



VERITAS KAPITAL ASSURANCE PLC
UNAUDITED FINANCIAL STATEMENT FOR THE PERIOD ENDED
31 DECEMBER 2022

Report and Unaudited Financial Statements for the Period ended December 31, 2022

Table of contents	Page
Corporate information	3
Vision, Mission and Values	4
Our Commitments	5
Enterprise risk management	7
Statement of significant accounting policies	11
Statement of financial position	29
Statement of profit or loss and other Comprehensive income	30
Statement of changes in equity	31
Statement of cash flows	33
Notes to the financial statements	34
Value added statement	70
Five year financial summary	71

CORPORATE INFORMATION

Membership of the Board of Directors during the period ended 31 December, 2022.

1	Mr. Nahim Abe Ibraheem	Non-Executive Director	Chairman
2	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	
3	Mr. Aminu Baangida	Non-Executive Director	
4	Hajia Yabawa Lawan Wabi (mni)	Non-Executive Director	
5	Mrs Priya Heal	Non-Executive Director	
6	Emmanuel Etuh	Non-Executive Director	
7	Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director	
8	Mr. Kenneth Egbaran	Managing Director/CEO	
9	Mrs Oyindamola Unigbe	Executive Director, Operations	
10	Mr. Paul Oki	Independent Non-Executive Director	

COMPANY SECRETARY

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

REGISTERED OFFICE

Plot 497, Abogo Largema Street,
Off Constitution Avenue,
Central Business District
Abuja.

www.veritaskapital.com

RC NO: 11785

FRC REGISTRATION NO:

FRC/2013/0000000000717

BANKERS

Unity Bank Plc
Guaranty Trust Bank Plc.
First Bank Limited
Fidelity Bank Plc
Keystone Bank Limited
Sterling Bank Plc
Access Bank Plc

REGULATORY AUTHORITY

National Insurance Commission

RE-INSURERS

African Reinsurance Corporation
Continental Reinsurance Corporation
WAICA Reinsurance Corporation
Nigerian Reinsurance Corporation
Alwen Hough Johnson (AHJ) Limited
CK Reinsurance Limited
Meridian Risk Solutions Ltd, London
Score Re.
CICA Re.

ACTUARIES

O & A Hedge Actuarial Consulting
(Consulting Actuaries & Chartered Insurers)
Suite 28, Motorways Centre
(Opposite 7UP Bottling Plant)
1 Motorways Avenue
Alausa Ikeja - Lagos, Nigeria

REGISTRARS

Unity Registrars Limited
25 Ogunlana Drive
Surulere Lagos.

AUDITORS

Deloitte & Touche
(Chartered Accountants)
Civic Center Towers
Ozumba Mbadiwe Avenue,
Victoria Island, Lagos.

Tax Consultants

Shields Professional Services
FCT Abuja

MISSION

To help our Stakeholders have peace of mind

VISION

To be one of the top Insurance Companies of choice in Africa

PRINCIPLES

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, development and measuring, reward and recognizing success.

Responsibility

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

Values

- Working in teams
- Servicing our Customers
- Respecting each other
- Being proactive
- Growing our people
- Delivering to our Shareholders
- Guarding against arrogance
- Upholding the highest levels of integrity

OUR COMMITMENTS

Customers

A satisfied and loyal customer base is core to our business.

We are committed to:

- Delivering the 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.

We are committed to:

- 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 regards 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 behaviour 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 customers 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 of significant financial crime.
- Preventing breaches of relevant regulatory requirements.
- Complying with all set standards.

Community & Environment

We believe in continuous improvement of our environmental performance and in taking action around emerging environmental issues. Whenever we operate, we will seek positive 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 environmental issues that are likely to affect our business and community at large.
- In each of these areas, we will look to make continuous improvement and actively monitor 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's 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.

ENTERPRISE RISK MANAGEMENT

Veritas Kapital Assurance Plc has a robust and dynamic enterprise risk management framework fashioned along with the requirements of NAICOM and the Committee of Sponsoring Organization of the Treadway Commission (COSO). Proper risk management remains essential to the business activities of the company. The framework upholds a risk management culture where everyone is involved from the levels of the Board and Executive committees down to risk owners and respective risk units.

The Company's Enterprise Risk Management framework establishes the context, identifies, analyzes, evaluates, treats, monitors, communicates, and reviews the key risks it assumes in carrying on its business. These risks include market, credit, operational, liquidity, business, reserve, reputational, underwriting, reinsurance, claims risks, as well as legal, compliance risks. Enterprise risk management risk includes management's approach to risks inherent in the business and its appetite for these risk exposures. Under this approach, the Company continuously assesses its key risks and monitors the risk profile against approved limits. The main strategies for managing and mitigating risks include policies, procedures and tools that target specific broad risk categories.

Enterprise Risk Management Principles.

The Company's risk management principles optimize value creation and returns on investments. They assist the Company in achieving its vision and delivery of business objectives. As part of the risk strategy to manage all the foreseeable key risk exposures, our guiding principles;

- i Uphold the Company's integrity and value system;
- ii Support compliance to regulatory requirements;
- iii Aid the understanding of the potential upside and downside of key risks;
- iv Increase probability of success and reduce the uncertainty of achieving the organization's overall objectives;
- v Add sustainable value to all the activities of the organization;
- vi Assure business growth with financial stability
- vii Support the culture that "managing risk is everybody's responsibilities"

Our risk management context is entrenched in our mission statement of becoming one of the top insurance companies of choice in Africa through wealth protection by a team of risk and investment managers that provide our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigerian market space.

Our Risk Culture

- a) The responsibility for risk management in the Company is fully vested in the Board which in turn delegates such to senior management.
- b) The Board and Senior Management consciously promote a proactive approach to risk management, ensure that the sustainability and reputation of the Company are not jeopardized while expanding its market share.
- c) The Company's management creates awareness of risk and risk management across board.
- d) The Company continually subjects its products, distribution channels, locations and customers to effective risk assessment and it will not engage in any business until it has objectively assessed and determine how to manage the associated risk.
- e) The Company pays adequate attention to both quantifiable and unquantifiable risks

Risk Management Framework

Our risk management framework was structured and embedded in our culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Unit Staff) assigned for adequate management of our business risks.

We operate and maintain three levels of risk governance structure for the oversight and management of risk. These are:

1st line of defence: Management

The Board of Directors and the Board Risk Committee are charged with the responsibility for oversight of the Enterprise Risk Management process, proposing and approving the Risk Appetite level for the business and delegating responsibility of detailed oversight to Risk Committee. It also comprises the process or the risk owners who execute the controls to enhance the probability that the organization's objectives will be achieved.

2nd line of defence: Risk oversight

This comprises the Risk Management Committees and the Chief Risk Officer of the Company.

The Management evaluates the risks inherent within the business and ensures that they are appropriately captured within the business Risk Profile. The Chief Risk Officer ensures an understanding of Risk Management process throughout the organization in order to embed, improve continuously a risk awareness culture, work with business management to review and update the Risk and control register.

The Chief Risk Officer (CRO) is also responsible for implementing the policies and procedures contained in the risk framework. The role of the Chief Risk officer includes communicating the Company's risk profile to the Board and Management Committee as well as communicating the decisions of the Board and Risk Management Committee to the other members of the Company.

3rd line of defence: Independent assurance

It comprises the audit and internal control and the external auditors' function that provide independent and objective assurance of the effectiveness and adequacy of risk management control and governance processes.

Risk Appetite

The Company strives to drive its business initiatives without loss of value or unmitigated exposures to inherent risks. In order to improve the value of shareholders' wealth and remain profitable, the Company designed its appetite considering risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the Company is willing to accept/retain. The risk appetite of the Company is set by the Board of Directors annually, and it is aimed at minimizing erosion of earnings or capital due to avoidable losses in investment and underwriting records, or from frauds and operational inefficiencies. The Company's Risk Appetite objectives include:

- i) Consistently strive to minimize overall cost of risk exposure and its management through effective risk mitigation practices.
- ii) Optimization of capital employed through enhanced returns on equity
- iii) Low appetite for operational risk. These risks are mitigated and controlled where the cost of control is equal to the marginal cost of the risk.
- iv) Zero appetite to internal fraud activities.

Risk Management Policies and Procedures

The Enterprise Risk Management policies and procedures which have been strategically instituted aim at managing potential, inherent and residual risk categories in our operations.

The Board recognizes that risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, calculated risk-taking and acceptance of risk which is inherent in all our activities, whilst reducing barriers to successful implementation of risk controls.

Risk Classification

The Company can be exposed to many types of risks while carrying on its business. Some of these include:

Market Risk/Investment Risk

This is the risk to a Company's financial condition resulting from adverse movements in the level or volatility of market prices. The Company has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Company's capital resources caused by adverse changes in the price of stock and shares, property, exchange rates and other market conditions that are relevant. The Company has established investment limits in its operational guidelines and policy of assets diversification in line with NAICOM regulations to prevent over concentration and over exposure to any particular market.

Credit Risk

This is the risk that counterparty will default on payment or fail to perform an obligation to the Company. The Company has a system for conducting due diligence on the credit worthiness of any party to which it has credit exposure. The Company does not ordinarily grant credit facilities to third parties in the course of its business but could have low credit risk associated with redeeming of credit notes by Insurance Brokers in accordance with "No Premium No Cover" by NAICOM.

Our placements in banks is also determined by the rating (strength) of the bank and considers NAICOM guideline on limit of exposure to a single bank.

Operational Risk

This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen disasters will result in unexpected losses. The Company has policies that cover risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedure and policies, driving compliance culture, process automation, Information Technology (IT) support systems, data integrity, IT systems access controls, etc.

Liquidity Risk

Liquidity risk exist when there is insufficient cash flow to meet the Company's operational and financial obligations and is usually associated with inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The Company manages its liquidity risk through appropriate assets and liability management strategies through the Investment Committee. Monthly reports and review of liquidity gaps are conducted to assess the level of liquidity risk.

Reinsurance Risk

This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The Company has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.

Underwriting Risk

Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystallizes when there are severe and frequent claims against the Company's projected capacity. The Company has embedded internal control processes to guide its insurance business against the risk of unexpected losses and capital erosion. There is a well-documented underwriting policy and procedures which are enforced throughout the organisation.

Business Risk

The Company's business risk is associated with gaining market shares and remaining profitable. This risk is considered through documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand.

Reputational Risk

This is the risk of events that could cause public distrust and damages to the Company's integrity, brand and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standard of behaviour which the staff are expected to follow while conducting the day to day business of the Company. The Company's risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee on a quarterly basis.

Legal/Compliance Risk Management

The Company has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all times. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential breaches to the regulations and are promptly mitigated. Some of the control processes include:

- a) Know -your-customer (KYC) procedure
- b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
- c) Anti-bribery and corruption measures
- d) Guidelines for adherence to Corporate Governance principles
- e) Gift policies
- f) Whistle blowing policies

Risk Report

Risk assessments are collated and presented in a report called the Risk Report. The risk report draws senior management's attention to the key risk as well as the adequacy of existing controls to mitigate the risk. The risk report provides a summary of the ratings of the significant risks and the probability of occurrence within a specific period. This helps to estimate and prevent the potential operational and financial losses.

Risk Control Self-assessment (RCSA)

The Company has a structure for risk assessment on periodic basis and this is known as Risk Control Self-Assessment (RCSA). It involves the identification of procedures or assessments that need to be performed periodically to assure that key controls are in place and are working effectively as designed. The controls are proactively assessed through risk analysis of our processes and review of policy requirements, loss events, and audit findings. The Company then updates the controls required to accomplish policy requirements, test the processes and controls for adequacy of capability in risk mitigation. Risk Champions are engaged in each business or risk unit to facilitate the process of risk control self-assessment in the Company.

Health Safety and Environment (HSE) Management

The Health Safety and Environment Management has been instituted to provide and maintain safe healthy working conditions, work equipment and systems for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities. The Health and Safety Policy framework strengthens the policy statements, roles and responsibilities of the HSE officer.

Business Continuity Plan (BCP)

The Business Continuity Plan (BCP) has been designed to ensure sustainability against operational threats and promote the continuity of critical operations in the event of a disaster or disruption to our operations. The BCP outlines contingency procedures to follow in the event of emergencies. We aim to improve on gaps identified during any testing period.

RISK MANAGEMENT DECLARATION

The Board, Enterprise Risk Management Committee of Veritas Kapital Assurance Plc hereby declares as follows:

- a) The Company has systems in place to ensure compliance with NAICOM guidelines;
- b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Company
- c) The Company has in place a Risk Management Strategy, developed following the requirements of NAICOM's guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and
- d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1.1 Reporting Entity**

Veritas Kapital 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 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 Company has 91.46% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The company comprises of two subsidiaries, an associate and the parent company.

1.2 Principal Activities

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

The subsidiaries activities are:

Veritas Glanvills Pensions Limited, the administration and management of pension fund assets.

Veritas Health Care Limited provision of health insurance.

1.3 Components of Financial Statements

The Consolidated Financial statements comprise the Statements of Comprehensive income, statements of Financial Position, Statement of Changes in Equity, Statements of Cash Flows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment 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 company in their capacity as owners are recognised in the statement of changes in equity.

1.4 Basis of preparation and measurement

The Consolidated and separate financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters 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
- investment at fair value
- impaired assets at their recoverable amounts

1.5 Compliance with IFRS

These Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate

1.6 Going Concern status

The consolidated financial statements have been prepared on the going concern basis. The company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the company and company due to sufficient liquidity and based on historical experience that shortterm obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the company is carried out to ensure that there are no going concern threats to the operation of the company.

1.7 Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the company, 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 company's financial statements requires management to make judgements, 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 should include:

The judgements made by the directors in the process of applying the company'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 company deems liabilities reported as adequate.

