SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

INTERIM FINANCIAL STATEMENTS
31 MARCH, 2019

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

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 (Appointed wef
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

RE-INSURERS
Munich Mauritius Reinsurance Co. Ltd
African Reinsurance Corporation
Continental Reinsurance Plc
Nigerian Reinsurance Corporation

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.

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 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 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 March 31, 2019 were approved for issue by the Board of Directors on 18 April, 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.

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 flunctuations 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.

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.

Acquistion - 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.

(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;

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).

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)

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 occurs 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.

(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.

(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 beeb 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.

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.

(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.

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 oustanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability

b) Liability adequacy test

This is an assessment of whether the carrying amount of an insurance liablity 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 pricipal 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 unobervable 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 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 intial 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.

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 subsdiaries (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:

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 establised.

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.

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 acquistion 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 exisitng 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.

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 oustanding 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 ocurrence or non-ocurrence 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.

SUNU ASSURANCES NIGERIA PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019
(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	20% Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
ASSETS					
Cash and cash equivalents	1	2,464,395	2,510,861	2,407,220	2,458,227
Financial assets					
- At fair value through profit or loss	2.1	96,949	95,286	42,276	42,359
- At fair value through Other Comprehensive Income	2.2	9,347	9,347	9,347	9,347
- At Amortised cost	2.3	3,995,472	3,690,461	3,656,795	3,402,293
Trade receivables	3	179,577	119,681	72,897	3,529
Reinsurance receivables	4	2,357,460	2,464,673	2,357,460	2,464,673
Deferred acquisition costs	5	124,503	103,939	124,503	103,939
Prepayments and other receivables	6	716,475	868,813	541,506	710,283
Investment in subsidiaries	7	-	-	659,624	659,624
Investment properties	8	374,924	374,924	321,756	321,756
Intangible assets	9	769,667	783,640	749,442	761,959
Property, plant and equipment	10	970,436	942,127	431,813	390,215
Statutory deposit	11	315,000	315,000	315,000	315,000
Total assets		12,374,205	12,278,752	11,689,639	11,643,204
Liabilities					
Insurance contract liabilities	12	3,985,230	3,929,261	3,985,230	3,929,261
Trade payables	13	41,201	69,386	37,673	44,238
Other payables	14	1,251,929	1,104,266	1,091,480	1,003,597
Deposit for shares	15	1,000	1,000	-	-
Borrowings	16	2,948,547	2,830,705	2,948,547	2,830,705
Income tax liabilities	17	68,276	43,667	46,842	28,467
Deferred tax	18	63,798	63,798	48,994	48,994
Total liabilities		8,359,981	8,042,083	8,158,766	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	968,422	947,401	968,422	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	(5,272,587)	(5,028,695)	(5,525,373)	(5,277,283)
		3,783,659	4,006,530	3,530,873	3,757,942
Non controlling interest	25	230,565	230,139	-	-
Total Equity		4,014,224	4,236,669	3,530,873	3,757,942
Total liabilites and equity		12,374,205	12,278,752	11,689,639	11,643,204

