapital holds 1,268,314,351 ordinary shares representing 44.65% holdings in Goldlink Insurance Plc as at 30/6/2018.

Goldlink Insurance Plc became associate company of Unitycapital in 2011 but was taken over by the regulatory authority-National Insurance Commission for infraction of insurance regulations and its Board of Directors was dissolved.

- a The investment in Goldlink Insurance Plc.y has been accounted for using equity method at the group level. The shareholders fund for Goldlink Insurance Plc s at 31 December 2015 was in deficit of N4.245 billion. UnityKapital' s share of shareholder's fund as at that date was N1.89 billion.However, IAS 28:38-39 states that, the investor ceases to recognise its share of the investee's losses once it has reduced its investment to zero. Hence the share of loss recognised is limited to N1.01 billion
- b The investment in Goldlink Insurance Plc is considered fully impaired in the financial statement of the parent based on evidences available as at the reporting date.

Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
1,010,650	1,010,650
-	-
1,010,650	1,010,650
(1,010,650)	(1,010,650)
-	-

**11 Investment properties**

Investment property comprises of landed properties and buildings held for the purpose of capital appreciation and rental income and are carried at fair value. The fair value of the Investment properties has been determined by external, independent professional valuers, Messrs. OSAS & OSAS and Partners (FRC/2012/NIESV/0000000522) as at 31 December 2017, having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

The movement in the fair value of investment properties as at 31 December 2017 is as follows:

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
Balance, beginning of the year	880,201	676,201
Addition		222,500
Fair value (loss)\gain		(18,500)
Balance, end of year	<b>880,201</b>	<b>880,201</b>

**Measurement of fair value**

- a Fair value hierarchy.

The fair value measurement for the investment properties of N880,201 (2016:N676,201) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

- b **Valuation technique and significant unobsevation inputs**

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	between key unobservable inputs and fair value
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value.This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent tim.References were made to prices of land and comparable properties in the nighbourhood.The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location ,quality of construction and off-site facilities.	The estimated fair value would increase(decrease) if the rate of development in the area increases(decreases), quality of the building increases (decreases), influx of people and/or business to the area increases(decreases)

	30-Jun-18 N'000	31-Dec-17 N'000
<b>12 Goodwill</b>		
Balance, beginning of the year	386,444	386,444
Adjustment	-	-
Balance, end of year	<u>386,444</u>	<u>386,444</u>
The goodwill is arising on acquisitions in the following subsidiaries:		
FUG Pension	316,884	316,884
Healthcare Securities	69,560	69,560
	<u>386,444</u>	<u>386,444</u>

**The calculation of value-in-use was based on the following key assumptions**

- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the

- A terminal growth rate of between 0% and 4.4% was applied in determining the terminal cash flows

- Discount rates of averaging 13.74%, representing pre-tax weighted average cost of capital (WACC), was applied in determining the value in use. The growth rate used to extrapolate

- The key assumptions described above may change as economic and market conditions change. The Groupe estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount

**13 Intangible assets - Software**

This comprises of acquired computersoftware which does not form part of a related hardware.

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
	<u>50,351</u>	<u>68,378</u>
<b>Computer software</b>		
Cost		
Balance, beginning of the year	275,497	247,183
Additions	(0)	28,314
Balance, 31 December	<u>275,497</u>	<u>275,497</u>
Accumulated amortisation		
Balance, beginning of the year	207,119	160,458
Amortisation expense	18,027	46,661
Balance, 31 December	<u>225,146</u>	<u>207,119</u>
Carrying amount	<u>50,351</u>	<u>68,378</u>

## GROUP

## Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer N'000	Motor vehic N'000	Office furniture N'000	Total N'000
At 1 January 2018	1,067,272	1,938,665	388,481	418,565	139,211	3,952,194
Additions		2,078	29,525	65,696	5,018	102,317
Disposals				(36,020)		(36,020)
As at 30 June, 2018	1,067,272	1,940,743	418,006	448,241	144,229	4,018,491
Accumulated depreciation						
At 1 January 2018	-	20,587	297,956	322,822	127,082	768,447
Depreciation expenses		4,273	32,069	55,815	9,585	101,742
Disposals				(35,235)		(35,235)
As at 30 June, 2018	-	24,860	330,025	343,402	136,667	834,954
Carrying amount as at 30 June, 2018	1,067,272	1,915,883	87,982	104,839	7,562	3,183,537
Carrying amount as at 31 December, 2017	1,067,272	1,915,883	87,982	104,839	7,562	3,183,537