- **Deferred acquisition costs (DAC)**

Commissions that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset under Deferred Acquisition Costs (DAC). The amount of commission to be deferred is directly proportional to the time apportionment basis of the underlying premium income to which the acquisition cost is directly related.

- **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 company, accounting for about 26% of the company's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the company'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 future taxable profits will be available against which temporary differences can be utilized; and

1.8 Functional and presentation currency

The consolidated financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the company.

1.9 Changes in accounting policy and disclosures

New and amended standards and interpretations

The Company applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have financial instruments that reference IBORs at 31 December 2021 or apply hedge accounting to any of its benchmark interest rate exposures.

Definition of a Business - Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. The amendments remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs. The amendment clarifies the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The Company has adopted the amendments to IFRS 3 for the first time in the current year.

The amendments remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The Company adopted the amendments to IAS 1 and IAS 8 for the first time last year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

The Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncement regarding references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC- 32. These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

The IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- c) There is no substantive change to other terms and conditions of the lease in the current financial year. The company has not applied the amendment to IFRS 16 (as issued by the IASB in May 2020) as it did not receive any COVID-19 related rent concession on its lease.

1.10 Summary of significant accounting policies**1.10.1 Introduction to summary of accounting policies**

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

(a) New and amended standards and interpretations not yet adopted by the Company

Amendments to the following standard(s) became effective in the annual period starting from 1st January, 2019. The new reporting

requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

IFRS 16 Leases

The IASB issued the new standard for accounting for leases - IFRS 16 Leases in January 2016. The standard does not significantly change the accounting for leases for lessors. However it requires lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

IFRS 16 became effective 1 January 2019. The company was not in any lease arrangement as at the year ended 31 December 2019.

Amendments to IAS 19

This amendment was issued 7 February 2018 and became effective 1 January 2019. It prescribes the accounting for all types of employee benefits except share-based payment, to which IFRS 2 applies. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 requires an entity to recognise:

The amendments clarify that:

- on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and
- the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI).

This amendment has no material impact on the company.

IFRIC 23 - Uncertainty over Income Tax Treatments

This standard which became effective 1 January 2019, clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over tax treatments under IAS 12. The Company has considered the guidance included within the interpretation and concluded that the prescribed approach does not have a material impact on the company.

Amendments to IFRS 2 - Share Based Payment - Classification and measurement of share based payment transactions

This standard clarifies classification and measurement of share based payment transactions with net settlement features for withholding tax obligations (i.e. equity settled share based payment for employees and cash settled share based payment for withholding taxes). It grants an exemption to alleviate operational issues encountered in dividing the share based payment into cash-settled and equity-settled component. The amendments also clarify modifications to terms and conditions that change classifications from cash-settled to equity-settled as well as application of non-market vesting conditions and market non-vesting conditions. These amendments do not have any material impact on the company.

Standards and interpretations issued/amended but not yet effective

The company has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

New or amended standards and effective date	Summary of the requirements
IFRS 17 Insurance Contracts	<p>"IFRS 17 was issued in May 2017 as replacement to IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> - discounted probability-weighted cash flows - an explicit risk adjustment, and - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>"There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.</p>

<p>Amendments to IAS 1: Classification of Liabilities as Current or Non-current</p>	<p>"In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> - What is meant by a right to defer settlement - That a right to defer must exist at the end of the reporting period - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification - That classification is unaffected by the likelihood that an entity will exercise its deferral right. <p>- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and</p> <ul style="list-style-type: none"> - the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. <p>the amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.</p>
<p>Reference to the Conceptual Framework - Amendments to IFRS 3</p>	<p>In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework issued in March 2018 without significantly changing its requirements.</p> <p>The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.</p>
<p>Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16</p>	<p>In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.</p> <p>The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.</p>
<p>Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37</p>	<p>In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.</p> <p>The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.</p>
<p>IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter</p>	<p>IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.</p> <p>The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.</p>
<p>IAS 41 Agriculture - Taxation in fair value measurements</p>	<p>As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.</p> <p>An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.</p>
<p>IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities</p>	<p>As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.</p> <p>The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.</p>

Amendments to IFRS 3: Covid-19 Related Rent Concessions ^a	<p>On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.</p>
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 ^a	<p>The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.</p> <p>The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgmental and entities need to consider the definition carefully in such transactions.</p> <p>The amendments must be applied prospectively. Early application is permitted and must be disclosed. In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.</p>
Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<p>On 27 August 2020, the IASB published Interest Rate Benchmark Reform - Phase 2, Amendments to IFRS 9 Financial Instruments (IFRS 9), IAS 39 Financial Instruments: Recognition and Measurement (IAS 39), IFRS 7 Financial Instruments: Disclosures (IFRS 7), IFRS 4 Insurance Contracts (IFRS 4) and IFRS 16 Leases (IFRS 16). With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).</p> <p>The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred.^a</p> <p>"Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss.</p> <p>The practical expedient is required for entities applying IFRS 4 Insurance Contracts that are using the exemption from IFRS 9 Financial Instruments (and, therefore, apply IAS 39 Financial Instruments: Classification and Measurement) and for IFRS 16 Leases, to lease modifications required by IBOR reform.</p> <p>The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR. Entities are allowed until the end of the reporting period, during which a modification required by IBOR reform is made, to complete the changes. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognise hedge ineffectiveness.</p> <p>Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR. The cash flow hedge</p>

1.11 Presentation of financial statements

The company presents its statements of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

2.1 Foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the company 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 on a net basis in the income statements in the year in which they arise, except for difference arising on translation of non-monetary available-for-sale financial assets, which are recognised in other comprehensive income.

A segment is a distinguishable component of the company that is engaged either in providing related products or 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
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be
- 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

The Company currently operates a single line of business and entirely within a geographical region.

2.3 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.

2.4 Financial instruments**Initial recognition and measurement**

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

The Company classifies financial instruments or their components parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Company commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. These transaction costs are expensed in the income statement.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this shall be an estimate of the exposure at a future default date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS16 Leases.

For a financial guarantee contract, as the company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the company expects to receive from the holder, the debtor or any other party.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial instruments

Previously recognised financial assets are derecognised when either the contractual rights to receive the cash flows from these assets have ceased to exist or the assets expire or the Company transfers the assets such that the transfer qualifies for derecognition. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks, rewards and control tests.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or repledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Hedge Accounting

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about a Company's risk management activities have also been introduced.

Financial assets**a) Classification and subsequent measurement**

For the purpose of measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. The classification is based on the results of the Company's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the company as at 31 December 2019 are fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. At initial recognition all assets are measured at Fair Value.

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and those designated by the Company as at fair value through profit or loss upon initial recognition. Financial assets classified as held through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/(losses) on financial assets classified as held for trading'. Interest income and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating income', respectively. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains from financial assets held for trading'.

ii) Amortised Cost

Except for financial assets that are designated at initial recognition as at fair value through profit or loss a financial asset is measured at amortised cost only if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition

iii) Fair Value through other comprehensive income (FVTOCI)

Except for financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, a Company always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The Company recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

Financial assets that are debt instruments, Lease receivables, Loan and advances to customers, Other Loans and receivables, Financial guarantee contracts issued; and Loan commitments issued. The Company measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the Company recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Company measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross carrying amount.

Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment .

The Company's process to assess changes in credit risk is multi-factor and has three main elements;

- I. Quantitative element , a quantitative comparison of PD at the reporting date and PD at initial recognition
- II. Qualitative elements
- III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).

For other exposures, significant increases in credit risk is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the Company companies its exposures on the basis of shared credit risk characteristics.

Significant increase in credit risk

The Company decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

The Company applies qualitative and quantitative criteria for stage classification and for its forward and backward migration

i) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are companyed on the basis of similar credit risk characteristics (i.e. on the basis of the Company's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for companies of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a company of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the company and historical loss experience for assets with credit risk characteristics similar to those in the company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical

Estimates of changes in future cash flows for companies of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the company and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks and loans and advances to customers are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/(losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

ii) Assets classified as fair value through other comprehensive income

The Company can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.

Reclassification of amounts recognised in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements. Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

- a. the Company's right to receive payment of the dividend is established;
- b. it is probable that the economic benefits associated with the dividend will flow to the Company; and
- c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value is recognised in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and; impairment gains or losses until the financial asset is derecognised or reclassified.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified

c) Reclassification of financial assets

Reclassification of financial assets is determined by the Company's senior management, and is done as a result of external or internal changes which are significant to the Company's operations and demonstrable to external parties.

Reclassification of financial assets occurs when the Company changes its business model for managing financial assets.

Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Classification and subsequent measurement

The Company's holding in financial liabilities represents mainly Insurance Contract Liabilities, 'trade payables' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

The classification of the Company's financial instruments have been summarised in the table below:

Category		Classes as determined by The Company		Subclasses
Financial assets	Financial assets at fair value through profit or loss	Listed Securities		Quoted Equities
	Amortized cost	Cash and balances with Central bank of Nigeria		Cash
				Statutory deposit with CBN
				Current account balances
				Placements
		Loans and advances to customers		FGN Treasury Bills
				Staff loans
		Investment securities	Listed debt	Corporate bonds
		Other assets		Fees receivable
				Intercompany receivable
				Other receivables
Financial liabilities	Fair value through other comprehensive income	Listed Securities		Quoted Equities
				Unquoted Equities
		Unlisted securities		
	Financial liabilities at amortised cost	Insurance contract liabilities		Accruals
				Payables
		Trade payables		Other creditors
				Outstanding claims
	Other liabilities			Unearned premiums

Measurement

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

Amortised cost measurement

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange (NSE) and Financial Markets Dealers Quotation (FMDQ)).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Forward-Looking Information

In the context of IFRS 9, is an enhanced information set that includes credit information pertaining to future developments (including for example macroeconomic developments). The inclusion of forward-looking information along with traditional past due (realized, historical) information is considered to produce comprehensive credit risk information.

The inclusion of forward-looking information is a distinctive feature of an IFRS 9 ECL model. Incorporating economically stressed states of the world and their potential impact on credit performance is critical for the timely recognition of credit losses.

2.5 Trade/Pension receivables

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 company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The company gathers the objective evidence that an insurance receivables 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.

2.6 Reinsurance

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

2.6.1 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 reinsurers 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 as a result of an event that occurred after initial recognition of the reinsurance asset that the company 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 company 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 company from its obligation to policy holders.

2.6.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The company 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.

2.7 Deferred Policy Acquisition Costs (DAC)

Acquisition cost 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 that ratio of unearned premium to written premium.

2.8 Prepayment

Prepayments are carried at cost less accumulated impairment losses. The company assesses at each reporting date whether there is any indication that prepayment is impaired. If there is an indication of impairment, the entity determines the recoverable amount of the prepayment and records an impairment loss.

2.9 Consolidation**2.9.1 Subsidiaries**

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

Changes in the company'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 company.

Inter-company transactions, balances and unrealised gains on transactions between companies within the company 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 company. Investment in subsidiaries in the separate financial statements 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.

2.9. 1a Disposal of Subsidiaries

On loss of control, the company derecognizes the assets and liabilities of the subsidiary, any controlling interest 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 company 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.

2.9.2 Investment in Associates

As associate is an entity over which the company 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 accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset 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 recognize the company's share of the profit or loss and other comprehensive income of the associate. When the company's share of losses of an associate exceeds the company's interest in that associate (which includes any long-term interest that, in substance, forms part of the company's net investment in the associate), the company discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the company'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 company'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 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the company'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 company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the company's consolidated financial statements only to the extent of interests in the associate that are not related to the company.

2.10 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 valuation 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 derecognized when either they have been disposed of 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 company 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 company 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.

2.11 Intangible Assets

Software license 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 amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the company are recognised as intangible assets.

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

Amortization 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. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized 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 derecognized.

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

2.12 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 company's cash generating units (or companies 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 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 company's policy for goodwill arising on the acquisition of an associate is described at 2.9.2 above.

2.13 Property, Plant and Equipment**a. Recognition and measurement**

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 capitalized 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 decommissioned as the asset has not been put into use.

b. Subsequent cost

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company 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.

c. Depreciation

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:

Leasehold land	0%	Over the lease period
Buildings	2%	2%
Furniture & Fittings	20%	20%
Office Equipment	20%	20%
Computer Equipment	20%	20%
Plant & Equipment	20%	20%
Motor Vehicles	25%	25%

Freehold land is not depreciated. 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.

d. Revaluation of land and building.

Property, plant & equipment are initially recorded at cost. Land and building are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When a property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it

e. Derecognition

An item of property and equipment is derecognized 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.

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.

2.14 Statutory Deposits

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

2.15 Insurance Contract Liabilities

Contract that are classified as insurance contracts are those under which the company 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 policyholder or other beneficiary.

2.15.1 Types of Insurance Contracts

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

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

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

Non-life insurance contracts protect the company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. 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.

2.15.2 Recognition and measurement of non-life insurance contracts

a. For all non-life insurance contract, 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 company. The company 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 company 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 company to sell (usually damaged) property acquired in the process of settling a claim. The company may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right).

Salvage recoveries are 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 company 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 company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company 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 company 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 follows:

* Reserve for unearned premium: In compliance with Section 20(i) (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, IFRS 4 requires a liability adequacy test for both life and non-life insurance 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.

2.16 Trade and other Payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortized 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.

2.17 Retirement Benefit Obligations**Pension Cost**

The company operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

2.18 Provisions

General Provisions are recognised when the company has a present obligation (legal or constructive) as a 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 company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a 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 discounted 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 as a finance cost.

2.19 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.

2.19.1 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 realized 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 utilized. 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 utilized. unrecognized 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 realized 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:

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

2.20 Share Capital and Share Premium

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

2.21 Statutory Contingency Reserve

The company 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 net profits

2.22 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.