The financial statements were approved by the Board of Directors on April 18, 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 31 MARCH 2019
(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Group 3 Months ended 31-Mar-19	Group 3 Months ended 31-Mar-18	Company 3 Months ended 31-Mar-19	Company 3 Months ended 31-Mar-18
Gross premium written	26	851,129	1,203,394	700,692	1,074,580
Gross premium income	26	742,425	814,240	591,988	668,887
Re-insurance expenses		(108,061)	(129,308)	(108,061)	(129,308)
Net premium income	26	634,364	684,932	483,927	539,579
Commission income	27	27,503	28,622	27,503	28,622
Net underwriting income		661,867	713,554	511,430	568,201
Claims:					
Claims expenses (Gross)	28	530,181	2,052,203	442,711	1,968,781
Claims expenses recovered from reinsurers	28	(265,990)	(1,586,344)	(265,990)	(1,586,344)
Claims expenses (Net)	28	264,191	465,859	176,721	382,437
Underwriting expenses	29	135,558	156,359	128,413	152,365
Total underwriting expenses		399,749	622,218	305,134	534,802
Underwriting results		262,118	91,336	206,296	33,399
Loss from concessionary arrangement	6.3	(4,076)	540	(4,076)	540
Net income from non-insurance subsidiaries	30	47,998	50,650	-	-
Investment income	31	215,925	134,224	205,192	113,971
Net realised gains on assets	32	-	(1,127)	-	(1,127)
Net fair value (loss) on financial assets	33	1,662	23,459	(84)	19,587
Other operating income	34	10,551	43,832	10,496	43,817
Employee benefit expenses		(130,651)	(142,734)	(79,486)	(97,286)
Impairment loss	35	1,860	(8,804)	1,860	(6,334)
Other operating expenses	36	(424,111)	(253,423)	(369,780)	(198,220)
Results of operating activities		(18,724)	(62,048)	(29,582)	(91,654)
Finance costs	37	(179,112)	(175,581)	(179,112)	(175,581)
Profit/(loss) before tax		(197,836)	(237,629)	(208,694)	(267,235)
Income tax expense		(24,609)	(58,274)	(18,375)	(40,392)
Profit/(loss) for the period		(222,445)	(295,903)	(227,069)	(307,627)
Profit attributable to:					
Owners of the parent		(222,871)	(301,098)	(227,069)	(307,627)
Non-controlling interests		426	5,195	-	-
		(222,445)	(295,903)	(227,069)	(307,627)
Other comprehensive income:					
Items within OCI that may be reclassified to profit or loss					
Gains on available for sale financial assets			-		-
Exchange difference on translation of foreign operations			-		-
Items within OCI that may not be reclassified to profit or loss					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(222,445)	(295,903)	(227,069)	(307,627)
Attributable to:					
Owners of the parent		(222,871)	(301,098)	(227,069)	(307,627)
Non-controlling interests		426	5,195	-	-
Total comprehensive income for the year		(222,445)	(295,903)	(227,069)	(307,627)
Earnings/(loss) per share:					
Basic Earnings /(loss) per share	38	(1.6)	(2.2)	(1.6)	(2.2)
Diluted Earnings/ (loss) per share	38	(1.6)	(2.2)	(1.6)	(2.2)

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019
IN THOUSANDS OF NIGERIAN NAIRA

Group	Share capital	Share premium	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									
Profit/(loss) for the period	-	-	-	-	-	(222,871)	(222,871)	426	(222,445)
Transfer to contingency reserves	-	-	-	-	21,021	(21,021)	-	-	-
Other comprehensive income:									
Fair value adjustment	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,021	(243,892)	(222,871)	426	(222,445)
Transactions with owners, recorded directly in equity contributions by and distributions to owners									
Dividend to equity holders	-	-	-	-	-	-	-	-	-
Increase in share capital	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2019	7,000,000	1,023,465	63,089	1,270	968,423	(5,272,588)	3,783,659	230,565	4,014,224

Group	Share capital	Share premium	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									
Profit/(loss) for the period	-	-	-	-	-	(301,098)	(301,098)	5,195	(295,903)
Transfer to contingency reserves	-	-	-	-	32,237	(32,237)	-	-	-
Other comprehensive income:									
Fair value adjustment	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	32,237	(333,335)	(301,098)	5,195	(295,903)
Transactions with owners, recorded directly									
Dividend to equity holders	-	-	-	-	-	-	-	-	-
Increase in share capital	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2018	7,000,000	1,023,465	356,539	370	904,567	(5,532,570)	3,752,371	228,819	3,981,190

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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	-	-	-	-	-	(227,069)	(227,069)
Transfer to contingency reserves	-	-	-	-	21,021	(21,021)	-
Other comprehensive income:							
Fair value adjustment		-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,021	(248,090)	(227,069)
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 31 March 2019	7,000,000	1,023,465	1,270	63,089	968,422	(5,525,373)	3,530,873

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	-	-	-	-	-	(307,627)	(307,627)
Transfer to contingency reserves	-	-	-	-	32,237	(32,237)	-
Other comprehensive income:							
Fair value adjustment	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	32,237	(339,864)	(307,627)
Transactions with owners, recorded directly in equity contributions by and distributions to owners							
Total transactions with owners	-	-		-	-	-	-
Balance at 31 March 2018	7,000,000	1,023,465	370	356,539	904,567	(5,775,751)	3,509,190

STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 MARCH 2019
(IN THOUSANDS OF NIGERIAN NAIRA)