## Parent

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer N'000	Motor vehicl N'000	Office furniture N'000	Total N'000
At 1 January 2018	1,047,272	1,720,056	207,009	250,892	117,386	3,342,615
Additions	0	(0)	5,717	51,910	3,614	61,241
Disposals						-
As at 30 June, 2018	1,047,272	1,720,056	212,726	302,802	121,000	3,403,856
Accumulated depreciation						
At 1 January 2018	-	-	194,404	222,987	116,403	533,794
Depreciation expenses	-	-	8,836	16,908	3,238	28,981
Disposals	-	-				
As at 30 June, 2018	-	-	203,240	239,895	119,641	562,775
Carrying amount as at 30 June, 2018	1,047,272	1,720,056	9,486	62,907	1,359	2,841,081
Carrying amount as at 31 December, 2017	1,047,272	1,719,547	55,290	27,905	(69)	2,849,945

a) Land and Building was independently valued by Osas&Osas and Partners, Estate surveyors &Valuers(FRC/2012/0000000000522) in 2017 to ascertain the open market value of land and building .The open market value of land and building as at 31 December 2015 was N2,766,818,000(2015:2,766,818,000)



**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>15 Statutory deposit</b>	<b>355,000</b>	<b>355,000</b>

This represent amount deposited with the Central bank of Nigeria (CBN) as at December, 2017 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. ( See notexxx)

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>16 Insurance contract liabilities</b>		
<i>Outstanding claims(see Note(a) below)</i>		
Outstanding claims reported	1,164,811	959,478
Claims incurred but not reported	182,779	182,279
Actuarial adjustment on valuation (AURR)	13,124	13,124
	<u>1,360,714</u>	<u>1,154,881</u>
Unearned premium(see Note (b) below)	1,200,509	532,209
	<u><b>2,561,223</b></u>	<u><b>1,687,090</b></u>

<b>a Provision for outstanding claims</b>		
Motor insurance	40,006	6,697
Fire insurance	45,621	9,550
General accident insurance	274,023	267,109
Marine insurance	43,948	8,910
Engineering	123,852	45,458
Aviation	34,083	21,665
Oil and gas	798,444	600,089
Bond	736	-
	<u><b>1,360,714</b></u>	<u><b>959,478</b></u>

<b>b Reserve for unearned premium</b>		
Motor insurance	224,926	159,051
Fire insurance	155,272	67,372
General accident insurance	115,629	36,007
Marine insurance	49,759	19,270
Engineering	274,666	134,711
Aviation	12,008	7,111
Oil and gas	309,311	106,394
Bond	58,939	2,293
1% PHI PREMIUM	-	-
AURR (General Accident)		13,124
	<u><b>1,200,509</b></u>	<u><b>545,333</b></u>

b(i) Movment in unearned premium can be analysed as follows:

Balance, beginning of the year	545,333	518,231
Increase/(Decrease) in unearned premium(see note 28)	<u>655,176</u>	<u>27,102</u>
	<u><b>1,200,509</b></u>	<u><b>545,333</b></u>

c The investment in respect of this insurance funds is as stated in Note 3b.

**17 Trade payables**

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at year end. The carrying amounts disclosed below approximate the fair values at the reporting date.

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
This is analys as follows:		
Co-insurance premium		
Commission payable	34,411	43,520
	<u><b>34,411</b></u>	<u><b>43,520</b></u>



**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>18 Retirement benefit obligation</b>		
a .Gratuity Scheme		
Balance, beginning of period	-	-
Contributions in the period( see note (b) below)	-	-
Payments in the period	-	-
Reclassified to payable(see note(a) below)	-	-
Balance, end of year	<u>-</u>	<u>-</u>

The company operates a funded defined contribution gratuity scheme for its qualified employees based on the employees' 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 employees' is charged to the profit and loss account. Qualified retiring employees are only entitled to lump sum payment

- a In July 2016, the gratuity scheme was terminated and the Board approved that the outstanding amount contributed to be paid to the respective beneficiaries of the scheme. Hence, the balance outstanding in the book was reclassified to other payables.

**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 only obligation of the Company with respect to this pension plan is to make the specified contributions.