2.23 Assets Revaluation Reserve

This represents the company's revaluation reserve emanating from revaluation of certain assets

2.24 Income Recognition**2.24.1 Gross Premiums**

Gross premiums on insurance contract are recognized as revenue when payable by the policy holder.

For single premium business revenue is recognised on the date on which the policy is effect.

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 as a provision for unearned premiums.

2.24.2 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 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.

2.24.3 Commission income

Fees and commission income during the year is the income the company is entitled to for ceding businesses to the reinsurers and co-insurers. In accordance with IFRS 15 (Revenue from Contracts with Customers), fees and commission income is recognized over time, covering the policy period over which services are expected to be provided, using the time apportionment basis. Fees and commission covering the reporting period are recognized in profit or loss as fees and commission income earned, while the unearned portion of fees and commission income is reported in the statement of financial position as deferred commission income.

2.24.4 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.

2.24.5 Management and Administrative Fees**Management Fee**

Management fee, an asset based fee is charged as a percentage of the opening net assets value of the pension fund investments at the beginning of the year of charge for the Retirement Savings Account (RSA). It is accrued daily upon portfolio valuation while the actual charge is effected against the Fund within five working days of the month end. Fee for the Retiree Account is computed based on 5% of income earned on the fund.

Administrative Fee

Administrative fee is calculated as a flat charge payable monthly from contributions received. It is deducted before converting contributions into accounting units of pension fund assets.

2.24.6 Realized/Unrealized Gains and Losses

Realized or unrealized 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 of investments are calculated as the difference between net sales proceeds and the original carrying or amortized cost and are recorded on occurrence of the sale transaction

2.25 Claims and Expenses Recognition**2.25.1 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. All claims paid and incurred are charged against the underwriting income as expense when incurred. This is shown in the statement of profit or loss before determining underwriting results.

2.25.2 Reinsurance Claims

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

2.26 Interest Income and Expense

Interest income and expense 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 premium 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 amortized cost calculated on an effective interest basis
- * Interest on financial assets measured at fair value through profit or loss calculated on an effective interest rate basis.

2.27 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 recognizing 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 amortization. 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.

2.27.1 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 costs are charged in the income statement in the period they are incurred.

2.28 Impairment of non-financial assets

The company 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 company 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 companies of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-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 expense 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 company 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.

The 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.

2.29 Earnings Per Share

The company 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 company 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.

2.30 Dividends

Dividends on ordinary shares are recognised as a 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 as a non-adjusting event after the statement of financial position date.

2.31 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.

2.32 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 company or the company 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.


2.33 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 company, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the company's control.

Statement of Financial Position
As at 31 December, 2022

		31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
	Note	Group N'000	Group N'000	Company N'000	Company N'000
ASSETS					
Cash and cash equivalents	3	4,405,572	5,891,133	2,335,016	3,834,178
Financial assets	4	5,333,082	3,158,089	1,630,101	1,479,840
Trade receivable	5	738,347	119,564	738,347	119,565
Reinsurance assets	6	769,418	1,115,859	769,418	1,115,859
Deferred acquisition cost	7	247,206	286,636	247,206	286,636
Other receivables and prepayments	8	583,620	422,448	247,698	220,975
Investment in subsidiaries	9	-	-	4,026,300	3,624,860
Investment in Associates	10	-	-	-	-
Investment properties	11	45,000	45,000	45,000	45,000
Property, plant and equipment	12	4,431,389	4,729,375	3,370,032	3,377,451
Goodwill	13	316,884	316,884	-	-
Intangible assets - Software	14	68,114	102,297	48,161	69,901
Statutory deposits	15	355,000	355,000	355,000	355,000
Deferred tax asset	21.1	27,451	22,293	21,746	21,745
Total Assets		17,321,082	16,564,578	13,834,025	14,551,010
Liabilities:					
Insurance contract liabilities	16	3,269,748	4,152,250	3,253,674	4,146,106
Trade payables	17	583,011	488,190	583,010	488,190
Employees retirement benefit obligations	18	17,024	17,024	-	-
Provision and other payables	19	889,127	996,710	488,845	572,864
Income tax liabilities	20	62,908	86,652	57,950	23,542
Deferred Tax Liabilities	21.2	31,522	20,741	-	-
Total Liabilities		4,853,340	5,761,567	4,383,480	5,230,702
EQUITY & LIABILITIES					
<i>Share capital & reserves:</i>					
Issued and paid up share capital	22	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	23	663,600	663,600	663,600	663,600
Statutory Contingency reserves	24	1,434,593	1,303,505	1,434,593	1,303,505
Retained earnings	25	(801,952)	(1,236,052)	(1,732,569)	(1,731,720)
Other Component of Equity					
Asset revaluation reserve	26a	2,509,958	2,509,957	2,208,012	2,208,012
Fair value reserve	26b	(60,112)	(60,112)	(56,423)	(56,423)
Non Controlling interest(NCI)	38	1,788,321	688,780	-	-
Total Equity		12,467,742	10,803,012	9,450,545	9,320,309
Total Equity & Liabilities		17,321,082	16,564,579	13,834,025	14,551,010

These financial statements were approved by the Board on 26th January 2023 and signed on its behalf by:



Mojeed Somorin
Chief Financial Officer
FRC/2017/ICAN/00000016849



Kenneth Egbarin
Managing Director
FRC/2015/CIIN/00000011953

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



Statement of Profit or Loss and Other
Comprehensive income for the period ended 31 December 2022

	Note	Group Dec-22 N'000	Group Dec-21 N'000	Company Dec-22 N'000	Company Dec-21 N'000
Gross Premium written		4,668,741	6,318,949	4,369,573	6,055,352
Gross Premium Income	28	4,928,151	5,795,909	4,631,663	5,532,311
Reinsurance Expenses	29	(1,961,956)	(2,857,083)	(1,961,956)	(2,857,084)
		-	-	-	-
Net premium income		2,966,195	2,938,825	2,669,707	2,675,226
Fees and commission income	30	213,684	491,209	213,684	491,209
		-	-	-	-
Net underwriting income		3,179,880	3,430,035	2,883,391	3,166,435
		-	-	-	-
Insurance claims and benefits expenses- Gross (including loss adjustment expenses)	31	(819,042)	(1,301,147)	(645,128)	(1,148,239)
Underwriting expenses	32	(965,381)	(846,440)	(965,381)	(846,439)
		-	-	-	-
Underwriting result		1,395,457	1,282,447	1,272,882	1,171,758
		-	-	-	-
Investment income	34	2,291,423	1,600,227	414,725	235,772
Fair value changes in financial assets-FVTPL	4a&b	(1,823)	6,459	(1,823)	6,459
Fair value changes in investment property	11	-	-	-	-
Other operating income	35	541,730	199,974	219,991	133,254
Impairment charge on financial assets and other assets	33	824	(35,528)	824	(29,314)
Management expenses	36	(3,356,385)	(2,709,164)	(1,741,586)	(1,481,615)
		-	-	-	-
Profit before tax		871,226	344,414	165,013	36,314
		-	-	-	-
Income tax expense	37	(45,555)	225,949	(34,774)	294,928
		-	-	-	-
Profit for the year from continuing operations		825,670	570,363	130,239	331,242
		-	-	-	-
Basic Earnings/(Loss) per Share	27	0.12	0.05	0.02	0.05
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment on FVOCI debt instruments	26b	-	-	-	-
		-	-	-	-
Items that will not reclassified subsequently to profit or loss:					
Gain on revaluation of property, plant and equipment		-	-	-	-
Net actuarial (losses) / gains on retirement benefit obligation	18a(i)	-	-	-	-
Fair value adjustment on equities at FVOCI		-	-	-	-
		-	-	-	-
Other Comprehensive Income, net of taxes		-	-	1	-
		-	-	-	-
Total Comprehensive Income for the year		825,670	570,363	130,240	331,242
		-	-	-	-
Profit for the year, attributable to:					
* Non-controlling interests		49,540	34,222	-	-
* Owners' of the Parent		776,130	536,141	-	-
		825,670	570,363	-	-
Total Comprehensive Income, attributable to:					
* Non-controlling interests		49,540	34,222	-	-
* Owners' of the Parent		776,130	536,141	-	-
		825,670	570,363	-	-

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

**Statement of Changes in Equity
for the period ended 31 December 2022
Group-2022**

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total	Non- controlling interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2022	6,933,333	663,600	2,509,957	(60,112)	1,303,505	(1,236,052)	10,114,232	688,780	10,803,012
Transferred from statement of Profit or loss for <i>Other Comprehensive Income:</i>	-	-	-	-	-	776,130	776,130	49,540	825,670
Changes in fair value of FVOCI Investments	-	-	-	-	-	-	-	-	-
Net actuarial gains on retirement benefit obligations	-	-	-	-	-	-	-	-	-
Revaluation gain on PPE	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	776,130	776,130	49,540	825,670
Transfer to Contingency Reserve	-	-	-	-	131,087	(131,087)	-	-	-
Recapitalization of VG Pension	-	-	-	-	-	-	-	1,050,000	1,050,000
Transactions with owners of equity	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-
As at 31 December 2022	6,933,333	663,600	2,509,957	(60,112)	1,434,593	(591,009)	10,890,362	1,788,321	12,678,683
					1,434,594				
	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total	Non- controlling interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2021	6,933,333	663,600	1,809,597	40,924	1,121,845	(1,559,693)	9,009,606	494,366	9,503,972
Transferred from statement of Profit or loss for <i>Other Comprehensive Income:</i>	-	-	-	-	-	505,302	505,302	65,061	570,363
Changes in fair value of FVOCI Investments	-	-	-	(101,569)	-	-	(101,569)	-	(101,569)
Net actuarial gains on retirement benefit obligations	-	-	-	533	1,121,845	-	533	-	533
Gain on revaluation of properties, plant	-	-	700,360	-	-	-	700,360	129,633	829,993
Total Comprehensive Income	-	-	700,360	(101,036)	-	505,302	1,104,626	194,693	1,299,319
Transfer to Contingency Reserve	-	-	-	-	181,661	(181,661)	-	-	-
Transactions with owners of equity	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	(279)	(279)
As at 31 December 2021	6,933,333	663,600	2,509,957	(60,112)	1,303,505	(1,236,052)	10,114,232	688,780	10,803,013

Statement of Changes in Equity
for the period ended 31 December 2022
Company



	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2022	6,933,333	663,600	2,208,012	(56,423)	1,303,505	(1,731,721)	9,320,305
Transferred from statement of Profit or loss for the	-	-	-	-	-	130,239	130,239
Other Comprehensive Income:	-	-	-	-	-	-	-
Changes in fair value of FVOCI instruments	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Comprehensive Income	6,933,333	663,600	2,208,012	(56,423)	1,303,505	(1,601,482)	9,450,544
Transfer to Contingency Reserve					131,087	(131,087)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	-
As at 31 December 2022	6,933,333	663,600	2,208,012	(56,423)	1,434,593	(1,732,568)	9,450,544

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	4,172,692	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2021	6,933,333	663,600	1,809,597	45,146	1,121,845	(1,881,303)	8,692,219
.	-	-	-	-	-	331,242	331,242
Transferred from statement of Profit or loss for the	-	-	-	-	-	-	-
Other Comprehensive Income:	-	-	-	-	-	-	-
Changes in fair value of AFS Investments	-	-	398,415	(101,569)	-	-	296,846
Gain on revaluation of properties, plant	-	-	-	-	-	-	-
Total Comprehensive income	6,933,333	663,600	2,208,012	(56,423)	1,121,845	(1,550,061)	9,320,306
Transfer to Contingency Reserve					181,661	(181,661)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	-
As at 31 December 2021	6,933,333	663,600	2,208,012	(56,423)	1,303,505	(1,731,721)	9,320,306

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

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER, 2022



		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		Group	Group	Company	Company
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Premium received	28	4,369,573	6,283,064	4,369,573	6,019,467
Commission received	30	1,801,364	491,209	213,684	491,209
Reinsurance receipts in respect of claims	31(a)	43,004	2,058,387	43,004	2,058,387
Other operating income	34	360,764	199,974	29,031	133,254
Cash paid to and on behalf of employees	36	(1,285,441)	(1,384,669)	(658,841)	(712,088)
Reinsurance premium paid	29	(1,880,665)	(3,004,573)	(1,880,665)	(3,004,573)
Insurance benefits and claims paid	31	(1,496,838)	(2,845,716)	(1,322,925)	(2,694,452)
Underwriting expenses	32	(925,952)	(1,060,272)	(925,952)	(1,060,272)
Cash paid to intermediaries and other suppliers		(1,717,625)	(928,422)	(1,130,179)	(510,332)
Company income tax paid	20	(62,403)	(69,774)	(365)	(17,520)
Net cashflow from operating activities		(794,218)	(260,793)	(1,263,635)	703,079
Cash flow from Investing Activities:					
Purchase of property, Plant and equipment	14	(224,055)	(323,094)	(76,045)	(98,722)
Purchase of intangible assets	13	(1,676)	(81,932)	-	(58,030)
Proceed from sale of property and equipment		66,180	10,353	53,655	10,353
Proceed from disposal of investment property		(6,183,739)	219,449	-	219,449
Dividend income	34	50,769	14,022	50,769	18,034
Interest received	34	931,889	1,905,118	363,957	536,651
Purchase of amortised cost investment		(2,883,657)	(2,292,741)	(551,923)	(706,699)
Redemption/repayment on amortised cost investments		150,000	2,459,528	150,000	1,883,018
Purchase of investment property	11	-	-	-	-
Net cash provided by investing activities		(8,094,290)	1,910,702	(9,588)	1,804,055
Cash flow from Financing Activities:					
Investment in subsidiary		-	-	(401,440)	(2,048,560)
Deposit for shares		1,050,000	(279)	-	-
Dividend paid		(6,894,290)	-	-	-
Net cash provided by financing activities		(5,844,289)	(279)	(401,440)	(2,048,560)
Net decrease in cash and cash equivalent		(14,732,797)	1,649,630	(1,674,662)	458,574
Cash and cash equivalent at the 1 January		5,900,305	4,250,674	3,839,935	3,381,361
Cumulative effect of transition to IFRS 9 (ECL)		-	-	-	-
Adjustment for ECLs not involving cash outflows		-	-	-	-
Cash and cash equivalent at the 31 December		(8,832,492)	5,900,305	2,165,273	3,839,935

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

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

General information

Veritas Kapital 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 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 91.46% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent company.