	NOTES	Group 2019	Group 2018	Company 2019	Company 2018
Premium received from policy holders		791,233	861,281	631,324	726,966
Commission received		57,337	77,453	57,337	77,453
Receipt from reinsurance recovery		678,737	139,974	678,737	139,974
Claims paid		(582,916)	(429,697)	(495,446)	(346,275)
Maintenance cost		(15,690)	(6,113)	(15,690)	(6,113)
Reinsurance premium paid		(261,260)	(259,600)	(261,260)	(259,600)
Other operating income		9,767	37,871	9,762	37,856
Operating costs and payment to employees		(368,048)	(399,210)	(347,420)	(389,622)
Tax paid		-	(44,039)	-	-
Net cash inflow from operating activities		309,160	(22,081)	257,344	(19,361)
Cash flows from investing activities					
Additions to investment in subsidiaries		-	-	-	-
Additions to Investment properties		-	-	-	-
Additions to Intangible assets	9	-	(15,552)	-	(5,824)
Rental income	31	1,838	747	1,213	34
Dividend received	31	888	-	888	-
Proceeds from disposal of Property Plant & Equipment		4,793	7,822	1,467	7,822
Additions to property, plant and equipment	10	(58,134)	(40,924)	(57,417)	(6,600)
Additions to financial assets		-	-	-	-
Financial assets at amortised costs		(305,011)	(386,120)	(254,502)	(386,148)
Proceeds from disposal of financial assets at fair value through profit or loss		-	26,549	-	26,549
Net cash inflow/(outflow) from investing activities		(355,626)	(407,478)	(308,351)	(364,167)
Cash flows from financing activities					
Deposit for shares		-	1,000	-	-
Repayment of borrowings		-	-	-	-
Dividend Paid		-	-	-	-
Net cash outflow from financing activities		-	1,000	-	-
Net increase/(decrease) in cash and cash		(46,466)	(428,559)	(51,007)	(383,528)
Cash and cash equivalents brought		2,510,861	3,440,507	2,458,227	3,012,534
Cash and cash equivalents carried		2,464,395	3,011,948	2,407,220	2,629,006

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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Cash at bank and in hand	(21,099)	125,441	(40,870)	109,024
Short term deposits	2,492,643	2,394,207	2,455,239	2,357,990
	2,471,544	2,519,648	2,414,369	2,467,014
Less: Impairment on placements	(7,149)	(8,787)	(7,149)	(8,787)
	2,464,395	**2,510,861**	**2,407,220**	**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	2,464,395	2,510,861	2,407,220	2,458,227
Bank overdraft	-	-	-	-
	2,464,395	**2,510,861**	**2,407,220**	**2,458,227**

2.0 FINANCIAL ASSETS

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

2.1 **- At fair value through profit or loss**	Mar 2019	Dec 2018	Mar 2019	Dec 2018
Financial assets at fair value through profit or loss:				
Quoted shares	**96,949**	**95,286**	**42,276**	**42,359**

2.2 **- At fair value through other comprehensive income**	Mar 2019	Dec 2018	Mar 2019	Dec 2018
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**	Mar 2019	Dec 2018	Mar 2019	Dec 2018
Financial assets at amortised cost-T/B	3,997,194	3,692,405	3,658,467	3,404,187
Less: impairment	(1,722)	(1,944)	(1,672)	(1,894)
	3,995,472	**3,690,461**	**3,656,795**	**3,402,293**
Total financial assets	4,101,768	3,795,094	3,708,418	3,453,999

IN THOUSANDS OF NIGERIAN NAIRA

3.0 TRADE RECEIVABLES

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Insurance receivables (see below)	72,897	3,529	72,897	3,529
Other trade receivables	147,057	156,529		
Less: Provision for impairment:				
Insurance receivables (see below)	-	-	-	-
Other trade receivables (see below)	(40,377)	(40,377)	-	-
TRADE RECEIVABLES	179,577	119,681	72,897	3,529

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

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Brokers	72,897	3,529	72,897	3,529
Agents	-	-	-	-
Direct clients	-	-	-	-
Total	72,897	3,529	72,897	3,529
Less: impairment from brokers	-	-	-	-
Less: impairment from agents	-	-	-	-
Less: impairment from direct clients	-	-	-	-
	72,897	3,529	72,897	3,529

