

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

INTERIM FINANCIAL STATEMENTS

30 JUNE, 2019

Sunu Assurances Nigeria Plc's Unaudited Interim Financial Statements comply with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding Interim Financial Statements. The financial statements contain extract of the unaudited financial statements prepared in accordance with the International Financial Reporting Standards as interpreted by the International Accounting Standards Board and the Financial Reporting Council of Nigeria. Due to rounding numbers presented throughout the financial statements may not add up on-shares. The total provided in percentages may not precisely reflect the

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SUNU ASSURANCES NIGERIA PLC

Introduction

Sunu Assurances Nigeria Plc's unaudited Interim Financial Statements complies with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding interim financial statements. These financial statements contain extract of the unaudited financial statements prepared in accordance with IAS 34 'Interim Financial Reporting' its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

SUNU ASSURANCES NIGERIA PLC

CONTENTS	PAGES
Corporate information	3
Summary of significant accounting policies	4
Financial Statements:	
Statement of Financial Position	22
Statement of Profit or Loss and Other Comprehensive Income - Group	23
Statement of Profit or Loss and Other Comprehensive Income - Company	24
Statement of Changes in Equity - Group	25
Statement of Changes in Equity - Company	26
Statement of Cash Flows	27
Notes to the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position	28

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Kyari Bukar	-	Chairman
Ms Taizir Ajala		
Mr. Philippe Ayivor		
Mr. Ibikunle Balogun		
Mr. Mohammed Bah		
Mr Karim-Franck Dione		ED, Strategy & Performance Management
Mr Leke Hassan		ED, Technical & Operations
Mr. Olanrewaju Ogunbanjo		
Mr Samuel Ogbodu	-	MD /CEO

COMPANY SECRETARY

John Nkemakonam Akujieze
Plot 1196, Bishop Oluwole street
Victoria Island, Lagos

REGISTERED OFFICE

Sunu Place
Plot 1196, Bishop Oluwole Street
Victoria Island, Lagos

RC No: - 65443

FRC Registration no: - FRC/2012/0000000000408

REGISTRARS AND TRANSFER OFFICE

EDC Registrars Limited
154 Ikorodu Road
Onipanu
Lagos

BANKERS

Access Bank Plc
Diamond Bank Plc
Ecobank Nigeria Limited
First Bank of Nigeria Limited
First City Monument Bank
Fidelity Bank Plc
Guaranty Trust Bank Plc
Heritage Bank Plc
Skye Bank Plc
Sterling Bank Plc
Union Bank of Nigeria Plc
United Bank for Africa Plc
Unity Bank Plc
Wema Bank Plc
Zenith Bank Plc

ACTUARIES

Logic Professional Services
4th floor, Oshopey Plaza
17/19 Allen Avenue
Ikeja, Lagos, Nigeria

EXTERNAL AUDITORS

SIAO Partners
18b Olu Holloway Road
Ikoyi,
Lagos, Nigeria.

SOLICITORS

G ELIAS & CO
6 Broad Street
Lagos, Nigeria.

RE-INSURERS

Munich Mauritius Reinsurance Co. Ltd
African Reinsurance Corporation
Continental Reinsurance Plc
Nigerian Reinsurance Corporation

1 REPORTING ENTITY

These financial statements are the consolidated financial statements of Sunu Assurances Nigeria Plc, a Company incorporated in Nigeria and its subsidiaries, namely EA Capital Management Limited and Sunu Health Nigeria Limited (formerly Managed Health Care Services Limited) (hereafter referred to as 'the Group').

Sunu Assurances Nigeria Plc formerly Equity Assurance Plc (the Company) emerged as a result of the merger between Equity Indemnity Insurance Limited and First Assurance Plc. In the scheme of the merger arrangement, First Assurance Plc acquired the net assets of Equity Indemnity Insurance Limited and subsequently changed its name to Equity Assurance Plc.

Sunu Assurances Nigeria Plc (the Company) was incorporated in Nigeria as a private limited liability Company, on 13 December 1984 to carry out non-life insurance business and was converted to a Public Liability Company in 1985.

Sunu Assurances Nigeria Plc (the Company) has two subsidiaries namely: EA Capital Management Limited (wholly owned) which was incorporated on 29 October 2008 and Sunu Health Nigeria Limited (formerly Managed Health Care Services Limited) (63.19% owned) which was incorporated on 11 December 1997.

The principal activities of Sunu Assurances Nigeria Plc and its subsidiaries are mainly the provision of non-life insurance, health management, assets management and hospitality services.

The consolidated financial statements for the period ended June 30, 2019 were approved for issue by the Board of Directors on 15 July, 2019.

2 BASIS OF PREPARATION

(a) GOING CONCERN

The directors assess the group's future performance and financial position on a going concern basis and have no reason to believe that the group will not be a going concern in the year ahead.

(b) STATEMENT OF COMPLIANCE WITH IFRS

These interim financial statements have been prepared in accordance with IAS 34.

(c) BASIS OF MEASUREMENT

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- Non-derivative financial instruments are measured at fair value through profit or loss.
- At fair value through Other Comprehensive Income and at fair value through profit or loss financial assets are measured at fair value.
- Investment property is measured at fair value.
- Insurance liabilities measured at present value of future cashflows.

(d) USE OF SIGNIFICANT ESTIMATES, ASSUMPTIONS AND MANAGEMENT JUDGEMENT

The presentation of the group's financial statements requires management to make estimates and judgement that affect the reported amount of assets and liabilities at the reporting date and the reported amount of income and expenses during the year ended.

The Group makes estimates and assumptions about the future that affect the reported amounts of assets, liabilities, income, expenses and equity. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 4 of the financial statements.

(e) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the consolidated financial statement of each entity of the group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). These consolidated financial statements are presented in Nigerian Naira(N), which is the Company's functional currency. The financial information has been rounded to the nearest thousand, except as otherwise indicated.

(f) REGULATORY AUTHORITY AND FINANCIAL REPORTING

The Company and its subsidiaries are regulated by the National Insurance Commission of Nigeria (NAICOM) under the Nigeria Insurance Act. The Act specifies certain provisions which have impact on financial reporting as follows:

(i) Section 20(1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year.

(ii) Section 20(1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10% of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review.

(iii) Section 21(1a) requires maintenance of contingency reserves for general businesses at specified rate as set out under Note 3.18 to cover fluctuations in securities and variation in statistical estimates

(iv) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act.

(v) Section 10(3) requires insurance Companies in Nigeria to deposit 10% of the minimum paid up share capital with the Central Bank of Nigeria

(vi) Section 25(1) requires an insurance Company operating in Nigeria to invest and hold investment in Nigeria assets equivalent to not less than the amount of policyholders' funds in such accounts of the insurer. Note 52 sets out assets allocation that covers policyholders' funds.

Section 59 of the Financial Reporting Council Act, 2011 (FRC Act) provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRC Act, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provision of the FRC Act has promulgated IFRS as the National financial reporting framework of Nigeria. Consequently, the provision of Section 20(1b) of the Insurance Act 2003 which conflicts with the provisions of IFRS have not been adopted. Section 20(1b) of the Insurance Act requires provision of 10% for outstanding claims in respect of claims incurred but not reported at the end of the year under review whereas Claims incurred but not reported liabilities have been estimated in line with accounting policy.

(g) OFFSETTING

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

Basis of presentation and compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) applicable to Companies reporting under IFRS. Additional information required by National regulations is included where appropriate.

The consolidated financial statements comprise the consolidated statement of financial position, the statements of changes in equity, the consolidated statement of cash flows and the notes.

3 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are defined as those that are reflective of significant judgements and uncertainties and potentially give rise to different results under different assumptions and conditions.

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 CONSOLIDATION

(i) Subsidiaries

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

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

Inter-company transactions, balances and unrealised gains on transactions between Companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statements of the Company 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.

(ii) Disposal of subsidiaries

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

(iii) Special purpose entities

Special purpose entities that are created to accomplish a narrow and well- defined objective such as the securitisation of particular assets, or the execution of specific borrowings or lending transactions or the provision of certain benefits to employee.

The financial statements of special purpose entities are included in the Group's consolidated financial statements, where the substance of the relationship is that the Group controls the special purpose entity.

3.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

3.3 FINANCIAL ASSETS AND LIABILITIES

3.3.1 Recognition

The Group on the date of origination or purchase recognizes placements, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

3.3.2 Classification and Measurement

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss. Financial assets include placement with banks, treasury bills and equity instruments.

Financial assets are classified into one of the following measurement categories:

1. Amortised cost
2. Fair Value through Other Comprehensive Income (FVOCI)
3. Fair Value through Profit or Loss (FVTPL) for trading related assets

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

3.3.3 Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Group takes into consideration the following factors

1. The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets
2. How the performance of assets in a portfolio is evaluated and reported to Group heads and other key decision makers within the Company's business lines;

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

3. The risks that affect the performance of assets held within a business model and how those risks are managed;
4. How compensation is determined for the Company's business lines' management that manages the assets;
5. The frequency and volume of sales in prior periods and expectations about future sales activity.