3 Cash and cash equivalents	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
This comprises of :				
Cash at hand	884	417	593	322
Cash at Bank	348,001	1,234,217	276,939	1,164,085
Short term deposit (Staff gratuity fund assets)*	9,239	9,239	9,239	9,239
Short term deposit (note 3a)	4,053,206	4,656,432	2,054,003	2,666,289
	<u>4,411,330</u>	<u>5,900,305</u>	<u>2,340,774</u>	<u>3,839,936</u>
Adjustment for ECL on fixed deposit (note 3.1)	(5,758)	(9,172)	(5,758)	(5,758)
Total	<u>4,405,572</u>	<u>5,891,133</u>	<u>2,335,016</u>	<u>3,834,178</u>

*Staff gratuity fund assets relates to fund set aside for staff of the parent who were still in service when the gratuity scheme was discontinued in July 2016. The intention of management is to keep the funds and make it available to the beneficiaries on exit.

3.1 Movement in Adjustment ECL	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
As at 1 January	5,758	5,758	5,758	5,758
Charge/(Write back) (See note 33)	(0)	984	(0)	-
As at 31 December	<u>5,758</u>	<u>6,742</u>	<u>5,758</u>	<u>5,758</u>

a Financed by:

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

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Financed by Insurance fund	2,621,259	2,666,289	2,054,003	2,666,289
Financed by other funds	1,503,299	1,990,143	-	-
	<u>4,124,558</u>	<u>4,656,432</u>	<u>2,054,003</u>	<u>2,666,289</u>

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

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
4 Financial Assets				
This comprises of:				
Fair value through profit or loss (note 4a)	68,090	69,913	68,090	69,913
Amortised Cost (Note 4b)	5,181,575	3,004,760	1,478,595	1,326,510
Fair Value through OCI (Note 4c)	83,416	83,416	83,416	83,416
	<u>5,333,082</u>	<u>3,158,089</u>	<u>1,630,101</u>	<u>1,479,840</u>
Current	-	-	-	-
Non-current	<u>5,333,082</u>	<u>3,158,089</u>	<u>1,630,101</u>	<u>1,479,840</u>
	<u>5,333,082</u>	<u>3,158,089</u>	<u>1,630,101</u>	<u>1,479,840</u>

a(i) 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 period and are derived as follows:

Movement in FVTPL during the period

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Fair value at 1 January	69,913	58,414	69,913	58,414
Addition (see note aiii below)	(1,823)	5,040	(1,823)	5,040
Fair value gain/(loss)	-	6,459	-	6,459
Fair value as at 31 December	<u>68,090</u>	<u>69,913</u>	<u>68,090</u>	<u>69,913</u>

a(ii) Historical movement in FVTPL

Cost at initial recognition	152,278	152,278	152,278	152,278
Accumulated fair value losses to date	(84,188)	(82,365)	(84,188)	(82,365)
Fair value as at 31 December	<u>68,090</u>	<u>69,913</u>	<u>68,090</u>	<u>69,913</u>

a(iii) These are quoted equities on the Nigerian Stock Exchange held by the entity which was recovered during reconciliation carried out and confirmed by the registrars. The stocks include the following; PZ Cusson, Fidelity Bank Plc, Access Bank Plc, Cadbury Nigeria Plc, Julius Berger Plc, Nestle Nigeria Plc and Union Bank Plc.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
b Amortised Cost				
FGN treasury bills see note (i) below	37,580	185,041	(6,298)	143,702
State/FGN government bonds see note (ii) below	4,544,536	2,728,842	1,188,174	1,182,808
Corporate bond see note (iii) below	291,033	90,877	-	-
	<u>4,873,149</u>	<u>3,004,759</u>	<u>1,181,876</u>	<u>1,326,509</u>
Balance at 1 January	3,004,759	3,420,436	1,326,510	2,785,906
Additions	1,895,517	706,699	-	706,699
Redemption/Repayment during the year	(184,221)	(2,753,451)	(150,000)	(2,176,941)
Accrued interest	176,586	31,161	24,857	31,161
Balance at 31 December	<u>4,892,640</u>	<u>1,404,846</u>	<u>1,201,367</u>	<u>1,346,825</u>
Expected credit loss	(19,491)	(5,570)	(19,491)	(20,315)
	<u>4,873,149</u>	<u>1,399,276</u>	<u>1,181,876</u>	<u>1,326,510</u>

i FGN Treasury Bills

Balance at 1 January	185,041	-	143,702	-
Additions	1,942	186,268	-	144,526
Redemption/Repayment during the year	(149,402)	-	(150,000)	-
Accrued interest	-	-	-	-
Balance at 31 December	<u>37,580</u>	<u>186,268</u>	<u>(6,298)</u>	<u>144,526</u>
ECL	-	-	-	-
	<u>37,580</u>	<u>186,268</u>	<u>(6,298)</u>	<u>144,526</u>

ii FGN Bonds and State Bonds

Balance at 1 January	2,728,842	1,150,990	1,182,808	608,965
Additions	1,693,419	2,106,473	-	562,173
Redemption/Repayment during the year	(34,819)	(572,369)	-	-
Accrued interest	176,586	82,702	24,857	31,161
Balance at 31 December	<u>4,564,027</u>	<u>2,767,797</u>	<u>1,207,665</u>	<u>1,202,299</u>
ECL	(19,491)	(38,955)	(19,491)	(19,491)
	<u>4,544,536</u>	<u>2,728,842</u>	<u>1,188,174</u>	<u>1,182,808</u>

iii Corporate Bonds

Balance at 1 January	90,877	2,269,445	-	2,176,941
Additions	200,156	-	-	-
Redemption/Repayment during the year	-	(2,181,082)	-	(2,176,941)
Accrued interest	-	5,071	-	-
Balance at 31 December	<u>291,033</u>	<u>93,434</u>	<u>-</u>	<u>-</u>
ECL	-	(2,557)	-	-
	<u>291,033</u>	<u>90,876</u>	<u>-</u>	<u>(1)</u>

iv Movement in expected credit losses (ECL) during the year

Balance at 1 January	42,740	43,080	20,315	26,279
Addition during the year	(23,249)	(37,510)	(824)	(5,964)
Balance at 31 December	<u>19,491</u>	<u>5,570</u>	<u>19,491</u>	<u>20,315</u>

c Fair value through other comprehensive income

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Fair value at 1 January	83,416	184,985	83,416	184,985
Additions during the year(see note i below)	-	-	-	-
Fair value gain	-	(101,569)	-	(101,569)
Balance at 31 December	<u>83,416</u>	<u>83,416</u>	<u>83,416</u>	<u>83,416</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
5 Trade receivables				
a This comprises of:				
Premium receivable from insurance brokers	1,228,974	527,343	1,228,974	527,343
Premium receivable from insurance agents	55,270	55,270	55,270	55,270
Premium receivable from policy holders	33,158	33,157	33,158	33,157
Premium receivable from insurance companies	158,930	241,779	158,930	241,779
	<u>1,476,332</u>	<u>857,549</u>	<u>1,476,332</u>	<u>857,549</u>
Impairment of premium receivables	(737,985)	(737,985)	(737,985)	(737,985)
	<u>738,347</u>	<u>119,564</u>	<u>738,347</u>	<u>119,565</u>
b Age analysis of gross trade receivables are as follows				
0-30 days	738,347	119,564	738,347	119,564
Above 30 days	-	1	-	-
	<u>738,347</u>	<u>119,565</u>	<u>738,347</u>	<u>119,564</u>
c Analysis of movement in impairment				
Group	Balance at 1 January N'000	Addition N'000	Provision no longer required N'000	Balance at 30 Sept N'000
Premium receivable from insurance brokers	539,103	-	-	539,103
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>
Company	Balance at 1 January N'000	Addition N'000	Provision no longer required N'000	Balance at 30 Sept N'000
Premium receivable from insurance brokers	539,103	-	-	539,103
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>
	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
6 Reinsurance assets				
This is analysed as follows:				
Prepaid reinsurance(see note(a) below)	390,612	474,955	390,612	474,955
Reinsurer' share of outstanding claims (see note(b)below)	378,806	640,904	378,806	640,904
Reinsurers share of claims paid	-	-	-	-
	<u>769,418</u>	<u>1,115,859</u>	<u>769,418</u>	<u>1,115,859</u>
a Movement in prepaid reinsurance is as follows:				
Balance 1 January	474,955	646,251	474,955	646,251
Additions during the year	1,877,614	2,662,230	1,877,614	2,662,230
Amortized in the year - reinsurance expenses (see note 29)	(1,961,956)	(2,857,084)	(1,961,956)	(2,857,084)
Balance at 31 December	<u>390,612</u>	<u>451,398</u>	<u>390,612</u>	<u>451,398</u>

b Movement in reinsurer' share of outstanding claims

Balance at 1 January	640,904	378,628	640,904	378,628
Movement in Reinsurers/coinsurers' share of outstanding claims reported during the year	(262,098)	262,276	(262,098)	262,276
Balance at 31 December	<u>378,806</u>	<u>640,904</u>	<u>378,806</u>	<u>640,904</u>

c Movement in reinsurer share of claim paid

Balance at 1 January	-	877	-	877
Movement in reinsurers/co-assurer's share of paid claims during the year	-	(877)	-	(877)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current	769,418	1,115,859	769,418	1,115,859
Non-Current	-	-	-	-
	<u>769,418</u>	<u>1,115,859</u>	<u>769,418</u>	<u>1,115,859</u>

7 Deferred acquisition cost**a This is analysed as follows:**

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Agric	2,565	86,502	2,565	86,502
Motor	38,345	23,651	38,345	23,651
Fire	19,807	66,087	19,807	66,087
General Accident	4,849	14,478	4,849	14,478
Marine	2,982	37,028	2,982	37,028
Aviation	5,214	7,301	5,214	7,301
Engineering	40,091	16,473	40,091	16,473
Oil and Gas	133,315	35,116	133,315	35,116
Bond	37	-	37	-
Total	<u>247,206</u>	<u>286,635</u>	<u>247,206</u>	<u>286,636</u>

The movement in deferred acquisition cost is as follow:

Acquisition Cost brought forward	286,635	119,379	286,635	119,379
Acquisition Costs during the period (note 32)	<u>925,952</u>	<u>764,476</u>	<u>925,952</u>	<u>764,476</u>
Total	1,212,587	883,855	1,212,587	883,855
Amortised during the year (see note 32)	<u>(965,381)</u>	<u>(597,219)</u>	<u>(965,381)</u>	<u>(597,219)</u>
Acquisition costs carried forward	<u>247,205</u>	<u>286,636</u>	<u>247,205</u>	<u>286,637</u>
Current	247,206	286,636	247,206	286,636
Non-current	-	-	-	-
	<u>247,206</u>	<u>286,636</u>	<u>247,206</u>	<u>286,636</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
8 Other receivables and prepayments				
The balance is analysed as follow:				
Receivables from staff (see note (a) below)	65,117	101,497	53,638	94,886
Deposit for investment (See Note (b)below)	28,346	28,346	28,346	28,346
Commercial papers (See Note (c)below)	217,460	217,460	217,460	217,460
Prepayment	53,193	33,066	8,731	7,841
Inventory	5,558	6,430	3,895	6,430
Receivables from Related parties (see note i below)	62,033	62,032	62,033	111,693
Fees receivables and other receivables (See Note (d)below)	457,303	308,925	178,987	93,017
Prepaid recapitalisation expenses (See Note (e)below)	44,650	22,250	44,650	22,250
Withholding tax receivable(See Note (f)below)	43,924	36,407	43,924	33,017
	<u>977,585</u>	<u>816,414</u>	<u>641,663</u>	<u>614,941</u>
Impairment of other receivables and prepayment(See Note (g)below)	(393,965)	(393,966)	(393,965)	(393,966)
	<u>583,620</u>	<u>422,448</u>	<u>247,698</u>	<u>220,975</u>
Current	456,469	310,754	132,026	109,282
Non-current	127,151	111,693	115,671	111,693
	<u>583,620</u>	<u>422,448</u>	<u>247,698</u>	<u>220,975</u>
a	Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.			
	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Balance at 1 January	101,497	25,433	94,886	25,433
Addition	35,974	157,746	32,798	140,426
Repayment during the year	(72,354)	(81,682)	(38,204)	(70,973)
	<u>65,117</u>	<u>101,497</u>	<u>53,638</u>	<u>94,887</u>
b	Included in deposit for investment is the amount with Chapel hill for purchase of quoted equities on the Nigeria Stock exchange and investment in other financial instrum			
	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
c	Commercial papers represents receivables from the following entities			
a) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649
b) Off-shore Intergrated Concession Ltd	39,711	39,711	39,711	39,711
c) Kruger Brent Global Services Ltd	46,099	46,099	46,099	46,099
	<u>217,460</u>	<u>217,460</u>	<u>217,461</u>	<u>217,460</u>
ci	These commercial papers have been impaired by the company as they are in doubt of recovery.			
d	Fee receivables includes fees receivable on RSA assets and administrative fees as at period end			
e	This represents amount paid to consultants with respect to proposed preference shares to be issued by the company. This was classified as prepaid expense pending the c process. On completion, this will be applied against the share premium.			
f	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Withholding tax receivables				
At 1 January	36,407	39,937	33,017	35,720
Additions	7,517	27,555	10,907	24,115
Utilised during the period(see note 20)	-	(31,085)	-	(26,818)
At 31 December	<u>43,924</u>	<u>36,407</u>	<u>43,924</u>	<u>33,017</u>

g The movement in impairment charge is as follows:

Balance at 1 January	393,965	359,081	393,965	359,081
Provision no longer required	-	-	-	-
Impairment charge during the year	-	34,885	-	34,885
Write-off	-	-	-	-
Balance at 31 December	<u>393,965</u>	<u>393,966</u>	<u>393,965</u>	<u>393,966</u>

Company

	Balance at 1 Jan 2022	Addition	Provision no longer required	Write-off
Commercial papers	250,220	-	-	-
Prepayment	31,502	-	-	-
Receivables from staff	1,966	-	-	-
Inventory	5,689	-	-	-
Other receivables (Nigeria Liability Pool)	6,825	-	-	-
Receivables from Related Party (Goldlink)	62,033	-	-	-
Fees receivable and other receivables	35,731	-	-	-
	<u>393,965</u>	<u>-</u>	<u>-</u>	<u>-</u>

Group

	Balance at 1 Jan 2022	Addition	Provision no longer required	Write-off
Commercial papers	250,220	-	-	-
Prepayment	31,502	-	-	-
Receivables from staff	1,966	-	-	-
Inventory	5,689	-	-	-
Nigeria Liability Pool	6,825	-	-	-
Receivables from Goldlink	62,033	-	-	-
Fees receivable and other receivables	35,731	-	-	-
	<u>393,965</u>	<u>-</u>	<u>-</u>	<u>-</u>

i This relates to amount recoverable from :1.Associates- Goldlink Insurance Plc - as at 31 December 2022, the amount relates to various expenses incurred on their behalf : N62.033 million (N62.033 milion, 2021).

9 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2022. The details of the subsidiaries and principal activities are detailed below:

	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Veritas Glanvills Pension Limited at cost(See Note (a)below)	-	-	3,610,000	3,208,560
Veritas Health Care Limited at cost (See Note (b)below)	-	-	416,300	416,300
	<u>-</u>	<u>-</u>	<u>4,026,300</u>	<u>3,624,860</u>

a Veritas Glanvills Pension Limited has issued ordinary share capital of 5 billion units of N1 each.

Veritas Kapital holds 3.5 billion (70%): The company was incorporated on 20 April 2005, and licenced by National Pension Commission to carry on business of a Pension Fund on 19 June 2007. Its principal place of business is Lagos

b

Veritas HealthCare Limited has issued ordinary share capital of 429,075,000 units of N1 each Veritas Kapital holds 401,000,000 units (93.5%): The company carries on the health maintenance organisation, and its principal place of business is Abuja.

Management tested investment in subsidiaries for impairment and concluded that there was no indication of impairment. Summarized financial information in respect of Group's subsidiaries is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	Veritas Glanvill Pension		Veritas Healthcare Limited	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Total revenue	1,714,727	1,362,959	330,730	345,784
Profit/(loss) before tax	558,332	267,530	52,847	43,822
Total assets	6,352,058	4,716,605	698,920	654,604
Total liabilities	322,577	495,602	93,395	84,921
Shareholders fund	6,029,481	4,221,003	605,525	569,683

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
10 Investment in Associates	1,010,650	1,010,650	1,010,650	1,010,650
Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
	-	-	-	-

GOLDLINK Insurance Plc

Veritas Kapital holds 1,268,064,351 (2021:1,268,314,351) ordinary shares representing 51.53% (2021:51.53%) holdings in Goldlink Insurance Plc as at 31/10/2022.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory authority - National Insurance Commission (NAICOM) for infraction of insurance regulations and its Board of Directors was dissolved in 2012.

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level.

In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

Specifically, IFRS 10 states that an investor controls an investee if and only if the investor has the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on assessment carried out, Directors concluded that Veritas Kapital does not have the power over the investee because the relevant activities of Goldlink Insurance Plc are subject to direction of the NAICOM instituted Board of Directors. The Board of Directors report directly to NAICOM on all its activities and resolutions are subject to the NAICOM (IFRS 10:B37).

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, Obiora Okafor & Associates, Real Estate surveyors (FRC/2020/003/00000021867) as at 31 December 2021, 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 2022 is as follows:

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Balance at 1 January	45,000	289,439	45,000	289,439
Addition	-	-	-	-
Disposal	-	(244,439)	-	(244,439)
Fair value gain	-	-	-	-
Balance at 31 December (see note 11c)	45,000	45,000	45,000	45,000

Measurement of fair value**a Fair value hierarchy.**

The fair value measurement for the investment properties of N45.0 million (2020:N289.44 million) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

b Valuation technique and significant unobservable 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	Significant unobservable inputs	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 time. References were made to prices of land and comparable properties in the neighbourhood. 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.	<ul style="list-style-type: none"> - Price per square meter - rate of development in the area - Quality of the building - Influx of people and/or businesses to the area 	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)

c (i)

A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos

No 35 Kafur Street, Off Isa Kaita Road Kaduna

Plot 277, Giwa Road, Gyadi-Gyadi, Kano.

6 units of 3-bedroom flats known and identified as Block 8 Flat 2, Block 9 Flat 1&2, Block 14 Flat 2, Block 16 Flat 2 and Block 20 Flat 1&3 Aso Garden Estate Karsana Abuja.

1 Unit of 4-Bedroom s Flat known and identified as Block D, Flat 5, Hillview Estate, Gaduwa District, Abuja.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
	45,000	45,000	45,000	45,000
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	24,000	-	24,000
	45,000	69,000	45,000	69,000

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

C (ii) The movement in the fair value of investment properties as at 31 December 2022 is as follows

	Status of Title Documents	Balance at 1 Jan 2022	Additions	Disposals	Revaluation gain or loss	Balance at 31 December 2022
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No. 22, Vol. 2048, Lagos Land Registry.	45,000	-	-	-	45,000
		<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

12 a. GROUP

Property, plant and equipment

	Leasehold land	Building	Office computer equipment	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	1,160,000	3,177,768	809,758	397,427	167,723	169,300	5,881,977
Additions	-	60,990	117,936	18,710	4,335	22,083	224,054
Revaluation adjustments	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Disposals	(20,000)	(275,086)	(1,365)	(38,384)	(706)	-	(335,541)
As at 31 December	1,140,000	2,963,672	926,330	377,752	171,352	191,383	5,770,490
Accumulated depreciation	-	-	-	-	-	-	-
At 1 January	-	93,544	538,116	288,062	135,162	152,708	1,207,591
Depreciation expenses	-	21,817	43,253	113,683	13,158	-	191,910
Disposals	-	(18,810)	(1,365)	(39,520)	(706)	-	(60,400)
As at 31 December	-	96,551	580,004	362,224	147,614	152,708	1,339,101
Carrying amount as at 30 Sept, 2022	1,140,000	2,867,121	346,326	15,528	23,739	38,675	4,431,389

GROUP

Property, plant and equipment

	Leasehold land	Building	Office computer equipment	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	931,386	2,569,915	568,488	682,907	160,391	2,355	4,915,442
Additions	67,991	34,678	186,714	33,711	-	-	323,094
Revaluation adjustments	228,614	546,392	-	-	-	-	775,006
Transfer	-	-	-	-	-	(2,355)	(2,355)
Disposals	-	-	(39,857)	(73,798)	(8,545)	-	(122,200)
As at 31 December	1,227,991	3,150,985	715,345	642,820	151,846	-	5,888,987
Accumulated depreciation	-	46,899	455,130	478,353	144,528	-	1,124,910
At 1 January	-	53,170	43,758	104,505	6,854	-	208,287
Depreciation expenses	-	(54,988)	-	-	-	-	(54,988)
Disposals	-	-	(39,299)	(64,614)	(14,683)	-	(118,596)
As at 31 December	-	45,081	459,589	518,244	136,699	-	1,159,613
Carrying amount as at 31 December, 2021	1,227,991	3,105,905	255,756	124,576	15,147	-	4,729,375

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

12 b Company

Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	1,140,000	2,123,554	279,795	338,705	132,531	-	4,014,584
Additions		60,990	5,551	-	3,630	5,874	76,045
Revaluation adjustments			-	-	-		-
Transfer/ Reclassification							-
Disposals			(1,365)	(38,384)	(706)	-	(40,455)
As at 31 December	1,140,000	2,184,544	283,981	300,320	135,455	5,874	4,050,174
Accumulated depreciation							
At 1 January	-	38,554	223,713	268,726	106,141	-	637,133
Depreciation expenses	-	21,817	17,764	38,370	6,648	-	84,599
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(1,365)	(39,520)	(706)	-	(41,591)
As at 31 December	-	60,371	240,112	267,576	112,083	-	680,141
Carrying amount as at 31 December, 2022	1,140,000	2,124,173	43,869	32,744	23,372	5,874	3,370,032

Company

Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	911,386	1,901,612	299,758	387,076	114,773	2,355	3,616,961
Additions		52,140	20,278		26,304	-	98,722
Revaluation adjustments	228,614	169,801	-	-	-	-	398,415
Transfer/ Reclassification	-	-	-	-	-	(2,355)	(2,355)
Disposals			(39,857)	(48,372)	(8,545)	-	(96,774)
As at 31 December	1,140,000	2,123,553	280,179	338,704	132,532	-	4,014,969
Accumulated depreciation							
At 1 January	-	-	246,609	266,943	112,610	-	626,163
Depreciation expenses	-	38,554	16,787	47,179	2,002	-	104,522
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(39,299)	(45,396)	(8,472)	-	(93,167)
As at 31 December	-	38,554	224,097	268,726	106,140	-	637,518
Carrying amount as at 31 December, 2021	1,140,000	2,084,999	56,082	69,978	26,392	-	3,377,451

a) Land and Building was independently valued by Obiora Okafor & Associates, Real Estate surveyors (FRC/2020/003/00000021867) in 2022 to ascertain the open market value of land and building. The open market value of land and building as at 31 December 2022 was N3,450 million (2020: N3,214 million)

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

12c. Leasehold Land and Building Comprises:

Group	31 December 2022			31 December 2021		
	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	751,334	751,334	-	845,432	845,432
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	900,000	1,700,000	2,600,000	900,000	1,700,000	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	100,000	200,000	300,000	100,000	200,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	140,000	185,000	325,000	140,000	185,000	325,000
26, Commercial Avenue, Sabo, Yaba, Lagos	-	-	-	20,000	250,000	270,000
	<u>1,140,000</u>	<u>2,836,334</u>	<u>3,976,334</u>	<u>1,160,000</u>	<u>3,180,432</u>	<u>4,340,432</u>
Parent						
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	900,000	1,700,000	2,600,000	900,000	1,700,000	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	100,000	200,000	300,000	100,000	200,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	140,000	185,000	325,000	140,000	185,000	325,000
	<u>1,140,000</u>	<u>2,085,000</u>	<u>3,225,000</u>	<u>1,140,000</u>	<u>2,085,000</u>	<u>3,225,000</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

12d Movement in leasehold land and building is as follows:
Group 2022

Status of title documents	Balance as at Jan 1, 2022	Addition	Disposals	Transfer	Depreciation	Revaluation adjustment	Balance as at 31 December 2022
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	809,099	-	-	-	(57,765)	751,334
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/56	2,600,000	-	-	-	-	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	300,000	-	-	-	-	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/6	325,000	-	-	-	-	325,000
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	270,000	-	(270,000)	-	-	-
		4,304,099	-	(270,000)	-	(57,765)	3,976,334

Group 2021

Status of title documents	Balance as at Jan 1, 2021	Addition	Disposals	Transfer	Depreciation	Revaluation adjustment	Balance as at 31 December 2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	433,845	50,529	-	-	324,725	809,099
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/56	2,300,000	52,140	-	-	247,860	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	290,000	-	-	-	10,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/6	223,000	-	-	-	102,000	325,000
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	218,133	-	-	-	51,867	270,000
		3,464,978	102,669	-	-	736,452	4,304,099

Company 2022

Status of title documents	balance as at Jan 1, 2022	Addition	Disposals	Transfer	Depreciation	Revaluation adjustment	Balance as at 31 December 2022
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/56	2,600,000	60,990	-	-	-	2,660,990
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	300,000	-	-	-	-	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/6	325,000	-	-	-	-	325,000
		3,225,000	60,990	-	-	-	3,285,990

Company 2021

Status of title documents	balance as at Jan 1, 2021	Addition	Disposals	Transfer	Depreciation	Revaluation adjustment	Balance as at 31 December 2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/56	2,300,000	52,140	-	(38,554)	286,414	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	290,000	-	-	-	10,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/6	223,000	-	-	-	102,000	325,000
		2,813,000	52,140	-	(38,554)	398,414	3,225,000

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	31-Dec-22 N'000	31-Dec-21 N'000
13 Goodwill		
The goodwill is arising on acquisitions in the following subsidiaries:		
VG Pension	316,884	316,884
Veritas Health Care Limited	-	-
	316,884	316,884
a Analysis of movement		
Balance at 1 January	316,884	316,884
Impairment (see note 33)	-	-
Balance at 31 December	316,884	316,884

The goodwill recognised on acquisition of Veritas Healthcare Limited (N69.56 million) was fully impaired.

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 company .