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>19 Provision and other payables</b>		
This is analysed as follows:		
Life insurance fund (Note 19a)	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions		874
Staff accounts		3,142
Accrued professional fees	19,072	21,040
Accrued NAICOM levy		20,000
Accrued penalty charge		30,000
Unclaimed dividend	24,248	24,248
Other accruals and payables		7,743
Due to employees( Note 19B)		38,342
Pension Protection fund	-	-
	<u>174,737</u>	<u>276,806</u>

Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited

- b that ceased life business in 2007 because the emerged Unity Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company.

Within one year	43,320	107,047
More than one year	131,417	169,759

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>20 Income tax liabilities</b>		
Company income tax	42,600	42,600
Education tax	-	-
Under/ (over) provision in prior years	28,086	40,506
Per income statement	70,686	83,106
Balance at beginning of the year		19,883
Payments/adjustment		(60,389)
Per statement of financial position	<u>70,686</u>	<u>42,600</u>

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
<b>21 Deferred tax liability</b>		
At 1 January 2017	292,730	258,004
Charge for the period on building revaluation	-	-
Other Charges for the year	(120,000)	34,726
Charge on revaluation of investment property	-	-
At 31 December 2017	<u>172,730</u>	<u>292,730</u>

**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

<b>22 Issued and paid up share capital</b>	<b>30-Jun-18 N'000</b>	<b>31-Dec-17 N'000</b>
<b>a Authorised</b>		
14 billion ordinary shares of 50 kobo each	7,000,000	7,000,000
<b>b Issued and fully paid</b>		
Balance, beginning of year	6,933,333	6,933,333
Bonus shares issued from share premium	-	-
Balance, end of year	<u>6,933,333</u>	<u>6,933,333</u>

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company

<b>23 Share premium</b>	<b>Parent 30-Jun-18 N'000</b>	<b>Parent 31-Dec-17 N'000</b>
Share premium comprises additional paid-in capital in excess of their per value.		
Balance, beginning of year	663,600	663,600
Transfer to share capital	-	-
Balance, end of period	<u>663,600</u>	<u>663,600</u>

**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 net profits and the amount 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:-

	<b>Parent 30-Jun-18 N'000</b>	<b>Parent 31-Dec-17 N'000</b>
Balance, beginning of year	754,172	684,549
Transfer from retained earnings	-	69,623
Balance, end of year	<u>754,172</u>	<u>754,172</u>

**25 Retained earnings**

The retained earning are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	<b>Parent 30-Jun-18 N'000</b>	<b>Parent 31-Dec-17 N'000</b>
Balance, beginning of year	(2,052,714)	(1,051,655)
Transferred from statement of Profit or loss for the year	65,535	(861,813)
Transfer to Contingency Reserve	-	(69,623)
Dividend paid(see note 25.1 below)	-	(69,623)
Balance, end of year	<u>(1,987,179)</u>	<u>(2,052,714)</u>

**25** This relates to dividend paid during the year as approved during the last Annual General Meeting. 2017 :6k DPS(2016: xxxxx).

**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.

	<b>Parent 30-Jun-18 N'000</b>	<b>Parent 31-Dec-17 N'000</b>
<b>Land</b>		
Balance, beginning of year	636,068	664,548
Revaluation deficit	-	(28,480)
Balance, end of year	<u>636,068</u>	<u>636,068</u>
<b>Building</b>		
Balance, beginning of year	923,700	173,057
Revaluation surplus	-	750,643
Balance, end of year	<u>923,700</u>	<u>923,700</u>
<b>Carrying amount</b>	<u>1,559,768</u>	<u>1,559,768</u>

**26 Available for sale reserve**

Balance, beginning of year	33,725	33,725
Movement during the year	-	1,198
	<u>33,725</u>	<u>34,923</u>

**27 Earnings per share**

Basic earnings per share (kobo)

The calculation of basic earnings per share 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 follow:

**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

	Parent 30-Jun-18 N'000	Parent 31-Dec-17 N'000
Profit after tax attributable to equity holders	65,535	180,945
Weighed average number of ordinary shares at end of year	6,933,333	6,933,333
Basic (loss)/earnings per share (kobo)	0.01	0.03

The Company does not have any instrument with a dilutive effect on its capital, Hence, the basic Earnings per share is same as diluted earnings per share