Management determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

- (a) Business Model 1 (BM1): Financial assets held with the sole objective to collect contractual cash flows;
- (b) Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
- (c) Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- (i) Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- (ii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

- (iii) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets have a tenor to maturity of not more than one (1) year and/or the remaining contractual cash flows expected from the financial asset do not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:

1. Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
2. Selling the financial asset to manage credit concentration risk (infrequent)
3. Selling the financial assets as a result of changes in tax laws (infrequent).
4. Other situations also depend upon the facts and circumstances which need to be judged by the management

3.3.4 Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic investment arrangement. Contractual cash flows are consistent with a basic deposit arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Consolidated Statement of Income. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

Financial assets measured at amortized cost are presented net of the allowance for credit losses (ACL) in the statement of financial position

b) Financial assets measured at FVOCI

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI).

c) Financial assets measured at FVTPL

Financial assets measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of Income.

d) Equity Instruments

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized in the Consolidated Statement of Income. The Company can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Consolidated Statement of Income. Dividends received are recorded in Interest income in the Consolidated Statement of Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Consolidated Statement of Income on sale of the security.

Financial liabilities are classified into one of the following measurement categories:

- (a) Amortised cost
- (b) Fair Value through Profit or Loss (FVTPL)

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 JUNE 2019

e) Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of shortterm profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Gains and losses arising from changes in fair value of financial assets are included in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduce an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Non-interest income in the Consolidated Statement of Income, except for changes in fair value arising from changes in the Company's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the Company's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities

f) Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost are debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

3.3.5 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute changes in business model and subsequent reclassification of the Loan held from BM1 to BM2 Category
 - Disposal of a business line i.e. Disposal of a business segment
- Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:

- (a) A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- (b) A temporary disappearance of a particular market for financial assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019

(c) A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the Group decides to shut down the retail business segment on 31st December 2018, the reclassification date will be 1 January, 2019 (i.e. the first day of the entity's next reporting period), the Group shall not engage in activities consistent with its former business model after 31st December, 2018. Gains, losses or interest previously recognised are not be restated when reclassification occurs.

3.3.6 Impairment of Financial Assets

In line with IFRS 9, the Group assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets; and
- Debt securities classified as at FVOCI;

Equity instruments and financial assets measured at FVTPL are not subjected to impairment under the standard.

3.3.7 Write-off

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realisation of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

3.4 REINSURANCE RECEIVABLES

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for the insurance contracts in accounting policy in IFRS 4 are classified as reinsurance contracts held. Contract that do not meet these classification requirements are classified as financial assets. Insurance contracts entered in to by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts. Reinsurance assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a yearly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 JUNE 2019

(a) **Receivables and Payables related to insurance contracts**

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

3.5 DEFERRED ACQUISITION COSTS

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

3.6 PREPAYMENTS AND OTHER RECEIVABLES

Other receivables are made up of prepayments and other amounts due from parties which are not directly linked to insurance or investment contracts, prepayments are carried at amortised cost. Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit and loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit and loss account. Prepayments are carried at cost less amortisation and accumulated impairment losses.

3.7 INVESTMENT IN SUBSIDIARIES

In the separate financial statements of Sunu Assurances Nigeria Plc, investments in subsidiaries is accounted for at cost.

3.8 INVESTMENT PROPERTIES

Properties that are held for long-term rental yields or for capital appreciation or both and that are insignificantly occupied by the entities in the consolidated group are classified as investment properties. These properties consist of office and residential buildings. The Group considers the owner-occupied portion as insignificant when it occupies less than 20 percent. In order to determine the percentage of the portions, the Group uses the size of the property measured in square metre.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the date of the consolidated statement of financial position.

Gains or losses arising from the changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the assets carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred. The fair value of investment property is based on the nature, location and condition of the specific asset.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

Rent receivable is recognized in profit or loss and is spread on a straight-line basis over the period of the lease. Where lease incentive, such as a rent free period are given to a Lessee, the carrying value of the related investment property excludes any amount reported as a separate asset as a result of recognizing rental income on this basis.

3.9 INTANGIBLE ASSETS

(i) Software

Software acquired by the Group is stated at cost less accumulated amortization and accumulated impairment losses. Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. Development costs previously expensed cannot be capitalized. The capitalized costs of internally developed software include all costs attributable to developing the software and capitalized borrowing costs and are amortized over its useful life. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is five years. Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the Company acquired at the date of acquisition. Goodwill is tested annually for impairment and carried as cost less accumulated impairment losses. Impairment losses in goodwill are not reversed.

(iii) Amortization of investment in Equity Resort Hotel Limited

The Company's investment in Equity Resort Hotel Limited will be written off over the concession period of 25 years and is tested annually for possible impairment. Profit/(loss) accruing to the Company from the operations of the Hotel will be taken into statement of profit or loss and other comprehensive income.

3.10 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Property, plant and 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.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Any increase in assets carrying amount, as a result of revaluation is credited to other comprehensive income and accumulated in Revaluation Surplus within Revaluation reserves in equity. The increase is recognized in profit or loss to the extent that it reverses reduction decrease of the same asset previously recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019

(iii) Depreciation

Depreciation is recognized in Profit or Loss and is provided on a straight-line basis over the estimated useful life of the assets. Depreciation methods, estimated useful lives and residual values are reviewed annually and adjusted when necessary. The average useful lives per class of asset are as follows:

Assets class	Average useful life
Land	-
Buildings	50 years
Office equipment	5 years
Motor Vehicles	5 years
Furniture and fittings	5 years
ICT equipment	5 years
Billboard	5 years

(iv) De-recognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognized.

3.10.1 LEASES

Leases are accounted for in accordance with IAS 17 AND IFRIC 4. They are divided into finance and operating leases respectively.

(a) When the Group is the Lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

(ii) Finance lease

Leases, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) When the Group is the Lessor

When assets are held subject to a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return.

3.10.2 IMPAIRMENT OF NON- FINANCIAL ASSETS

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value-in-use and fair value less costs to sell, the asset is written down accordingly.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows. The Company has two cash-generating units for which impairment testing is performed. Impairment charges are included in profit or loss except to the extent they reverse gains previously recognized in other comprehensive income.

Goodwill and intangible assets with indefinite useful lives will be tested for impairment annually, regardless of any indicators an impairment of goodwill will not be reversed.

3.11 STATUTORY DEPOSIT

In pursuant to Section 10(3) of the Insurance Act of Nigeria CAP I17, 2004, every insurer is expected to deposit at least 10% of its paid up capital with the Central Bank of Nigeria(CBN). The Statutory deposit represents not less than the 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN). Statutory deposit is measured at cost

3.12 INSURANCE CONTRACT LIABILITIES

The Group underwrites risks that individuals, corporate and other entities wish to transfer to an insurer. These risks relate to property, personal accident, motor, liability, marine and other perils which may arise from an insured event. The company is therefore exposed to uncertainty surrounding the timing, frequency and severity of claims under insurance contracts. The major risk is that the frequency and severity of claims may be greater than estimated or expected. The Group is engaged in the general and health insurance businesses and most of the risks it underwrites are insurance which claims are settled within one year of the occurrence of the events giving rise to the claims.

In accordance with IFRS 4 on insurance contracts, the Company has continued to apply certain accounting policies which are applied in accordance with pre-changeover Nigeria GAAP.

Technical Reserves

Technical Reserves are statutory amounts which are computed in accordance with the provisions of Sections 20(1) (a) of the Insurance Act of Nigeria CAP I17 LFN 2004 as follows:

a) Insurance Funds

i) Reserves for unearned premium

Reserves for unearned premium is made on the basis of percentage of net premiums written on time apportionment in accordance with section 20(1) (a) of the Insurance Act of Nigeria CAP I17 LFN 2004.

ii) Reserves for additional unexpired risk

A provision for additional unexpired risk reserves (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve ("UPR")

iii) Reserves for outstanding claims

Reserves for outstanding claims is maintained as 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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

b) Liability adequacy test

This is an assessment of whether the carrying amount of an insurance liability needs to be increased (or the carrying amount of related deferred acquisition costs or related intangible assets decreased), based on a review of future cashflows. At each reporting date the Company performs a liability adequacy test on its insurance liabilities less deferred policy acquisition expenses to ensure that the carrying amount is adequate. If the assessment shows that the carrying amount is inadequate, the deficiency is recognized in the income statement by setting up an additional provision in the statement of financial position at amortised cost. The impairment loss is calculated under the same method.

The provisions of the Insurance Act CAP I17, 2004 requires an actuarial valuation for life 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 of Nigeria, CAP I17 LFN,2004 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act of Nigeria,CAP I 17 2004, it well serves the Company's prudential concerns.

3.13 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

3.14 BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds(net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized 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 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 prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 months after the date of the statement of financial position.

3.15 FAIR VALUE MEASUREMENT

When an asset or liability , financial and non-financial is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date and assumes that the transaction will take place either in the principal market or in the absence of a principal market in the most advantageous market. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant, External Valuers are

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019

selected based on market knowledge and reputation. Where there is significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable with external sources of data.