- A terminal growth rate averaging 2.8% for VHCL and 4.6% for VGPL (2020: averaging 2.8% for VHCL and 4.6% for VGPL) was applied in determining the terminal cash flows

- Discount rates (averaging 21.88% for VHCL and 30.9% for VGPL), representing post-tax weighted average cost of capital (WACC), was applied in determining the value in use. Using an iterative process, the pre-tax discount rate of 30.3% for VHCL and 44.9% for VGPL was estimated. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with the long term sustainable growth rate for the company.

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

Assessment of impairment on goodwill was developed by the management of the company.

14 Intangible assets - Software

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

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Computer software	68,114	102,297	48,162	69,901
Cost				
Balance, at 1 January	488,724	404,437	354,639	294,254
Additions	1,676	81,932	-	58,030
		2,355		2,355
Balance at 31 December	490,401	488,724	354,639	354,639
Accumulated amortisation				
Balance, at 1 January	386,428	354,537	284,739	268,955
Amortisation expense	35,859	31,890	21,739	15,783
Balance at 31 December	422,287	386,427	306,478	284,738
Carrying amount 31 December	68,114	102,297	48,162	69,901

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
15 Statutory deposit	355,000	355,000	355,000	355,000

This represent amount deposited with the Central bank of Nigeria (CBN) as at December 31, 2022 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 note 34)

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
16 Insurance contract liabilities				
Outstanding claims(see Note(a) below)				
Outstanding claims reported	1,004,762	1,270,426	1,004,762	1,270,426
Claims incurred but not reported	380,750	735,499	364,678	729,356
	1,385,512	2,005,926	1,369,440	1,999,782
Unearned premium(see Note (b) below)	1,884,235	2,146,324	1,884,235	2,146,324
	3,269,748	4,152,250	3,253,674	4,146,106

a Provision for outstanding claims

Motor insurance	12,987	60,222	12,987	60,222
Fire insurance	212,077	601,704	212,077	601,704
General accident insurance	130,181	187,134	130,181	187,134
Marine insurance	8,005	91,035	8,005	91,035
Engineering	90,493	159,192	90,493	159,192
Aviation	58,310	66,996	58,310	66,996
Oil and gas	79,534	285,273	79,534	285,273
Bond	-	11,462	-	11,462
Agric	413,175	536,765	413,175	536,765
PHI	-	6,143	-	-
IBNR	380,750	-	364,678	-
	1,385,512	2,005,925	1,369,440	1,999,781

a(i) Movement in outstanding claims:

Balance at 1 January	1,270,426	736,871	1,270,426	736,871
Decrease in Outstanding Claims (see note 31)	(265,664)	35,571	(265,664)	35,571
Balance at 31 December	1,004,762	772,442	1,004,762	772,442

a(ii) Movement in IBNR is analysed as follows:

Balance at 1 January	735,499	(489,338)	729,356	(489,338)
Increase in IBNR (see note 31)	364,678	(6,000)	364,678	(6,000)
Balance at 31 December	380,750	(495,338)	364,678	(495,338)

a(iii) Age analysis of outstanding claims is analysed below

	2022		2021	
No. of Days	Number of Claimants	Outstanding claims (N'000)	Number of Claimants	Outstanding claims (N'000)
0-90	119	81,689	94	312,709
91-180	93	170,092	92	51,054
181-270	87	112,536	100	30,249
271-365	108	73,423	89	70,491
Above 365	862	567,022	781	805,924
Total	1,269	1,004,762	1,156	1,270,427

All claims are recorded as outstanding claims upon receipt of notification from the broker/beneficiary. Claims are settled within the stipulated timelines in accordance with section 70 of the insurance Act 2003. Upon receipt of signed discharge voucher from the beneficiary, as at 31 December 2022, the balance of outstanding claims above 90 days represents claims for which appropriate complete documentation are yet to be received.

a(iv) Categorization of outstanding claims

Categorization of outstanding claims												
Reason for outstanding	DAYS											
	0-90		91-180		181-270		271-365		Above 365		Total	
	QTY	Amount	QTY	Amount	QTY	Amount	QTY	Amount	QTY	Amount	QTY	Amount
	-	N'000	-	N'000	-	N'000	-	N'000	-	N'000	-	N'000
Awaiting adjusters final report	-	-	-	-	-	-	1	34,037	-	-	1	34,037
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	4	600	22	3,300	26	3,900
Claims reported but incomplete documentation	118	76,083	107	53,061	93	170,092	82	77,899	839	307,765	1,239	684,899
Discharge Voucher not yet signed	-	-	1	20,363	-	-	-	-	1	255,957	2	276,320
Repudiated but processing loss adjuster's fees	1	5,606	-	-	-	-	-	-	-	-	1	5,606
Total	119	81,689	108	73,423	93	170,092	87	112,536	862	567,022	1,269	1,004,762

a(v)

The investment in respect of these insurance funds is stated in Note 3b.

Estimates of incurred but not reported (IBNR) claims liability and calculation of unearned premium was developed by the management of the company with the use of a professional actuary (O and A Hedge Actuarial Consulting) with FRC registration number FRC/2016/NAS/00000015764

b Reserve for unearned premium

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Motor insurance	322,844	200,491	322,844	200,491
Fire insurance	303,497	384,628	303,497	384,628
General accident insurance	126,704	99,156	126,704	99,156
Marine insurance	31,654	193,097	31,654	193,097
Engineering	266,587	81,839	266,587	81,839
Aviation	28,381	37,857	28,381	37,857
Oil and gas	767,586	267,764	767,586	267,764
Bond	123	15,137	123	15,137
Agric	23,427	852,923	23,427	852,923
PHI PREMIUM	-	-	-	-
	<u>1,870,803</u>	<u>2,132,892</u>	<u>1,870,803</u>	<u>2,132,892</u>
AURR	<u>13,431</u>	<u>13,432</u>	<u>13,431</u>	<u>13,432</u>
	1,884,235	2,146,324	1,884,235	2,146,324

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

Balance at 1 January	2,146,324	1,625,307	2,146,324	1,623,284
Increase/(Decrease) in unearned premium(see note 28)	(262,089)	77,973	(262,090)	78,468
	<u>1,884,235</u>	<u>1,703,280</u>	<u>1,884,234</u>	<u>1,701,752</u>

17 Trade payables

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

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
This is analysed as follows:				
Co-insurance premium payable	337,253	357,745	337,253	357,745
Commission payable	245,758	130,445	245,758	130,445
	<u>583,010</u>	<u>488,190</u>	<u>583,010</u>	<u>488,190</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
18 Retirement benefit obligation				
Gratuity Scheme				
Balance at 1 January	17,024	14,724	-	-
Contributions / (Payments) in the period	-	2,300	-	-
Balance at 31 December	<u>17,024</u>	<u>17,024</u>	<u>-</u>	<u>-</u>

Pension 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.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
19 Provision and other payables				
This is analysed as follows:				
Life insurance fund (Note 19a)	131,417	131,417	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions	75,636	55,326	55,495	38,773
Staff accounts (see note 19b)	121,953	31,526	51,686	31,526
Accrued professional fees (see note 19c)	47,923	40,992	47,323	40,992
Accrued NAICOM levy	44,696	61,887	44,696	61,887
Supplies & Services Bills Payables (note 19e)	135,914	334,201	121,255	107,373
Other accruals and payables (see note 19f)	106,535	181,486	12,969	137,305
Unclaimed dividends	14,806	15,046	14,806	15,046
Due to employees	9,197	8,545	9,197	8,545
Pension Protection fund(note 19d)	201,049	136,283	-	-
	<u>889,127</u>	<u>996,710</u>	<u>488,845</u>	<u>572,864</u>

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

b Staff account balance is in respect of variable pay provision, unremitted amount on behalf of staff to various PFAs for the month of September 2022 and deductions from staff salary to be remitted to their co-operative scheme administrator. As at October 2022, staff related benefits have been fully settled.

c Accrued professional fees include accrual for audit fees, tax review and actuarial fees.

d Pension protection fund represents pension protection fund maintained by the pension fund administrators as a cushion to Pensioner whose pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the Pension Reform Act, 2014

e Suppliers and service bills payables relates to outstanding payments due to vendors and suppliers for services rendered.

f Included in other accruals are unmatched inflows into various bank accounts and stale unrepresented cheques.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Current	541,854	713,963	342,622	426,400
Non-Current	347,273	282,747	146,224	146,463
	<u>889,127</u>	<u>996,710</u>	<u>488,845</u>	<u>572,864</u>

20 Income tax liabilities

Company income tax	34,774	63,929	34,774	17,279
Education tax	-	16,315		6,838
Police Trust Fund		13		
Under provision in prior years	-	12,795	-	12,795
Per income statement	34,774	93,051	34,774	36,911
Balance at beginning of the year	90,537	94,458	23,542	30,969
Withholding tax utilised(see note 8f)	-	(31,085)	-	(26,818)
Payments	(62,403)	(69,772)	(365)	(17,520)
Per statement of financial position	62,908	86,652	57,951	23,542

21.1 Deferred tax asset

At 1 January	27,451	7,316	21,745	-
Write back to income statement	-	14,977	-	21,745
Balance at 31 December	27,451	22,293	21,745	21,745

21.2 Deferred tax liability

	Group	Group	Company	Company
	31-Dec-22	31-Dec-21	31-Dec-22	30-Jun-21
	N'000	N'000	N'000	N'000
At 1 January	20,741	324,764	-	310,094
Charges for the year	10,781	6,071	-	-
Write back	-	(310,094)	-	(310,094)
Balance at 31 December	31,522	20,741	-	-

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 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
b Issued and fully paid				
At 31 December	6,933,333	6,933,333	6,933,333	6,933,333

13,866,666 units (2021 - 13,866,666 units) of shares at 50k each were issued and fully paid as at December 31, 2022.

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.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
23 Share premium				
Share premium comprises additional paid-in capital in excess of their per value.				
Balance at 31 December	663,600	663,600	663,600	663,600

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:-

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Balance at 1 January	1,303,505	1,121,845	1,303,505	1,121,845
Transfer from retained earnings	131,087	181,661	131,087	181,661
Balance at 31 December	1,434,593	1,303,505	1,434,593	1,303,505

25 Retained earnings

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

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 30-Jun-21 N'000
Balance at 1 January	(1,236,049)	(1,559,693)	(1,731,721)	(1,881,303)
Impact of transition to IFRS 9	-	-	-	-
Transferred from statement of Profit or loss for the year	565,184	505,302	130,239	331,242
Transfer to Contingency Reserve	(131,087)	(181,661)	(131,087)	(181,661)
Balance at 31 December	(801,952)	(1,236,052)	(1,732,569)	(1,731,721)

26.1 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 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Land				
Balance at 1 January	984,796	756,182	984,796	756,182
Revaluation surplus	-	228,614	-	228,614
Balance at 31 December	984,796	984,796	984,796	984,796
Building				
Balance at 1 January	1,525,162	1,053,415	1,223,216	1,053,415
Revaluation (deficit)/ surplus	-	601,380	-	169,801
Balance at 31 December	1,525,162	1,654,795	1,223,216	1,223,216
Transferred to NCI (see note 38)	-	(129,634)	-	-
	1,525,162	1,525,161	1,223,216	1,223,216
Carrying amount	2,509,958	2,509,957	2,208,012	2,208,012

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
26.2 FVOCI reserve				
Balance at 1 January	(60,112)	40,924	(56,423)	45,146
Net actuarial gains on retirement benefit obligation	-	533	-	-
Fair value gain on FVOCI financial instruments	-	(101,569)	-	(101,569)
	<u>(60,112)</u>	<u>(60,112)</u>	<u>(56,424)</u>	<u>(56,423)</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:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Profit after tax attributable to equity holders N'000	825,670	344,414	130,239	331,242
Weighted average no. of ordinary shares at end of year '000	6,933,333	6,933,333	6,933,333	6,933,333
Basic earnings per share (kobo)	<u>0.12</u>	<u>0.05</u>	<u>0.02</u>	<u>0.05</u>

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

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
28				
Gross premium				
Gross premium earned (see note (a)below)	4,606,625	6,250,994	4,307,458	5,987,397
Inward reinsurance premium (see note (b)below)	62,115	67,955	62,115	67,955
Gross written premium	4,668,741	6,318,949	4,369,573	6,055,352
Changes in unearned premium (see note 16 b(i))	259,410	(523,041)	262,090	(523,041)
	4,928,151	5,795,909	4,631,663	5,532,311
a				
Group premium earned is further analysed as follows:				
Fire	896,082	775,450	896,082	775,450
General accident	448,620	341,814	448,620	341,814
Marine	135,630	394,845	135,630	394,845
Motor	600,760	583,641	600,760	583,641
Oil and gas	1,745,271	870,614	1,745,271	870,614
Aviation	271,105	279,345	271,105	279,345
Engineering	457,295	196,594	457,295	196,594
Bond	654	22,489	654	22,489
Agric	57,524	2,522,605	57,524	2,522,605
Return Premium	(305,483)	-	(305,483)	1,574,393
PHI Premium	299,167	263,597	-	-
	4,606,625	6,250,994	4,307,458	7,561,790
b				
Inward reinsurance premium				
Fire	40,411	22,688	40,411	22,688
Motor	2,790	7,268	2,790	7,268
General accident	2,361	1,580	2,361	1,580
Aviation	517	2,703	517	2,703
Engineering	10,841	16,139	10,841	16,139
Marine	5,132	2,266	5,132	2,266
Oil and gas	-	4,733	-	4,733
Agric	63	10,578	63	10,578
	62,115	67,956	62,115	67,956
29				
Reinsurance cost				
Reinsurance cost	1,880,665	2,685,787	1,880,665	2,685,787
Movement in prepaid reinsurance	81,292	171,297	81,292	171,297
Reinsurance expenses (note 6a)	1,961,956	2,857,083	1,961,956	2,857,084
30				
Commission income	213,684	491,209	213,684	491,209
Deferred commission income at 1 January	-	-	-	-
Fees and Commission income during the year	213,684	491,209	213,684	491,209
Fees and commission earned during the year	(213,684)	(491,209)	(213,684)	(491,209)
Deferred commission as at 31 December	-	-	-	-
31				
Claims expenses				
Direct claims paid	1,322,925	2,694,452	1,322,925	2,694,452
Changes in outstanding claims (see note 16 a(i))	(270,115)	533,554	(270,115)	533,554
Changes in IBNR (see note 16a(ii))	(364,678)	241,662	(364,678)	240,018
PHI claims	173,913	151,264	-	-
Gross claims incurred	862,045	3,620,933	688,132	3,468,025
Reinsurance recovery(see note 31(a)below)	(43,004)	(2,319,786)	(43,004)	(2,319,786)
	819,042	1,301,147	645,128	1,148,239
31a				
Analysis of reinsurance recoverable				
Reinsurance recovery on paid claims	305,102	2,058,387	305,102	2,058,387
Movement in reinsurance share of outstanding claims (see note 6b)	(262,098)	-	(262,098)	-
Movement in reinsurer's share of paid claims	-	(877)	-	(877)
Total reinsurance recoverable	43,004	2,319,786	43,004	2,319,786
32				
Underwriting expenses				
Acquisition costs during the year	925,952	764,476	925,952	764,476
Movement in deferred acquisition	39,430	(167,257)	39,430	(167,257)
Acquisition expenses during the year(See note 7)	965,381	597,220	965,381	597,219
Maintenance cost during the year	-	249,220	-	249,220
Total underwriting expenses	965,381	846,440	965,381	846,439