	30-Jun-18 N'000	30-Jun-17 N'000
<b>28 Gross premium</b>		
Gross premium written (see note (a)below)	2,090,531	1,644,450
Inward reinsurance premium	42,924	10,990
Gross written premium	2,133,454	1,655,441
Changes in unearned premium (see note 16 b(i))	(655,176)	(300,213)
	<u>1,478,278</u>	<u>1,355,228</u>
<b>a Group premium written is further analysed as follows:</b>		
Fire	223,286	92,030
General accident	208,842	125,926
Marine	81,932	16,168
Motor	322,366	238,223
Oil and gas	779,026	983,301
Aviation	22,043	39,321
Engineering	388,997	143,108
Bond	64038.62	6,374
PHI Premium	-	-
	<u>2,090,531</u>	<u>1,644,450</u>
<b>Inward reinsurance premium</b>		
Fire	6,645	3,243
Motor	2,679	-
General accident	9,305	353
Aviation	-	279
Engineering	3,243	619
MARINE	5,778	3,735
OIL AND GAS	15,273	-
Bond	-	2,762
	<u>42,924</u>	<u>10,990</u>
<b>29 Reinsurance cost</b>		
Reinsurance cost	409,082	321,991
Movement in prepaid reinsurance	(84,416)	89,215
Reinsurance expenses	<u>324,666</u>	<u>411,206</u>
<b>30 commission income</b>	<u>34,154</u>	<u>25,002</u>
<b>31 Claims expenses</b>		
Direct claims paid	268,626	216,026
Changes in outstanding claims	205,333	2,101
Actuarial losses in outstanding claims	-	-
PHI claims	-	-
Gross claims incurred	473,959	218,127
Reinsurance recovery(see note 31(a)below)	(4,680)	(19,454)
	<u>469,279</u>	<u>198,673</u>
<b>31a Analysis of reinsurance recoverable</b>		
Reinsurance recovery on paid claims	(101,290)	135,802
Reinsurance recoverable on outstanding claims	105,970	-
Total reinsurance recoverable	<u>4,680</u>	<u>135,802</u>
<b>32 Underwriting expenses</b>		
Acquisition cost paid during the year	438,109	290,621
Movement in deferred acquisition	(255,960)	-
Cost during the year(See note 7)	182,149	290,621
Maintenance cost during the year	90,612	4,964
Total underwriting expenses	<u>272,761</u>	<u>295,586</u>



**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2018**

	Parent 30-Jun-18 N'000	Parent 30-Jun-17 N'000
<b>33 Impairment of financial assets</b>		
Impairment charge on other assets	176,535	-
Impairment charge on unquoted equities	35,709	-
	<b>212,244</b>	<b>-</b>
<b>34 Investment income</b>		
Dividends from equity investments at FVTPL	543	5,776
Interest received from:		
Staff loan-interest	10	104
Short term deposits	274,060	255,754
RSA asset based fee	-	-
Statutory deposit	-	-
	<b>274,613</b>	<b>261,634</b>
Further analysed as follows:		
Attributable to policy holders fund	57,669	98,685
attributable to shareholders funds.	216,944	377,828
	<b>274,613</b>	<b>476,513</b>
<b>35 Other operating income</b>		
Rental and other incomes	6,434	8,411
Bad debt write-off recovered	-	-
Profit on sale of investment	655	-
Loss on sale of asset	1,096	-
Fee income	-	-
Sundry income	(515)	35,713
	<b>7,670</b>	<b>44,124</b>
<b>36 Management expenses</b>		
Staff costs	309,725	187,099
Directors' allowances and expenses	63,455	87,552
Depreciation and amortisation	47,008	37,719
Professional fees	40,253	-
Audit fees	7,424	-
Marketing and advertisement	23,373	-
Administrative expenses	65,324	156,332
NITDA information technology levy	-	-
Repairs and maintenance	16,467	9,508
Travel costs and hotel and accom. allowances	27,547	25,907
NAICOM Levy	7,500	-
Donation	250	-
Electricity and power	26,060	-
Health insurance capitation & other fees paid	-	-
	<b>634,386</b>	<b>504,117</b>
<b>37a Income tax expense</b>		
Education tax	-	-
Company income tax	28,086	56,326
Under provision in prior years	-	-
Deferred tax expense	-	-
	<b>28,086</b>	<b>56,326</b>