3.16 INCOME TAX

Income tax expense comprises current and deferred tax

(i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognized as an expense for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity.

(ii) Deferred income tax

Deferred income tax is provided using liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities and in relation to acquisitions on the difference between the fair values of the net assets acquired and their tax base.

However, deferred income tax is not recognized for:

- (a) Temporary differences arising on the initial recognition of goodwill
- (b) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- (c) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized when it is probable that future taxable profit will be available against which these temporary differences can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.17 SHARE CAPITAL AND PREMIUM

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Share premium accounts for the amount the Company raises in excess of par value.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

3.17.1 TREASURY SHARES

Where any member of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed off, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

3.17.2 DIVIDENDS

Dividends on the company's ordinary share are recognized in equity in the period in which they are approved by the company's shareholders. Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the year which the dividend is approved by the company's shareholders.

3.18 CONTINGENCY RESERVE

Contingency reserve is credited at the higher of 3% of total premiums during the year and 20% of net profit per year, until it reaches the higher of the minimum paid up capital or 50% of net premium in accordance with Section 21 (2) of the Insurance Act CAP I17, LFN 2004.

3.19 ASSET REVALUATION RESERVES

When the group's land and building are revalued by independent professional valuer, surpluses arising on the revaluation of these assets are credited to the asset revaluation reserve account. When assets previously revalued are disposed off, any revaluation surplus relating to the disposed assets is transferred to retained earnings.

3.20 RETAINED EARNINGS

This represents the amount available for dividend distribution to the equity shareholders of the Company.

3.21 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Nigerian Naira (N), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses relating to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or finance cost'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income' or 'Other operating expenses'.

(c) Foreign Operations

The results and financial position of all the subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows: -

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019**

- i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position.
- ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

All resulting exchange differences are recognised in other comprehensive income.

The group applies IAS 27- Consolidated and Separate Financial Statements in accounting for acquisitions of non-controlling interests. Under this accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore, no goodwill is recognized as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

3.22 REVENUE RECOGNITION

Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Group. Revenue is recognized as follows:

- (a) Rendering services: Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered.
- (b) Dividend income: Dividend income for available-for sale equities is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities.
- (c) Rent
Rent revenue from investment properties is recognised on a straight line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.
- (d) Other income: Other income is recognised when it is received or when the right to receive payment is established.

Recognition and Measurement of Insurance Contracts

i Gross premium written

Gross premium is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover. All written premium relating to risk for period not falling due within the accounting period is carried forward as an unearned premium.

ii Gross premium earned

Gross premium earned is stated at premium written on direct and indirect business after deducting premium relating to unexpired risks which is determined on time apportionment basis.

iii Net premium earned

Net premium represents total amount invoiced to policy holders less reinsurance and is recognized as an income from the date of attachment of risk.

iv Reinsurance premium

The Group cedes reinsurance in the normal course of business with retention limits varying by line of business for the purpose of limiting its net loss potential. Reinsurance arrangements however do not relieve the Company from its direct obligation to its policy holders. This is recognized as an expense or deduction from the gross premium and it relates to premium on business ceded on treaty and facultative and is recognized on part apportionment basis.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019

3.23 REINSURANCE EXPENSES

Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

3.24 COMMISSION INCOME

Commissions earned are recognized on ceding businesses to the reinsurers and other insurance companies and are credited to the income statement.

3.25 CLAIMS AND LOSS ADJUSTMENT EXPENSES

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 claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims.

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

(a) Salvages

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim.

The Group may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right).

Salvage recoveries are used to reduce the claim expenses when the claim is settled.

3.26 UNDERWRITING EXPENSES

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contract.

(a) Commission expenses

Commission expenses are brokerage fees paid to brokers and agents which are certain percentages based on the class of business underwritten as below:

Class of business	%
Motor	12.5
General Accident	20
Oil & gas	20
Marine	20
Engineering	20
Bond	20
Fire	20

(b) Maintenance expenses

Maintenance expenses are expenses incurred in servicing existing policies/contract. These expenses are charged to the revenue account in the accounting period in which they are incurred.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE PERIOD ENDED 30 JUNE 2019

3.27 EMPLOYEE BENEFIT EXPENSES

(a) Defined contribution plans

The Group operates a defined contributory pension scheme for eligible employees. Employees contribute 8% and the Group contribute 10% of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2014. The Group pays contributions to pension fund administrator on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

3.28 OTHER OPERATING EXPENSES

Other expenses are expenses other than claims, investment expenses, employee benefit, expenses for marketing and administration and underwriting expenses. They include rents, professional fee, depreciation expenses and other non-operating expenses. Other operating expenses are accounted for on accrual basis and recognised in the income statement upon utilization of the service or at the date of their origin.

3.29 INTEREST INCOME AND EXPENSES

Interest income and expenses for all interest bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within investment income and finance cost in the income statement using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

3.30 EARNINGS PER SHARE

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Group. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.31 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it can earn and incur expenses, including revenues and expenses that relate to transaction with any of the Group's other components, whose revenues and operating results are reviewed regularly by Executive Management to make decisions about the resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned while indirect costs are allocated based on the benefits derived from such costs.


3.32 CONTINGENT LIABILITIES


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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2019
(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
ASSETS					
Cash and cash equivalents	1	4,590,507	2,510,861	4,544,130	2,458,227
Financial assets					
- At fair value through profit or loss	2.1	86,544	95,286	37,524	42,359
- At fair value through Other	2.2	9,347	9,347	9,347	9,347
Comprehensive Income					
- At Amortised cost	2.3	1,840,372	3,690,461	1,494,896	3,402,293
Trade receivables	3	180,841	119,681	75,872	3,529
Reinsurance receivables	4	2,002,692	2,464,673	2,002,692	2,464,673
Deferred acquisition costs	5	133,812	103,939	133,812	103,939
Prepayments and other receivables	6	707,935	868,813	522,682	710,283
Investment in subsidiaries	7	-	-	659,624	659,624
Investment properties	8	374,924	374,924	321,756	321,756
Intangible assets	9	757,293	783,640	736,926	761,959
Property, plant and equipment	10	943,434	942,127	414,833	390,215
Statutory deposit	11	315,000	315,000	315,000	315,000
Total assets		11,942,701	12,278,752	11,269,094	11,643,204
Liabilities					
Insurance contract liabilities	12	3,864,534	3,929,261	3,841,258	3,929,261
Trade payables	13	2,484	69,386	2,484	44,238
Other payables	14	964,903	1,104,266	837,214	1,003,597
Deposit for shares	15	1,784	1,000	-	-
Borrowings	16	2,949,268	2,830,705	2,949,268	2,830,705
Income tax liabilities	17	48,607	43,667	26,443	28,467
Deferred tax	18	63,798	63,798	48,994	48,994
Total liabilities		7,895,378	8,042,083	7,705,661	7,885,262
EQUITY					
Paid up share capital	19	7,000,000	7,000,000	7,000,000	7,000,000
Share premium	20	1,023,465	1,023,465	1,023,465	1,023,465
Contingency reserves	21	984,575	947,401	984,575	947,401
Revaluation reserves	22	63,089	63,089	63,089	63,089
Fair value reserve	23	1,270	1,270	1,270	1,270
Retained earnings	24	(5,255,209)	(5,028,695)	(5,508,967)	(5,277,283)
		3,817,189	4,006,530	3,563,432	3,757,942
Non controlling interest	25	230,134	230,139	-	-
Total Equity		4,047,323	4,236,669	3,563,432	3,757,942
Total liabilities and equity		11,942,701	12,278,752	11,269,094	11,643,204

The financial statements were approved by the Board of Directors on July 15, 2019 and signed on its behalf by:


Mr. Samuel Ogbodu
FRC/2013/CIIN/00000002970
Managing Director/CEO


Mr. Akeem Adamson
FRC/2013/ICAN/00000002182
Chief Financial Officer

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE, 2019
(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Group 6 Months ended 30-Jun-19	Group 6 Months ended 30-Jun-18	Group 3 Months ended 30-Jun-19	Group 3 Months ended 30-Jun-18
Gross premium written	26	1,546,129	1,962,589	695,000	759,195
Gross premium income	26	1,409,673	1,583,761	667,248	769,521
Re-insurance expenses		(314,760)	(340,504)	(206,699)	(211,196)
Net premium income	26	1,094,913	1,243,257	460,549	558,325
Commission income	27	74,103	71,439	46,600	42,817
Net underwriting income		1,169,016	1,314,696	507,149	601,142
Claims:					
Claims expenses (Gross)	28	756,509	2,576,329	226,328	524,126
Claims expenses recovered from reinsurers	28	(314,226)	(1,457,330)	(48,236)	129,014
Claims expenses (Net)	28	442,283	1,118,999	178,092	653,140
Underwriting expenses	29	251,102	326,627	115,544	170,268
Total underwriting expenses		693,385	1,445,626	293,636	823,408
Underwriting results		475,631	(130,930)	213,513	(222,266)
Loss from concessionary arrangement	6.3	(9,366)	1,473	(5,290)	933
Net income from non-insurance subsidiaries	30	56,202	75,309	8,204	24,659
Investment income	31	466,970	260,150	251,045	125,926
Net realised gains on assets	32	-	(990)	-	137
Net fair value (loss) on financial assets	33	(8,741)	9,987	(10,403)	(13,472)
Other operating income	34	2,441	123,022	(8,110)	79,190
Employee benefit expenses		(276,098)	(306,856)	(145,447)	(164,122)
Impairment loss	35	8,430	(16,499)	6,570.00	(7,695)
Other operating expenses	36	(628,221)	(503,560)	(204,110)	(250,137)
Results of operating activities		87,248	(488,894)	105,972	(426,847)
Finance costs	37	(233,462)	(99,114)	(54,350)	76,467
Profit/(loss) before tax		(146,214)	(588,008)	51,622	(350,380)
Income tax expense		(28,278)	(34,900)	(3,669)	23,374
Profit/(loss) for the period		(174,492)	(622,908)	47,953	(327,006)
Profit attributable to:					
Owners of the parent		(179,955)	(626,424)	42,916	(325,327)
Non-controlling interests		5,463	3,516	5,037	(1,679)
		(174,492)	(622,908)	47,953	(327,006)
Other comprehensive income:					
<i>Items within OCI that may be reclassified to profit or loss</i>					
Gains on available for sale financial assets			-	-	-
Exchange difference on translation of foreign operations			-	-	-
<i>Items within OCI that may not be reclassified to profit or loss</i>					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(174,492)	(622,908)	47,953	(327,006)
Attributable to:					
Owners of the parent		(179,955)	(626,424)	42,916	(325,327)
Non-controlling interests		5,463	3,516	5,037	(1,679)
Total comprehensive income for the period		(174,492)	(622,908)	47,953	(327,006)
Earnings/(loss) per share:					
Basic Earnings / (loss) per share	38	(1.3)	(4.5)	0.3	(2.3)
Diluted Earnings/ (loss) per share	38	(1.3)	(4.5)	0.3	(2.3)

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 JUNE, 2019
 (IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Company 6 Months ended 30-Jun-19	Company 6 Months ended 30-Jun-18	Company 3 Months ended 30-Jun-19	Company 3 Months ended 30-Jun-18
Gross premium written	39	1,239,128	1,704,872	538,436	630,292
Gross premium income	39	1,090,872	1,315,950	498,884	647,063
Re-insurance expenses		(314,760)	(340,504)	(206,699)	(211,196)
Net premium income	39	776,112	975,446	292,185	435,867
Commission income	40	74,103	71,439	46,600	42,818
Net underwriting income		850,215	1,046,885	338,785	478,685
Claims:					
Claims expenses (Gross)	41	591,473	2,443,240	148,762	474,459
Claims expenses recovered from reinsurers	41	(314,226)	(1,457,330)	(48,236)	129,014
Claims expenses (Net)	41	277,247	985,910	100,526	603,473
Underwriting expenses	42	238,218	316,034	109,805	163,669
Total underwriting expenses		515,465	1,301,944	210,331	767,142
Underwriting results		334,750	(255,059)	128,454	(288,457)
Loss from concessionary arrangement	6.3	(9,366)	1,473	(5,290)	933
Net income from non-insurance subsidiaries	43	-	-	-	-
Investment income	44	439,736	226,818	234,544	112,847
Net realised gains on assets	45	-	990.00	-	137.00
Net fair value (loss) on financial assets	46	(4,835)	9,551	(4,751)	(10,036)
Other operating income	47	2,125	119,775	8,371	75,958
Employee benefit expenses		(175,428)	(202,319)	(95,942)	(105,033)
Impairment loss	48	8,472	(6,334)	6,612	-
Other operating expenses	49	(537,774)	(401,575)	(167,994)	(203,355)
Results of operating activities		57,680	(508,660)	87,262	(417,006)
Finance costs	50	(233,462)	(99,114)	(54,350)	76,467
Profit/(loss) before tax		(175,782)	(607,774)	32,912	(340,539)
Income tax expense		(18,728)	(19,630)	(353)	20,762
Profit/(loss) for the period		(194,510)	(627,404)	32,559	(319,777)
Profit attributable to:					
Owners of the parent		(194,510)	(627,404)	32,559	(319,777)
Non-controlling interests		-	-	-	-
		(194,510)	(627,404)	32,559	(319,777)
Other comprehensive income:					
<i>Items within OCI that may be reclassified to profit or loss</i>					
Gains on available for sale financial assets		-	-	-	-
Exchange difference on translation of foreign operations		-	-	-	-
<i>Items within OCI that may not be reclassified to profit or loss</i>					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(194,510)	(627,404)	32,559	(319,777)
Attributable to:					
Owners of the parent		(194,510)	(627,404)	32,559	(319,777)
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		(194,510)	(627,404)	32,559	(319,777)
Earnings/(loss) per share:					
Basic Earnings/(loss) per share	51	(1.4)	(4.5)	0.2	(2.3)
Diluted Earnings/(loss) per share	51	(1.4)	(4.5)	0.2	(2.3)

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019
IN THOUSANDS OF NIGERIAN NAIRA

Group	Share capital	Share premium	Share Revaluation reserves	Fair value reserve	Contingency reserves	Retained Earnings	Total	Non-Controlling interest	Total Equity
Balance at 1 January 2019	7,000,000	1,023,465	63,089	1,270	947,402	(5,028,696)	4,006,530	230,139	4,236,669
Total Comprehensive income for the period	-	-	-	-	-	(179,955)	(179,955)	5,463	(174,492)
Profit/(loss) for the period	-	-	-	-	-	(179,955)	(179,955)	5,463	(174,492)
Transfer to contingency reserves	-	-	-	-	37,174	(37,174)	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	37,174	(217,128)	(179,955)	5,463	(174,492)
Transactions with owners, recorded directly in equity contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	(9,386)	(9,386)	(5,468)	(14,854)
Increase in share capital	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	(9,386)	(9,386)	(5,468)	(14,854)
Balance at 30th June, 2019	7,000,000	1,023,465	63,089	1,270	984,576	(5,255,210)	3,817,189	230,134	4,047,323

Group	Share capital	Share premium	Share Revaluation reserves	Fair value reserve	Contingency reserves	Retained Earnings	Total	Non-Controlling interest	Total Equity
Balance at 1 January 2018	7,000,000	1,023,465	356,539	370	872,330	(5,197,445)	4,055,259	223,659	4,278,918
Changes on initial application of IFRS	-	-	-	-	-	(1,761)	(1,761)	(35)	(1,796)
Changes on initial application of IFRS	-	-	-	-	-	(29)	(29)	-	(29)
Restated balance as at 1 January 2018	7,000,000	1,023,465	356,539	370	872,330	(5,199,235)	4,053,469	223,624	4,277,093
Total Comprehensive income for the period	-	-	-	-	-	(626,424)	(626,424)	3,516	(622,908)
Profit/(loss) for the period	-	-	-	-	-	(626,424)	(626,424)	3,516	(622,908)
Transfer to contingency reserves	-	-	-	-	51,146	(51,146)	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	51,146	(677,570)	(626,424)	3,516	(622,908)
Transactions with owners, recorded directly	-	-	-	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	-	-
Increase in share capital	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
Balance at 30th June, 2018	7,000,000	1,023,465	356,539	370	923,476	(5,876,805)	3,427,045	227,140	3,654,185

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019
IN THOUSANDS OF NIGERIAN NAIRA

Company	Share capital	Share premium	Fair Value reserves	Revaluation reserves	Contingency reserves	Retained Earnings	Total
Balance at 1 January 2019	7,000,000	1,023,465	1,270	63,089	947,401	(5,277,283)	3,757,942
Total Comprehensive income for the period							
Loss for the period	-	-	-	-	-	(194,510)	(194,510)
Transfer to contingency reserves	-	-	-	-	37,174	(37,174)	-
Other comprehensive income:							
Fair value adjustment	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	37,174	(231,684)	(194,510)
Transactions with owners, recorded directly in equity contributions by and distributions to owners							
Increase in share capital from private placement	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Balance at 30 June 2019	7,000,000	1,023,465	1,270	63,089	984,575	(5,508,967)	3,563,432

Company	Share capital	Share premium	Available for sale reserves	Revaluation reserves	Contingency reserves	Retained Earnings	Total
Balance at 1 January 2018	7,000,000	1,023,465	370	356,539	872,330	(5,434,215)	3,818,489
Changes on initial application of IFRS (Note 39)	-	-	-	-	-	(1,646)	(1,646)
Changes on initial application of IFRS (Note 39)	-	-	-	-	-	(26)	(26)
Restated balance as at 1 January 2018	7,000,000	1,023,465	370	356,539	872,330	(5,435,887)	3,816,817
Total Comprehensive income for the period							
Profit for the period	-	-	-	-	-	(627,404)	(627,404)
Transfer to contingency reserves	-	-	-	-	51,146	(51,146)	-
Other comprehensive income:							
Fair value adjustment	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	51,146	(678,550)	(627,404)
Transactions with owners, recorded directly in equity contributions by and distributions to owners							
Total transactions with owners	-	-	-	-	-	-	-
Balance at 30 June 2018	7,000,000	1,023,465	370	356,539	923,476	(6,114,437)	3,189,413

STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 30 JUNE 2019
(IN THOUSANDS OF NIGERIAN NAIRA)

	NOTES	Group 2019	Group 2018	Company 2019	Company 2018
Premium received from policy holders		1,484,969	1,876,572	1,166,785	1,651,250
Commission received		98,576	108,145	98,576	108,145
Receipt from reinsurance recovery		908,314	209,222	908,314	209,222
Claims paid		(992,768)	(949,295)	(827,732)	(816,206)
Commission paid		(250,634)	(360,861)	(237,750)	(350,268)
Maintenance cost		(29,820)	(17,036)	(29,820)	(17,036)
Reinsurance premium paid		(486,151)	(458,030)	(486,151)	(458,030)
Other operating income		2,167	38,980	1,387	35,733
Operating costs and payment to employees		(452,082)	(547,381)	(371,850)	(518,342)
Tax paid		(4,586)	(62,499)	(2,000)	(16,949)
Net cash inflow from operating activities		277,985	(162,183)	219,759	(172,481)
Cash flows from investing activities					
Additions to investment in subsidiaries		-	-	-	-
Additions to Investment properties		-	-	-	-
Additions to Intangible assets	9	(1,220)	(19,244)	-	(9,249)
Rental income		6,205	2,121	2,483	696
Dividend received		12,882	3,145	10,677	3,145
Proceeds from disposal of Property Plant & Equipment		5,804	9,385	2,479	9,385
Additions to property, plant and equipment	10	(58,029)	(51,628)	(56,892)	(16,368)
Additions to financial assets		-	-	-	-
Financial assets at amortised costs		1,850,089	(160,455)	1,907,397	(158,440)
Additions to statutory deposit		-	(15,000)	-	(15,000)
Proceeds from disposal of financial assets at fair value through profit or loss		-	30,306	-	30,306
Net cash inflow/(outflow) from investing activities		1,815,731	(201,370)	1,866,144	(155,525)
Cash flows from financing activities					
Deposit for shares		784	1,000	-	-
Repayment of borrowings		-	-	-	-
Dividend Paid		(14,854)	-	-	-
Net cash outflow from financing activities		(14,070)	1,000	-	-
Net increase/(decrease) in cash and cash equivalents brought		2,079,646	(362,553)	2,085,903	(328,006)
Cash and cash equivalents brought		2,510,861	3,440,507	2,458,227	3,012,534
Cash and cash equivalents carried		4,590,507	3,077,954	4,544,130	2,684,528

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019
IN THOUSANDS OF NIGERIAN NAIRA

1.0 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturity of less than 90 days.

	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
Cash at bank and in hand	3,074,802	125,441	3,028,494	109,024
Short term deposits	1,517,554	2,394,207	1,517,485	2,357,990
	4,592,356	2,519,648	4,545,979	2,467,014
Less: Impairment on placements	(1,849)	(8,787)	(1,849)	(8,787)
	4,590,507	2,510,861	4,544,130	2,458,227

Deposits with banks earned interest at floating rates based on the daily rates. Cash and deposits are available for use in the company's day-to-day operations.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

Cash at bank and in hand	4,590,507	2,510,861	4,544,130	2,458,227
Bank overdraft	-	-	-	-
	4,590,507	2,510,861	4,544,130	2,458,227

2.0 FINANCIAL ASSETS

The Group's financial assets are summarized below by measurement category in the table below:

	June 2019	Dec 2018	June 2019	Dec 2018
2.1 - At fair value through profit or loss				
Financial assets at fair value through profit or loss:				
Quoted shares	86,544	95,286	37,524	42,359
2.2 - At fair value through other comprehensive income				
Trustbond mortgage bank	3,146	3,146	3,146	3,146
FCSL Asset Management Company Limited	6,201	6,201	6,201	6,201
	9,347	9,347	9,347	9,347
Fair value as at January 1	9,347	8,447	9,347	8,447
Fair value gain	-	900	-	900
Closing balance	9,347	9,347	9,347	9,347
2.3 - Held at Amortised cost				
Financial assets at amortised cost-T/B	1,840,824	3,692,405	1,495,256	3,404,187
Less: impairment	(452)	(1,944)	(360)	(1,894)
	1,840,372	3,690,461	1,494,896	3,402,293
Total financial assets	1,936,263	3,795,094	1,541,767	3,453,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019
IN THOUSANDS OF NIGERIAN NAIRA

3.0 TRADE RECEIVABLES	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
Insurance receivables (see below)	75,872	3,529	75,872	3,529
Other trade receivables	145,171	156,529		
Less: Provision for impairment:				
Insurance receivables (see below)	-	-	-	-
Other trade receivables (see below)	(40,202)	(40,377)	-	-
TRADE RECEIVABLES	180,841	119,681	75,872	3,529

3.1 The make up of the insurance receivables are as follows:

	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
Brokers	75,872	3,529	75,872	3,529
Agents	-	-	-	-
Direct clients	-	-	-	-
Total	75,872	3,529	75,872	3,529
Less: impairment from brokers	-	-	-	-
Less: impairment from agents	-	-	-	-
Less: impairment from direct clients	-	-	-	-
	75,872	3,529	75,872	3,529

4.0 REINSURANCE RECEIVABLES	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
Total reinsurers' share of insurance liabilities	1,677,622	2,269,818	1,677,622	2,269,818
Prepaid re-insurance	325,070	194,855	325,070	194,855
	2,002,692	2,464,673	2,002,692	2,464,673

	June 2019	Dec 2018	June 2019	Dec 2018
The movement in prepaid reinsurance is as follows:				
Balance at January 1	194,855	208,735	194,855	208,735
Additions during the period	444,975	849,116	444,975	849,116
Released in the period	(314,760)	(862,996)	(314,760)	(862,996)
Closing balance	325,070	194,855	325,070	194,855

(i) Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value.

(ii) Reinsurance assets are not impaired as balances are set-off against payables from retrocession.

5.0 DEFERRED ACQUISITION COSTS

This represents commission on unearned premium relating to the unexpired tenure of risk and the movement in deferred acquisition costs is as follows:

	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
At 1 January	103,939	126,007	103,939	126,007
Additions in the period	251,155	504,929	238,271	478,515
Expensed during the period	(221,282)	(526,997)	(208,398)	(500,583)
Closing balance	133,812	103,939	133,812	103,939

Deferred policies acquisition expenses will be recognized as an expense within 12 months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019
IN THOUSANDS OF NIGERIAN NAIRA

6.0 PREPAYMENTS AND OTHER RECEIVABLES	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
Other receivables (Note 6.1)	233,156	225,044	164,265	162,778
Due from related companies (Note 6.2)	43,448	32,271	32,271	32,271
Due from Equity Resort hotel (Note 6.3)	162,245	171,361	79,942	89,058
Prepayments - staff	17,850	10,233	15,415	9,939
Prepayments - others	251,236	429,904	230,789	416,237
	707,935	868,813	522,682	710,283
Current	545,690	697,452	442,740	621,225
Non-current	162,245	171,361	79,942	89,058
6.1 OTHER RECEIVABLES				
Investment receivables	15,750	19,650	15,750	19,650
Withholding tax receivables	109,202	101,087	95,441	87,397
Sundry receivables	108,204	104,307	53,074	55,731
	233,156	225,044	164,265	162,778
6.2 DUE FROM RELATED PARTIES				
Equity Micro Life Insurance Company Limited	2,062	2,062	2,062	2,062
Equity Assurance Limited, Ghana	25,486	25,486	25,486	25,486
Shanu Medical Centre	11,177			
Sunu Participation Holding SA				
Equity Assurance Limited, Liberia	4,723	4,723	4,723	4,723
	43,448	32,271	32,271	32,271
6.3 DUE FROM EQUITY RESORT HOTEL LIMITED				
	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
At 1 January	171,361	164,088	89,058	164,088
Reimbursable expenses incurred	250	25,888	250	25,888
Repayment during the period	-	(933)	-	(83,236)
Profit/(loss) from concessionary arrangement	(9,366)	(17,682)	(9,366)	(17,682)
Closing balance	162,245	171,361	79,942	89,058
7 INVESTMENT IN SUBSIDIARIES				
	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
EA Capital Management Limited		-	278,294	278,294
Sunu Health Nigeria Limited (formerly Managed HealthCare Services Limited (MHS))		-	381,330	381,330
		-	659,624	659,624

Principal subsidiary undertakings:

The Group is controlled by Sunu Assurances Nigeria Plc "the company" (incorporated in Nigeria). The controlling interest of Sunu Assurances Nigeria Plc in the Group entities is disclosed in the table below:

Company name	Nature of business	% of equity capital controlled	
		Jun-18	Dec-18
EA Capital Management Limited	Asset management	100	100
Sunu Health Nigeria Limited (formerly Managed HealthCare Services Limited (MHS))	Health management	63.19	63.19

- EA Capital Management Limited was incorporated on October 29, 2008 as a private limited liability company primarily to carry on the business of finance leases to both individual and corporate clients. Its registered office is at Plot 1196 Bishop Oluwole Street, Victoria Island, Lagos, Nigeria.