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
33 Impairment of financial assets				
Impairment charge on other assets	-	34,885	-	34,885
Write back on other assets	-	-	-	-
Impairment write-back on trade receivable	-	-	-	-
Impairment charge on goodwill (see note 12)	-	-	-	-
ECL charge on financial asset (see note 4b)	824	(340)	824	(5,964)
ECL (write back) / charge on placement (see note 3.1)	-	984	-	393
	<u>824</u>	<u>35,528</u>	<u>824</u>	<u>29,314</u>
34 Investment income				
Dividends from equity investments at FVTPL	50,769	14,022	50,769	18,034
(Loss)/profit on disposal of investment property	-	(24,990)	-	(24,990)
Interest received from:				
Bonds	513,347	391,804	148,623	310,475
FGN Treasury bills	5,474	7,989	5,474	7,989
Short term deposits	372,525	254,690	186,625	209,165
RSA asset based fee	1,308,765	1,241,613	-	-
Statutory deposit	40,543	9,022	23,235	9,022
		(293,923)		(293,923)
	<u>2,291,423</u>	<u>1,600,227</u>	<u>414,725</u>	<u>235,772</u>
Further analysed as follows:				
Attributable to policy holders fund	87,092	49,512	87,092	49,512
Attributable to shareholders funds.	2,204,330	1,550,715	327,633	186,260
	<u>2,291,423</u>	<u>1,600,227</u>	<u>414,725</u>	<u>235,772</u>
35 Other operating income				
Rental and related incomes	20,279	10,629	20,279	12,856
Profit on sale of property, plant and equipment	115,058	6,746	12,064	6,746
Staff Mortgage loan-interest	1,717	-	1,717	-
RSA administrative fee income	135,688	-	-	-
Exchange (loss) / gain (See Note 35bi)	177,179	86,031	177,179	86,031
Admin charges- Formal sector	42,427	45,409	-	-
Sundry income	49,382	51,158	8,752	27,621
	<u>541,730</u>	<u>199,974</u>	<u>219,991</u>	<u>133,254</u>
35bi Exchange gain/ loss relates to translation of transactions in foreign currency for outstanding claims, bank balances and foreign currency investments as at end of period to naira at spot rate. Nafex dollar exchange rate was adopted for transactions in dollars while Oanda rates was adopted for euro and pounds sterling denominated transactions.				
35bii Sundry income relates to income received in the current period as a result of transactions which were not earlier accrued for due to insufficient information. This includes:				
1. Service charge received from tenant	N2,786			
2. Reimbursement on 2020 ITF	N1,203			
3. Claim Recovery	N595			

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
36 Management expenses				
Staff costs	1,458,238	1,309,780	658,841	644,703
Directors' allowances and expenses	477,832	381,440	300,847	255,903
Depreciation and amortisation	244,832	240,028	106,339	120,305
Professional fees	66,513	47,152	55,524	31,614
Audit fees	24,855	30,063	13,903	20,000
Marketing and advertisement	355,695	192,316	318,526	177,382
Administrative expenses	332,233	224,085	101,967	123,796
NITDA information technology levy	-	2,649	-	-
Repairs and maintenance	39,716	26,286	5,921	4,618
Travel costs and allowances	28,384	45,618	20,104	18,131
NAICOM Levy	51,268	35,032	51,268	35,032
Donation (See Note 36b below)	24,189	21,796	100	-
Electricity and power	37,888	26,818	31,853	21,685
Penalty charge (see note 41)	23,100	500	6,800	500
Subscription	17,687	1,873	15,409	-
Printing and stationeries	25,756	18,121	14,276	2,640
Information technology expenses	78,252	48,852	39,908	25,305
Write-offs	-	-	-	-
Pension protection fund levy	41,608	35,537	-	-
Rent and rate	28,338	19,378	-	-
	3,356,385	2,707,323	1,741,586	1,481,615
37 Income tax expense				
Education tax		16,315		6,838
Company income tax	45,555	63,929	34,774	17,279
Police trust fund		13		
Under provision in prior years	-	12,795	-	12,795
Deferred tax (write-back)/expense	-	(319,000)	-	(331,839)
	45,555	(225,949)	34,774	(294,928)

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
37b Reconciliation of effective tax rate				
Profit for the quarter after income tax	825,670	570,363	130,239	331,242
Total Tax expense;		-		
Income	45,555	63,929	34,774	17,279
Education	-	-	-	-
Deferred	-	(319,000)	-	(331,839)
Under provision in previous years	-	12,795	-	12,795
Total income tax expense in comprehensive income	871,226	328,086	165,014	29,476
38 Non-Controlling interest				
The movement in non-controlling interest during the year is shown below:				
Balance, beginning of year	688,780	494,366		
Share of profit/(loss) for the period	49,540	65,061		
Share of other comprehensive income(see note 26.1)		129,633		
Dividend Paid	-	(279)		
Subsidiary recapitalization	1,050,000			
	1,788,321	688,780	-	
39 Proposed Dividend				
There was no propose dividend during the year (2021: Nil)				
40 Contingent liabilities				

There were claims and litigations against the company as at 31 December, 2022, amounting to ₦49,543,757.43 (2021: ₦43,034,060.16). No provision is made in respect of this, as our legal team is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

41 Contraventions

31 December 2022

NATURE OF CONTRAVENTIONS

	Group N,000	Company N,000
NAICOM penalty on single obligor limit	500	500
NGX penalty for late filling of 2021 Audited Financial Statement	4,800	4,800
NAICOM penalty for late renewal of Bancassurance License	1,000	1,000
Pencom penalty on KYC and single obligor limit	16,300	-
	22,600	6,300

31 December 2021

NATURE OF CONTRAVENTIONS

	N,000	N,000
NAICOM penalty on single obligor limit	250	250
	250	250

42 Related Parties Transactions

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. Details of transactions between the group and other related parties are disclosed below:

- a The Company enters into transactions with its subsidiaries, Major shareholders and its key management personnel in the normal course of business of providing insurance cover on Motor, Fire, and General accidents. The transactions with related parties are made at normal market prices and conducted at arm's length.

	Relationship	Premium written N,000	Claims paid N,000
Veritas	Major Shareholder	14,812	-
Veritas Glanvills Pensions Limited	Subsidiary	15,619	2,119
Veritas Health Care Ltd	Subsidiary	1,263	-
Gold links insurance plc		-	-

- b Included in note 8 is the sum of N62.03 recoverable from related entities during the year under review. The breakdown and nature of transactions are included below:

	Relationship	Amount N,000	Nature of transaction
Goldlink Insurance Plc	Associate	62,033	This relates to the amount receivable on various expenses incurred on behalf of the entity in year 2019.

c Compensation of key management personnel

Key management personnel of the group include all directors, executive and non-executive, senior management. The summary of compensation of key management personnel for the year is as follows:

	2022	2021
Salaries	161,896	170,919
Fees	-	-
Total compensation to key management personnel	161,896	170,919
Directors cost	300,847	203,700
Salaries and wages	55,579	40,979
Pension cost	3,859	3,278
Total Directors cost	360,285	247,957
Remuneration of highest paid Director/Chairman		
Remuneration of highest paid Director	35,000	35,000

43 Information regarding employees

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

			2022 Number	2021 Number	2022 Number	2021 Number
Below	-	500,000	-	-	-	-
500,001	-	1,500,000	49	68	-	-
1,500,001	-	2,500,000	77	47	20	8
2,500,001	-	3,500,000	46	48	20	27
3,500,001	-	4,500,000	19	17	12	9
4,500,001	-	5,500,000	19	34	-	17
5,500,001	-	6,500,000	16	6	12	6
6,500,001	-	7,500,000	15	-	13	0
7,500,001	-	8,500,000	-	13	-	13
8,500,001	-	9,500,000	5	4	2	0
9,500,001	-	10,500,000	4	3	2	3
10,500,001	-	and above	10	10	8	10
			260	250	89	93

44 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 30/9/2022 were allocated as follows:

	Policy Holders N'000	Shareholders ' Funds N'000	Total N'000
Cash and cash equivalents	1,715,910	619,106	2,335,016
Financial assets	-	1,630,101	1,630,101
Trade receivables	738,347	-	738,347
Reinsurance assets	769,418	-	769,418
Deferred acquisition cost		247,206	247,206
Other receivables and prepayments		247,698	247,698
investment in subsidiaries		4,026,300	4,026,300
Investment in associates		-	-
Investment properties	30,000	15,000	45,000
Goodwill and other intangible asset		48,161	48,161
Property, Plant and Equipment		3,370,032	3,370,032
Statutory Deposits		355,000	355,000
Deferred tax Asset		21,746	21,746
Total assets	3,253,675	10,580,350	13,834,024
Insurance contract liabilities	3,253,674		3,253,674
Shareholders and other funds	-	10,580,350	10,580,350
Total funds	3,253,674	10,580,350	13,834,024
Surplus / (deficit)	0	(0)	0.00

45 SEGMENT REPORTING**Identification of reportable segments**

The business activities of Veritas Kapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Non-life business
- Pension Administration
- Health Care

Non-Life Business

The non -life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, bond, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Pension Administration

This reportable segment include the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received and receivable on members' contributions and the Net Asset value of Funds under Management respectively.

Health Care

This reportable segment is a National Health Maintenance Organization (HMO) duly licenced and accredited by the National Health Insurance Scheme which provide Health Insurance Services to individuals and organizations in both the private sector and the formal sector under the National Health Insurance Scheme (NHIS).

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Assets:										
Cash and Cash Equivalents	2,335,015	3,834,178	1,455,132	303,687	615,424	554,868		1,198,400	4,405,572	5,891,133
Financial Assets	1,630,101	1,479,840	3,702,981	610,317			(1)	1,067,932	5,333,082	3,158,089
Trade receivable	738,347	119,565	0	168,170	-	45,449		(213,620)	738,347	119,564
Reinsurance Assets	769,418	1,115,859	0	-	0			-	769,418	1,115,859
Deferred Acquisition Cost	247,206	286,636	-	-	-	-		-	247,206	286,636
Other receivables and prepayment	247,698	220,975	270,263	29,206	65,660	2,622	(1)	169,645	583,620	422,448
Investment in subsidiaries	4,026,300	3,624,860					(4,026,300)	(3,624,860)	-	-
Investment in Associate	-	-						-	-	-
Investment Properties	45,000	45,000						-	45,000	45,000
Goodwill	-	-					316,884	316,884	316,884	316,884
Intangible Assets	48,161	69,901	19,952	27,210				5,186	68,114	102,297
Property, Plant and Equipment	3,370,032	3,377,451	1,007,162	839,994	54,197	21,702		490,228	4,431,389	4,729,375
Statutory Deposit	355,000	355,000	0					-	355,000	355,000
Deferred Tax Asset	21,746	21,745	5,706	7,224				(6,676)	27,451	22,293
Total Assets	13,834,024	14,551,010	6,461,197	1,985,808	735,281	624,641	(3,709,418)	(596,882)	17,321,080	16,564,576
Liabilities:										
Insurance contract liabilities	3,253,674	4,146,106			16,071	-		6,143	3,269,749	4,152,250
Trade payables	583,010	488,190			0	7,897		(7,897)	583,010	488,190
Employees retirement benefit obligati	-	-			17,024	17,024	-	-	17,024	17,024
Provision and other payables	488,845	572,864	337,267	288,926	63,015	-	-	134,920	889,128	996,710
Income tax liabilities	57,950	23,542	469	10	4,488	34,471		28,629	62,908	86,652
Deferred Tax Liabilities	-	-			31,522			20,741	31,522	20,741
Other Liabilities	-	-						-	-	-
Issued and paid up share capital	6,933,333	6,933,333	5,000,000	1,500,000	429,075	429,075	(5,429,075)	(1,929,075)	6,933,333	6,933,333
Share premium	663,600	663,600	0		8,946	8,946	(8,946)	(8,946)	663,600	663,600
Statutory Contingency reserves	1,434,593	1,303,505	210,428	122,785	0		(210,427)	(122,785)	1,434,594	1,303,505
Retained earnings	(1,732,569)	(1,731,720)	586,440	33,860	168,350	127,228	175,840	334,580	(801,939)	(1,236,052)
Other Component of Equity	-	-						-	-	-
Asset revaluation reserve	2,208,012	2,208,012	326,589	40,227	0		(24,643)	261,718	2,509,958	2,509,957
Fair value reserve	(56,423)	(56,423)			-		(3,689)	(3,689)	(60,112)	(60,112)
Non Controlling interest(NCI)	-	-			0		1,788,321	688,780	1,788,321	688,780
	13,834,026	14,551,010	6,461,194	1,985,808	738,491	624,641	(3,712,619)	(596,880)	17,321,096	16,564,578
Business Segment Information- Consolidated statement of Comprehensive Income										
	Non-life		Pension administrator		Healthcare		Consolidation Adjustments		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Net Underwriting Income	2,883,391	3,166,435	-	-	299,167	263,597	(2,680)		3,179,880	3,430,035
Profit before tax	165,013	36,314	652,308	264,881	53,906	43,289		(70)	871,226	344,414
Profit after tax	130,240	331,242	652,308	210,526	43,125	28,731		(670)	825,670	570,363

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments.

