

# 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, they may not add up on-shore. The totals 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

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## 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.