2. Sunu Health Nigeria Limited formerly Managed HealthCare Services Limited was incorporated on December 11, 1997 to carry on the business of health management. It is a nationally licensed Health Management Organization(HMO), accredited by the National Health Insurance Scheme (NHIS). It has its head office at 16 Obokun street, off Coker road, Ilupeju, Lagos, Nigeria and twelve branches across major cities in Nigeria.

8 INVESTMENT PROPERTIES	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
Balance at 1 January	374,924	361,656	321,756	311,656
Additions	-	2,183	-	2,183
Revaluation		11,085		7,917
Closing balance	374,924	374,924	321,756	321,756

The Investment Properties were independently valued by Igbenabor Uzorchikwa of Millsnabor & Associates Limited, quantity surveyors and valuers with FRC No FRC/2018/00000011860 on December 28, 2018 to ascertain the open market value using the market comparison approach through analysis of recent transaction of sale of comparable the neighbourhood.

9 INTANGIBLE ASSETS	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
COST				
Balance at 1 January	1,279,835	1,260,913	1,245,242	1,238,893
Additions	1,220	18,922	-	6,349
Closing balance	1,281,055	1,279,835	1,245,242	1,245,242
ACCUMMULATED AMORTISATION				
Balance at 1 January	496,195	442,338	483,283	433,251
Amortisation charge for the period	27,567	53,857	25,033	50,032
Closing balance	523,762	496,195	508,316	483,283
Carrying value	757,293	783,640	736,926	761,959

The closing net book of the intangible assets comprises the following:

Computer Software	26,783	29,565	6,416	7,884
Leasehold improvements on Equity Resort hotels	730,510	754,075	730,510	754,075

The Parent company was granted a concession right in 2010 by the Ogun state Government to manage the affair of Equity resort hotel, Ijebu-ode for the period of 25 years. The sum of N1.152 billion was spent to refurbish the hotel to enable it meet international standards. This sum above represents the carrying amount at cost of the improvements carried out on the hotel.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019 (Contd)
IN THOUSANDS OF NIGERIAN NAIRA

10.1 PROPERTY, PLANT AND EQUIPMENT (GROUP)

	Leasehold Land	Buildings	Office Equipment	Motor Vehicles	Furniture and Fittings	ICT Equipment	Bill Board	Total
COST								
At 1 January 2019	199,812	474,988	148,222	440,812	64,439	56,756	8,716	1,393,745
Reclassification	-	(6,002)	6,002	-	-	-	-	-
Additions	-	-	3,185	51,873	311	965	1,695	58,029
Disposals	-	-	(19,021)	(30,202)	(638)	(1,148)	-	(51,009)
At 30 June 2019	199,812	468,986	138,388	462,483	64,112	56,573	10,411	1,400,765
At 1 January 2018	1,199,762	2,117,995	139,045	406,661	52,552	45,516	5,730	3,967,261
Additions	50	76	1,642	40,917	2,290	6,653	-	51,628
Disposals	-	-	(2,470)	(15,805)	(6,316)	-	-	(24,591)
At 30 June 2018	1,199,812	2,118,071	138,217	431,773	48,526	52,169	5,730	3,994,298
ACCUMULATED DEPRECIATION								
At 1 January 2019	-	30,980	112,136	229,358	42,716	36,428	-	451,618
Charge for the period	-	2,743	4,979	37,651	2,727	2,282	810	51,192
Disposals	-	-	(16,602)	(27,317)	(527)	(1,033)	-	(45,479)
At 30 June 2019	-	33,723	100,513	239,692	44,916	37,677	810	457,331
At 1 January 2018	-	25,493	104,225	202,617	45,528	32,568	5,730	416,161
Charge for the period	-	19,266	6,651	33,568	1,269	1,820	-	62,574
Disposals	-	-	(2,223)	(13,757)	(5,542)	-	-	(21,522)
At 30 June 2018	-	44,759	108,653	222,428	41,255	34,388	5,730	457,213
CARRYING VALUE								
At 30 June 2019	199,812	435,263	37,875	222,791	19,196	18,896	9,601	943,434
At 31 December, 2018	199,812	444,008	36,086	211,454	21,723	20,328	8,716	942,127
At 30 June 2018	1,199,812	2,073,312	29,564	209,345	7,271	17,781	-	3,537,085

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019 (Contd)
IN THOUSANDS OF NIGERIAN NAIRA

10.2 PROPERTY, PLANT AND EQUIPMENT (COMPANY)

	Leasehold Land	Buildings	Office Equipment	Motor Vehicles	Furniture & Fittings	ICT Equipment	Bill Board	Total
COST								
At 1 January 2019	199,812	28,600	73,670	260,946	40,937	55,989	8,716	668,670
Additions	-	-	2,545	51,416	271	965	1,695	56,892
Disposals	-	-	(2,715)	(22,665)	(294)	(1,148)	-	(26,822)
At 30 June 2019	199,812	28,600	73,500	289,697	40,914	55,806	10,411	698,740
At 1 January 2018	1,199,762	1,677,600	70,506	309,439	44,223	44,604	5,730	3,351,864
Additions	50	-	366	7,233	2,066	6,653	-	16,368
Disposals	-	-	(2,470)	(15,805)	(6,316)	-	-	(24,591)
At 30 June 2018	1,199,812	1,677,600	68,402	300,867	39,973	51,257.00	5,730	3,343,641
ACCUMULATED DEPRECIATION								
At 1 January 2019	-	2,860	53,883	150,699	35,308	35,705	-	278,455
Charge for the period	-	286	2,009	23,647	993	2,274	810	30,019
Disposals	-	-	(1,711)	(21,532)	(291)	(1,033)	-	(24,567)
At 30 June 2019	-	3,146	54,181	152,814	36,010	36,946	810	283,907
At 1 January 2018	-	2,289	53,813	144,395	38,652	31,741	5,730	276,620
Charge for the period	-	16,776	2,836	23,192	1,002	1,802	-	45,608
Disposals	-	-	(2,223)	(13,757)	(5,542)	-	-	(21,522)
At 30 June 2018	-	19,065	54,426	153,830	34,112	33,543	5,730	300,706
CARRYING VALUE								
At 30 June 2019	199,812	25,454	19,319	136,883	4,904	18,860	9,601	414,833
At 31 December 2018	199,812	25,740	19,787	110,247	5,629	20,284	8,716	390,215
At 30 June 2018	1,199,812	1,658,535	13,976	147,037	5,861	17,714	-	3,042,935

10.2.1 Valuation of properties

Land and building held by Sunu Assurances Plc was independently valued by Igbenabor Uzorchikwa of Millsnabor & Associates Limited, quantity surveyors and valuers on December 22, 2017 to ascertain the open market value of the land and building. The fair value of land and buildings is determined by discounting the expected cash flows of the properties based upon internal plans and assumptions and comparable market transactions.

10.2.2 Assets pledged as security

None of the Company's property, plant and equipment was pledged as security for facility.

10.2.3 Capital commitment

The Group had no commitments for capital expenditure as at the statement of financial position date (2018: Nil) and no borrowing costs was capitalised in the current period (2018: Nil)

10.2.4 There were no impairment losses recognized during the period (2018:nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA.

11	STATUTORY DEPOSIT	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
	Closing balance	315,000	315,000	315,000	315,000
	This represents deposit with the Central Bank of Nigeria in accordance with Section 10(3) of the Insurance Act CAP I17 LFN 2004				
12	INSURANCE CONTRACT LIABILITIES	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
	Claims reported and loss adjustment expenses	2,794,957	3,058,711	2,794,957	3,058,711
	Claims incurred but not reported	279,496	252,001	279,496	252,001
	Unearned premiums	790,081	618,549	766,805	618,549
	Total Insurance contract liabilities, gross	3,864,534	3,929,261	3,841,258	3,929,261
	Reinsurance receivables	1,677,622	1,855,918	1,677,622	1,855,918
	Net insurance contract liabilities	2,186,912	2,073,343	2,163,636	2,073,343
13	TRADE PAYABLES				
	Trade payables represent liabilities to Agents, Brokers and Re-insurers as at year end.				
		Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
	Reinsurance payable	1,897	43,073	1,897	43,073
	Coinsurance payable	-	1,099	-	1,099
	Commission payable	587	66	587	66
	Other trade payables	-	25,148	-	-
		2,484	69,386	2,484	44,238
14	OTHER PAYABLES	June 2019	Dec 2018	June 2019	Dec 2018
	Due to related parties (Note 14.1)	49,936	42,175	109,296	93,362
	Deferred income (Note 14.2)	101,277	63,268	-	-
	Dividend payable	38,798	38,798	38,798	38,798
	Withholding tax payable	24,868	25,001	21,243	21,317
	Staff pension & gratuity	4,483	4,483	4,483	4,483
	Unclaimed dividend	28,421	28,421	28,421	28,421
	Interest received in advance	135,286	355,785	113,743	354,203
	Rent received in advance	6,204	-	-	-
	Unearned commission	76,903	52,430	76,903	52,430
	Penalty due to NAICOM (Note 14.3)	259,984	259,984	259,984	259,984
	Sundry creditors	143,990	93,057	140,856	80,469
	Accrued expenses	94,753	140,864	43,487	70,130
		964,903	1,104,266	837,214	1,003,597
	Current	603,642	781,014	577,230	743,613
	Non-current	361,261	323,252	259,984	259,984
14.1	DUE TO RELATED PARTIES				
	EA Capital Management Limited	-	-	52,479	42,170
	Sunu Health Nigeria Limited formerly Managed Healthcare Services Limited	-	-	6,106	8,242
	Sunu Group	49,936	42,175	50,711	42,950
		49,936	42,175	109,296	93,362
14.2	This represents unearned income from the businesses of EA Capital Management Limited- N13.403Million (December 31, 2018-N13.157Million) and Sunu Health Nigeria Limited- N87.874Million (December 31, 2018-N50.111Million).				
14.3	This sum represents penalty imposed on the Company by NAICOM for failure to obtain its approval before ceding out an aviation business to a foreign reinsurance company which contravenes provision of section 72(4) of the Insurance Act. CAP I17. LFN 2004.				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