46 Risk management framework

(a) Capital management objectives, policies and approach

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

- (i) To maintain the required level of stability of the Company thereby providing a degree of security to policy holders.
- (ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of policyholders.
- (iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- (iv) To align the profile of assets and liabilities taking account of risks inherent in the business.
- (v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- (vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maintain its financial strength.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to shareholders and policyholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds.

The Group has had no significant changes in its policies and processes to its capital structure during the past quarter from previous quarters.

The table below shows the available capital resources as at 31 December:

	2022	2021
Total shareholders' funds	9,450,545	9,320,309
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	6,450,545	6,320,309

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the 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 the net premium income (gross income less reinsurance premium paid), or the minimum capital base (3 billion) whichever is higher.

48 Financial instruments - Fair values and risk management**(a) Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2022

In thousands of naira	Note	Carrying amount				Level 1	Level 2	Level 3	Total
		Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities				
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets measured at fair value									
Fair value through OCI		-	-	83,416	-	83,416	51,416	-	83,416
Fair Value through Profit or Loss		68,090	-	-	-	68,090	68,090	-	68,090
		68,090	-	83,416	-	151,507			
Financial assets not measured at fair value									
Cash and cash equivalents		-	277,532	-	-	277,532			
Reinsurance assets*^		-	-	-	-	0			
Placements		-	2,057,484	-	-	2,057,484			
Statutory deposit		-	355,000	-	-	355,000			
		-	2,690,016	-	-	2,690,016			
Financial liabilities not measured at fair value									
Other payables*		-	-	-	488,845	488,845			
Trade payables*		-	-	-	583,010	583,010			
		-	-	-	1,071,856	1,071,856			

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (N266.72 million)

^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

(b) Financial risk management

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

Credit risk
Liquidity risk
Market risk

(b)(i) Risk management framework

The company has an Enterprise -wide Risk Management (ERM) Framework that is responsible for identifying and managing the inherent and residual risks facing the Company. The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(b)(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

In addition to credit risks arising out of investments and transactions with clients, Veritas Kapital Assurance actively assumes Credit Risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

(c)(iv) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira.

However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, british pounds and united states dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

In Thousands of	31 December 2022			31 December 2021		
	Carrying	USD	NGN	Carrying value	USD	NGN
Cash and cash equivalent	2,335,016		2,335,016	3,834,178		3,834,178
Financial assets	1,630,101		1,630,101	1,479,840		1,479,840
Net statements of financial position exposure	3,965,118	0	3,965,118	5,314,018	0	5,314,018

The following significant exchange rates have been applied.

Naira	Period- end spot rate	
	2022	2021
USD 1	447.28	409.66

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts show below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effects in thousand of naira	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2022				
USD (10% movement)	0	0	0	0
31 December 2021				
USD (10% movement)	0	0	0	0

(c)(v) Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate.

This eliminates the variability in the risks and returns on the Company's interest bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

31 December 2021**Carrying amount**

In thousands of naira	Note	Designated at fair value	armotised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets measured at fair value										
Financial assets		68,090	-	83,416	-	151,507	151,507	-		151,507
		68,090	-	83,416	0	151,507				
Financial assets not measured at fair value										
Cash and cash equivalents		-	277,532	-	-	277,532				
Reinsurance assets*^		-	378,806	-	-	378,806				
Placements		-	2,063,242	-	-	2,063,242				
Statutory deposit		-	355,000	-	-	355,000				
		-	3,074,580	0	-	3,074,580				
Financial liabilities not measured at fair value										
Other payables*		-	-	-	488,845	488,845				
Trade payables*		-	-	-	583,010	583,010				
		-	-	-	1,071,856	1,071,856				

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (#390.61 million)

^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

UNDERWRITING REVENUE ACCOUNT
for the period ended 31 December 2022

										December	December
	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERING	BOND	AGRIC	2022	2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
INCOME											
Direct premium	896,082	448,620	135,630	600,760	1,745,271	271,105	457,295	654	(247,959)	4,307,458	5,987,397
Inward premium	40,411	2,361	5,132	2,790	-	517	10,841	-	63	62,115	67,955
Gross premium written	936,494	450,981	140,761	603,550	1,745,271	271,622	468,137	654	(247,896)	4,369,573	6,055,352
(Increase)/Decrease in provision for unexpired risks	81,131	(27,548)	161,444	(122,354)	(499,822)	9,475	(184,748)	15,014	829,498	262,090	(523,040)
Gross premium earned	1,017,624	423,433	302,205	481,196	1,245,449	281,097	283,389	15,668	581,602	4,631,663	5,532,312
Outward premium	(255,821)	(165,354)	(44,821)	(59,028)	(759,033)	(106,384)	(101,207)	(300)	(388,716)	(1,880,665)	(2,507,299)
Prepaid reinsurance	15,286	12,432	(161,769)	(6,678)	109,805	(12,799)	1,716	(202)	(39,083)	(81,292)	(260,541)
Net Premium earned	777,089	270,510	95,616	415,490	596,221	161,914	183,898	15,166	153,802	2,669,707	2,764,473
Commission Received	58,949	48,229	10,865	7,759	-	1,936	24,793	-	61,153	213,684	491,209
TOTAL OPERATING INCOME	836,038	318,739	106,481	423,249	596,221	163,850	208,690	15,166	214,955	2,883,390	3,255,682
Claims Expenses											
Gross claims paid	(529,321)	(81,693)	(30,060)	(150,556)	(34,621)	(55,742)	(50,238)	-	(390,693)	(1,322,925)	(2,694,452)
Increase/(Decrease) in provision for outstanding claims	228,154	(6,317)	24,105	37,058	133,058	(10,734)	17,176	-	212,293	634,793	(773,572)
Gross claims incurred	(301,167)	(88,010)	(5,955)	(113,498)	98,437	(66,476)	(33,063)	-	(178,400)	(688,132)	(3,468,025)
Reinsurance claims recoveries	(44,876)	(38,067)	(14,645)	55,465	(47,873)	(12,020)	(43,066)	(3,245)	191,114	42,787	2,230,542
Net claims incurred	(346,043)	(126,077)	(20,600)	(58,033)	50,564	(78,496)	(76,129)	(3,245)	12,714	(645,345)	(1,237,483)
Underwriting Expenses											
Acquisition cost	(184,220)	(66,571)	(25,707)	(84,377)	(257,692)	(53,176)	(91,759)	(146)	(162,303)	(925,952)	(1,013,695)
Movement in deferred Acquisition cost	(46,280)	(9,628)	(34,046)	14,694	98,199	(2,087)	23,618	37	(83,937)	(39,430)	167,256
Acquisition & maintenance costs less deferred cost	(230,500)	(76,200)	(59,753)	(69,682)	(159,493)	(55,263)	(68,141)	(109)	(246,240)	(965,381)	(846,439)
TOTAL DIRECT EXPENSES	(576,543)	(202,277)	(80,352)	(127,715)	(108,929)	(133,759)	(144,271)	(3,355)	(233,526)	(1,610,726)	(2,083,922)
UNDERWRITING PROFIT:											
2022	259,495	116,463	26,128	295,534	487,292	30,091	64,420	11,811	(18,571)	1,272,664	1,171,760
2021	(66,634)	152,970	64,900	296,834	248,474	140,089	98,174	17,487	219,466	1,171,760	

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

38 Solvency Margin

The solvency margin for the company as at 31 December 2022 is as follows:

			31-Dec-22	31-Dec-21
	Total Assets	Inadmissible Assets	Admissible Assets	Admissible Assets
	N'000	N'000	N'000	
Cash and cash equivalents	2,335,016	-	2,335,016	2,852,683
Financial assets	1,630,101		1,630,101	1,479,839
Trade receivable	738,347		738,347	119,564
Reinsurance assets	769,418	-	769,418	1,115,859
Deferred acquisition cost	247,206	247,206	-	286,635
Other receivables and prepayments	247,698	62,033	185,664	92,920
Investment in subsidiaries	4,026,300	-	4,026,300	3,624,860
Investment in Associates	-		-	-
Investment properties	45,000	-	45,000	30,000
Goodwill	-		-	-
Intangible assets - Software	48,161		48,161	69,901
Property, plant and equipment-(L&B)	3,264,173	890,931	2,373,242	1,000,000
Property, plant and equipment (Others)	105,860		105,860	152,451
Statutory deposits	355,000		355,000	355,000
				-
Total Admissible Assets	13,812,278	1,200,170	12,612,108	11,179,712
Insurance contract liabilities	3,253,674		3,253,674	4,146,106
Trade payables	583,010		583,010	488,190
Employees retirement benefit obligations	-		-	-
Provision and other payables	488,845		488,845	572,864
Income tax liabilities	57,950		57,950	16,704
Deferred Tax Liabilities	-		-	-
Total Admissible liabilities	4,383,480		4,383,480	5,223,864
Solvency Margin			8,228,628	5,955,848
The higher of 15% Of Net premium or	400,456.05			
Minimum capital base	3,000,000		3,000,000	3,000,000
Excess			5,228,628	2,955,848
Solvency ratio			274%	199%

Value Added Statement

	Group 31-Dec-22	%	Group 31-Dec-21	%	Company 31-Dec-22	%	Company 31-Dec-21	%
Gross premium income	4,928,151		5,795,909		4,631,663		5,532,311	
Investment Income	2,291,423		1,600,227		414,725		235,772	
Other income	753,591		697,642		431,852		630,922	
Reinsurance claims, commission and operating expenses	(5,398,869)		(6,199,554)		(4,548,045)		(5,597,682)	
Value added	2,574,296	100	1,894,223	100	930,194	100	801,323	100
Applied to pay								
Staff cost	1,458,238	57	1,309,780	68	658,841	71	644,703	78
Government as tax	45,555	2	(225,949)	(12)	34,774	4	(294,928)	-36
To provider finance								
Shareholders as dividend								
Retained in the business								
Deferred Tax	-	-	29,314	2	-	-	29,314	4
Depreciation and amortisation	244,832	10	240,028	12	106,339	11	120,305	14
Retained profit for the year	825,670	32	570,363	30	130,239	14	331,242	40
	2,574,296	100	1,923,537	100	930,193	100	830,636	100

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	2022	2021	2020	2019	2018
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	2,335,016	3,834,178	3,375,996	3,659,345	3,981,106
Financial assets	1,630,101	1,479,839	3,003,027	1,303,071	87,435
Trade receivables	738,347	119,564	83,679	-	-
Reinsurance assets	769,418	1,115,859	1,025,756	389,960	643,363
Deferred acquisition cost	247,206	286,636	119,379	107,340	161,294
Other receivables and prepayments	247,698	220,975	213,113	409,596	596,921
Investment in subsidiaries	4,026,300	3,624,860	1,576,300	1,576,300	1,576,300
Investment in associates	-	-	-	-	-
Investment properties	45,000	45,000	289,439	412,111	880,201
Intangible asset	#REF!	69,901	25,299	40,253	47,606
Property, plant and equipment	3,370,032	3,377,451	2,990,799	2,893,407	2,730,955
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	21,746	21,745			
Total assets	#REF!	14,551,008	13,057,786	11,146,383	11,060,181
LIABILITIES					
Insurance contract liabilities	3,253,674	4,146,106	2,849,493	2,007,596	2,330,632
Trade payables	583,010	488,190	686,295	229,840	115,467
Employees retirement benefit obligations	0	-	-	-	-
Provision and other payables	488,845	572,864	488,717	377,934	274,051
Income tax liabilities	57,950	23,542	30,969	40,923	56,815
Deferred tax liabilities	0	0	310,094	542,136	501,814
Total liabilities	4,383,480	5,230,702	4,365,569	3,198,429	3,278,778
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	1,434,593	1,303,505	1,121,845	939,949	851,335
Retained earnings	(1,732,569)	(1,731,721)	(1,881,304)	(2,440,338)	(2,475,146)
Asset revaluation reserve	2,208,012	2,208,012	1,809,597	1,809,964	1,773,780
Fair value reserve	(56,423)	(56,423)	45,146	41,446	34,501
Shareholders fund	9,450,547	9,320,306	8,692,217	7,947,954	7,781,403
TOTAL LIABILITIES AND EQUITY	13,834,026	14,551,008	13,057,786	11,146,383	11,060,181
Gross premium written	4,369,573	6,055,352	6,063,203	2,953,792	3,238,769
Underwriting Profit(Loss)	1,272,882	1,171,758	1,203,657	1,076,778	873,154
Profit(loss) before taxation .	165,013	36,314	596,429	253,949	(50,782)
Taxation	(34,774)	294,928	144,501	(130,527)	(272,513)
Profit(loss) after taxation	130,239	331,242	740,930	123,422	(323,295)