15 DEPOSIT FOR SHARES	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
At January 1	1,000	-	-	-
Refund during the period	(1,000)	-	-	-
Additions during the period	1,784	1,000	-	-
Closing balance	1,784	1,000	-	-

This represents deposit for shares in one of the Company's subsidiaries named Managed Healthcare Services Limited by its shareholders as detailed below:

	June 2019	Dec 2018	June 2019	Dec 2018
Benolus Nigeria Limited	1,784	-	-	-
	1,784	-	-	-

16 BORROWINGS	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
Obligations under finance lease	-	-	-	-
Convertible redeemable loan (Note 16.1)	2,949,268	2,830,705	2,949,268	2,830,705
Total	2,949,268	2,830,705	2,949,268	2,830,705
Maturity analysis				
Current portion	-	-	-	-
Non-current portion	2,949,268	2,830,705	2,949,268	2,830,705

16.1 Convertible redeemable loan

This represents zero coupon JPY1,350,000,000 direct, unconditional, unsubordinated and unsecured European Bond with options issued to Daewoo Securities Europe Limited in 2008. The underlying Bond has a put period of 48months with a yield to put of 4.25% per annum while the tenor of the convertible option is valid up to year 2026. The purpose for which the Bond was issued relates to upgrade of Information and Communication Technology, Expansion of Branch network and Working Capital.

The Option commonly referred to as "Call Option" is the option side of the instrument and gives the Option holder (Daewoo Securities Europe Limited, the right but not obligation to subscribe to the equity of the issuer at an agreed price (Strike Price) and predetermined time period (Expiration). When exercised, a fresh injection of the capital is required to take up the new issues created.

The movement in the convertible loan during the period is as follows:

	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
Balance at January 1	2,830,705	2,644,867	2,830,705	2,644,867
Interest charges	60,874	115,400	60,874	115,400
Payments during the period	-	-	-	-
Exchange difference	57,689	70,438	57,689	70,438
Closing balance	2,949,268	2,830,705	2,949,268	2,830,705

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

17 CURRENT INCOME TAX LIABILITIES

The movement in this account during the period was as follows:

	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
Balance as at January 1	43,667	116,176	28,467	63,015
WHT tax credit offset	(18,752)	(3,439)	(18,752)	-
Charge for the period	28,278	40,081	18,728	20,752
Payment during the period	(4,586)	(109,151)	(2,000)	(55,300)
Closing balance	48,607	43,667	26,443	28,467

17.1 The tax charge for the period comprises:

Company income tax

	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
-Sunu Assurances Nigeria Plc	18,728	20,752	18,728	20,752
-Sunu Health Nigeria Limited	7,028	6,742	-	-
-EA Capital Management Limited	2,522	12,587	-	-
	28,278	40,081	18,728	20,752

Deferred tax

	-	-	-	-
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Total tax charge for the Period	28,278	40,081	18,728	20,752
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18 DEFERRED TAX

	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
Balance as at January 1	63,798	60,784	48,994	48,994
Charge for the period	-	3,014	-	-
Closing balance	63,798	63,798	48,994	48,994

19 SHARE CAPITAL

Authorised

	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
14,000,000,000 ordinary shares of 50k each	7,000,000	7,000,000	7,000,000	7,000,000

Issued and fully paid

14,000,000,000 (2018: 14,000,000,000) ordinary shares of 50k each	7,000,000	7,000,000	7,000,000	7,000,000
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20 SHARE PREMIUM

	Group	Group	Company	Company
	June 2019	Dec 2018	June 2019	Dec 2018
Closing balance	1,023,465	1,023,465	1,023,465	1,023,465

Share premium comprises additional paid up capital in excess of the par value. The reserve is not ordinarily available for distribution

21 CONTINGENCY RESERVES

In compliance with section 21(1) of Insurance Act CAP I17 LFN 2004, the contingency reserve for general insurance business is credited with the higher of 3% of total premiums during the year or 20% of the profits until it reaches the higher of the minimum paid up share capital or 50% of net premium.

The movement in this account during the period is as follows:

	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
At 1 January	947,401	872,330	947,401	872,330
Transfer from retained earnings	37,174	75,071	37,174	75,071
Closing balance	984,575	947,401	984,575	947,401

22 ASSETS REVALUATION RESERVES

	June 2019	Dec 2018	June 2019	Dec 2018
As at 1 January	63,089	356,539	63,089	356,539
Transfer to retained earnings from PPE sold(Note 24 below)	-	(293,450)	-	(293,450)
Closing balance	63,089	63,089	63,089	63,089

23 FAIR VALUE RESERVE

	June 2019	Dec 2018	June 2019	Dec 2018
As at 1 January	1,270	370	1,270	370
Gain on financial assets	-	900	-	900
Closing balance	1,270	1,270	1,270	1,270

This represents gain on financial assets at fair value through Other Comprehensive Income

24 RETAINED EARNINGS

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

	Group June 2019	Group Dec 2018	Company June 2019	Company Dec 2018
At 1 January	(5,028,695)	(5,198,989)	(5,277,283)	(5,435,450)
Total Dividend paid	(14,854)	-	-	-
Dividend due to non-controlling shares	5,468	-	-	-
Total comprehensive income for the period	(179,955)	(48,085)	(194,510)	(60,212)
Transfer from Asset Revaluation Reserves	-	293,450	-	293,450
Transfer to contingency reserves	(37,174)	(75,071)	(37,174)	(75,071)
Closing balance	(5,255,209)	(5,028,695)	(5,508,967)	(5,277,283)

**25 NON-CONTROLLING INTEREST
IN EQUITY OF MANAGED HEALTHCARE SERVICES LIMITED**

	Group June 2019	Group Dec 2018
Balance as at 1 January	230,139	223,496
Dividend received	(5,468)	-
Transfer from the profit or loss account	5,463	6,643
Closing balance	230,134	230,139

26 NET PREMIUM INCOME	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Gross direct premium written	1,521,734	1,903,769	682,931	746,815
Inward reinsurance premium	24,395	58,820	12,069	12,380
Gross premium written	1,546,129	1,962,589	695,000	759,195
Increase in unearned premiums	(136,456)	(378,828)	(27,752)	10,326
Gross Premium income	1,409,673	1,583,761	667,248	769,521
Less: Reinsurance costs	(314,760)	(340,504)	(206,699)	(211,196)
Net Premium income	1,094,913	1,243,257	460,549	558,325

27 COMMISSION INCOME

Commission income represents commission received on transactions ceded to reinsurance Companies during the year under review

28 NET CLAIMS EXPENSES

	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Claims paid during the period	992,768	949,295	409,852	519,598
Outstanding claims	(236,259)	1,627,034	(183,524)	4,528
Total claims and loss adjustment expenses	756,509	2,576,329	226,328	524,126
Recoverable from re-insurance	(314,226)	(1,457,330)	(48,236)	129,014
	442,283	1,118,999	178,092	653,140

29 UNDERWRITING EXPENSES

Underwriting expenses can be sub-divided into acquisition and other underwriting expenses. Acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents and brokers and indirect expenses. Other underwriting expenses are those incurred in servicing existing policies. These include processing costs, preparation of statistics and reports and other incidental costs attributable to maintenance.

	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Acquisition costs	221,282	309,591	101,414	159,345
Other underwriting expenses	29,820	17,036	14,130	10,923
Total underwriting expenses	251,102	326,627	115,544	170,268

30 NET INCOME FROM NON-INSURANCE COMPANIES

	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
EA Capital Management Limited	2,262	6,299	930	1,408
Managed Healthcare Services Limited	53,940	69,010	7,274	23,251
	56,202	75,309	8,204	24,659

31 INVESTMENT INCOME

	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Cash and cash equivalents interest income	447,883	254,884	234,684	121,407
Dividend income	12,882	3,145	11,994	3,145
Rental income	6,205	2121	4,367	1,374
	466,970	260,150	251,045	125,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
The investment income comprises the following:				
Investment income attributable to shareholders	19,087	5,266	16,361	4,519
Investment income attributable to policyholders	447,883	254,884	234,684	121,407
	466,970	260,150	251,045	125,926
32 NET REALISED (LOSS)/ GAINS ON FINANCIAL ASSETS	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Realised gain on quoted equity securities	-	(990)	-	137
33 NET FAIR VALUE LOSS ON FINANCIAL ASSETS				
Net fair value (loss) on financial assets at fair value through profit or loss	(8,741)	9,987	(10,403)	(13,472)
34 OTHER OPERATING INCOME	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Profit/(loss) from sale of property, plant & equipment	274	6,316	(510)	355
Bank interest	387	590	366	582
Exchange gain	575	77,726	(8,315)	43,531
Other income	1,205	38,390	349	34,722
	2,441	123,022	(8,110)	79,190
35 IMPAIRMENT LOSS	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Impairment on trade receivables	-	9,490	-	7,695
Impairment no longer required on Tbills	(1,944)	-	(50)	-
Impairment no longer required on placement	(8,787)	-	-	-
Impairment on placement	1,849	6,690	(5,300)	-
Impairment on Tbills	452	319	(1,220)	-
	(8,430)	16,499	(6,570)	7,695
36 OTHER OPERATING EXPENSES	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Depreciation and amortization charges	78,759	89,712	39,159	44,721
Auditors remuneration	5,890	6,082	2,195	1,969
Directors expenses	21,545	20,248	13,892	15,246
Professional fees	20,560	17,006	13,375	7,631
Bank charges	1,845	4,312	1,095	3,405
Training expenses	7,718	5,422	3,553	2,758
Communication expenses	55,788	61,838	26,127	30,421
Exchange loss	-	-	-	-
Marketing expenses	28,541	84,391	9,412	63,653
Statutory fees	4,074	34,805	2,147	10,002
Repairs and maintenance	33,915	32,551	15,186	16,018
Diesel and electricity	74,690	10,523	31,003	21,361
Rent and rates	199,803	12,630	3,920	6,776
Insurance expenses	16,902	15,825	8,176	8,678
Pension and gratuity	17,903	22,273	8,992	15,544
Printing and stationery	9,372	5,474	6,485	2,470
Travelling and accomodation	38,232	42,834	16,498	22,583
Other administrative expenses	12,683	37,635	2,894	19,624
	628,221	503,560	204,110	250,137

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

37 FINANCE COSTS

	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Interest on Daewoo loan	60,874	56,637	30,285	27,387
Exchange difference on Daewoo loan	57,689	42,477	(29,564)	(103,854)
Restructuring fees on Daewoo loan	114,899	-	53,629	-
	233,462	99,114	54,350	(76,467)

38 EARNINGS/(LOSS) PER SHARE

(Loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Group 6 Months ended June 30, 2019	Group 6 Months ended June 30, 2018	Group 3 Months ended June 30, 2019	Group 3 Months ended June 30, 2018
Loss attributable to the equity holders	(179,955)	(626,424)	42,916	(325,327)
Total number of ordinary shares of 50k each in issue	14,000,000	14,000,000	14,000,000	14,000,000
Weighted average number of ordinary shares in issue (thousands)	14,000,000	14,000,000	14,000,000	14,000,000
Basic (loss)/earnings per share (kobo per share)	(1.3)	(4.5)	0.3	(2.3)
Diluted (loss)/earnings per share (kobo per share)	(1.3)	(4.5)	0.3	(2.3)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

39 NET PREMIUM INCOME	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Gross direct premium written	1,214,733	1,646,052	526,367	617,912
Inward reinsurance premium	24,395	58,820	12,069	12,380
Gross premium written	1,239,128	1,704,872	538,436	630,292
Increase in unearned premiums	(148,256)	(388,922)	(39,552)	16,771
Gross Premium income	1,090,872	1,315,950	498,884	647,063
Less: Reinsurance costs	(314,760)	(340,504)	(206,699)	(211,196)
Net Premium income	776,112	975,446	292,185	435,867
40 COMMISSION INCOME	Commission income represents commission received on transactions ceded to reinsurance Companies during the year under review			
41 NET CLAIMS EXPENSES	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Claims paid during the period	827,732	816,206	332,286	469,931
Outstanding claims	(236,259)	1,627,034	(183,524)	4,528
Total claims and loss adjustment expenses	591,473	2,443,240	148,762	474,459
Recoverable from re-insurance	(314,226)	(1,457,330)	(48,236)	129,014
	277,247	985,910	100,526	603,473
42 UNDERWRITING EXPENSES	Underwriting expenses can be sub-divided into acquisition and other underwriting expenses. Acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents and brokers and indirect expenses. Other underwriting expenses are those incurred in servicing existing policies. These include processing costs, preparation of statistics and reports and other incidental costs attributable to maintenance.			
	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Acquisition costs	208,398	298,998	95,675	152,746
Other underwriting expenses	29,820	17,036	14,130	10,923
Total underwriting expenses	238,218	316,034	109,805	163,669
43 NET INCOME FROM NON-INSURANCE COMPANIES	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
EA Capital Management Limited	-	-	-	-
Managed Healthcare Services Limited	-	-	-	-
	-	-	-	-
44 INVESTMENT INCOME	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Cash and cash equivalents interest income	426,576	222,977	223,485	109,040
Dividend income	10,677	3,145	9,789	3,145
Rental income	2,483	696	1,270	662
	439,736	226,818	234,544	112,847

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
The investment income comprises the following:				
Investment income attributable to shareholders	13,160	3,841	10,434	3,807
Investment income attributable to policyholders	426,576	222,977	213,377	109,040
	439,736	226,818	223,811	112,847
45 NET REALISED (LOSS)/ GAINS ON FINANCIAL ASSETS	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Realised gain on quoted equity securities	-	(990)	-	137
46 NET FAIR VALUE LOSS ON FINANCIAL ASSETS	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Net fair value (loss) on financial assets at fair value	(4,835)	9,551	(4,751)	(10,036)
47 OTHER OPERATING INCOME	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Profit/(loss) from sale of property, plant & equipment	224	6,316	(510)	355
Bank interest	382	578	362	574
Exchange gain	575	77,726	(8,315)	43,531
Other income	944	35,155	92	31,498
	2,125	119,775	(8,371)	75,958
48 IMPAIRMENT LOSS	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Impairment on trade receivables	-	-	-	-
Impairment no longer required on Tbills	(1,894)	-	-	-
Impairment no longer required on placement	(8,787)	-	-	-
Impairment on placement	1,849	6,040	(5,300)	-
Impairment on Tbills	360	294	(1,312)	-
	(8,472)	6,334	(6,612)	-
49 OTHER OPERATING EXPENSES	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Depreciation and amortization charges	55,052	71,288	27,449	35,136
Auditors remuneration	3,500	3,850	1,000	790
Directors expenses	16,040	15,334	11,215	12,789
Professional fees	18,148	12,463	12,434	6,421
Bank charges	571	3,145	426	2,677
Training expenses	5,441	3,736	3,254	1,892
Communication expenses	51,197	56,740	24,148	27,775
Exchange loss	-	-	-	-
Marketing expenses	23,448	75,002	10,365	63,543
Statutory fees	4,074	34,640	2,147	9,837
Repairs and maintenance	21,294	20,725	9,851	9,882
Diesel and electricity	71,008	7,087	29,701	22,947
Rent and rates	198,202	7,699	3,117	4,337
Insurance expenses	7,833	7,001	3,861	3,714
Pension and gratuity	11,640	14,325	5,892	11,302
Printing and stationery	6,804	1,815	5,780	677
Travelling and accomodation	32,687	37,777	13,424	19,218
Other administrative expenses	10,835	28,949	3,930	16,311
	537,774	401,575	167,994	203,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

50 FINANCE COSTS

	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Interest on Daewoo loan	60,874	56,637	30,285	27,387
Exchange difference on Daewoo loan	57,689	42,477	(29,564)	(103,854)
Restructuring fees on Daewoo loan	114,899	-	53,629	-
	233,462	99,114	54,350	(76,467)

51 EARNINGS/(LOSS) PER SHARE

(Loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Company 6 Months ended June 30, 2019	Company 6 Months ended June 30, 2018	Company 3 Months ended June 30, 2019	Company 3 Months ended June 30, 2018
Loss attributable to the equity holders	(194,510)	(627,404)	32,559	(319,777)
Total number of ordinary shares of 50k each in issue	14,000,000	14,000,000	14,000,000	14,000,000
Weighted average number of ordinary shares in issue	14,000,000	14,000,000	14,000,000	14,000,000
Basic (loss)/earnings per share (kobo per share)	(1.4)	(4.5)	0.2	(2.3)
Diluted (loss)/earnings per share (kobo per share)	(1.4)	(4.5)	0.2	(2.3)