4.0 REINSURANCE RECEIVABLES

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Total reinsurers' share of insurance liabilities	2,034,444	2,269,818	2,034,444	2,269,818
Prepaid re-insurance	323,016	194,855	323,016	194,855
	2,357,460	2,464,673	2,357,460	2,464,673

	Mar 2019	Dec 2018	Mar 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	236,222	849,116	236,222	849,116
Released in the period	(108,061)	(862,996)	(108,061)	(862,996)
Closing balance	323,016	194,855	323,016	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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
At 1 January	103,939	126,007	103,939	126,007
Additions in the period	140,432	504,929	133,287	478,515
Expensed during the period	(119,868)	(526,997)	(112,723)	(500,583)
Closing balance	124,503	103,939	124,503	103,939

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

IN THOUSANDS OF NIGERIAN NAIRA

6.0 PREPAYMENTS AND OTHER RECEIVABLES	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Other receivables (Note 6.1)	227,999	225,044	165,947	162,778
Due from related companies (Note 6.2)	41,008	32,271	32,271	32,271
Due from Equity Resort hotel (Note 6.3)	167,285	171,361	84,982	89,058
Prepayments - staff	19,036	10,233	16,238	9,939
Prepayments - others	261,147	429,904	242,068	416,237
	716,475	868,813	541,506	710,283
Current	549,190	697,452	456,524	621,225
Non-current	167,285	171,361	84,982	89,058

6.1 OTHER RECEIVABLES				
Investment receivables	7,875	19,650	7,875	19,650
Withholding tax receivables	106,110	101,087	92,419	87,397
Sundry receivables	114,014	104,307	65,653	55,731
	227,999	225,044	165,947	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	8,737			
Sunu Participation Holding SA		-		
Equity Assurance Limited, Liberia	4,723	4,723	4,723	4,723
	41,008	32,271	32,271	32,271

6.3 DUE FROM EQUITY RESORT HOTEL LIMITED	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
At 1 January	171,361	164,088	89,058	164,088
Reimbursable expenses incurred	-	25,888	-	25,888
Repayment during the period	-	(933)	-	(83,236)
Profit/(loss) from concessionary arrangement	(4,076)	(17,682)	(4,076)	(17,682)
Closing balance	167,285	171,361	84,982	89,058

7 INVESTMENT IN SUBSIDIARIES	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
EA Capital Management Limited		-	278,294	278,294
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 Mar-18	Dec-17
EA Capital Management Limited	Asset management	100	100
Managed HealthCare Services Limited	Health management	63.19	63.19

1. 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.

IN THOUSANDS OF NIGERIAN NAIRA

2. 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 Mar 2019	Group Dec 2018	Company Mar 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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
COST				
Balance at 1 January	1,279,835	1,260,913	1,245,242	1,238,893
Additions	-	18,922	-	6,349
Closing balance	1,279,835	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	13,973	53,857	12,517	50,032
Closing balance	510,168	496,195	495,800	483,283
Carrying value	769,667	783,640	749,442	761,959

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

Computer Software	27,374	29,565	7,149	7,884
Leasehold improvements on Equity Resort hotels	742,293	754,075	742,293	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 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
Additions	-	57	2,435	54,703	311	628	-	58,134
Disposals	-	-	(16,306)	(22,212)	(344)	-	-	(38,862)
At 31 March 2019	199,812	475,045	134,351	473,303	64,406	57,384	8,716	1,413,017
At 1 January 2018	1,199,762	2,117,995	139,045	406,661	52,552	45,516	5,730	3,967,261
Additions	-	19	716	34,014	421	5,754	-	40,924
Disposals	-	-	-	(12,055)	-	-	-	(12,055)
At 31 March 2018	1,199,762	2,118,014	139,761	428,620	52,973	-	5,730	3,996,130
ACCUMULATED DEPRECIATION								
At 1 January 2019	-	30,980	112,136	229,358	42,716	36,428	-	451,618
Charge for the period	-	1,372	2,465	19,074	1,370	1,144	392	25,817
Disposals	-	-	(14,891)	(19,727)	(236)	-	-	(34,854)
At 31 March 2019	-	32,352	99,710	228,705	43,850	37,572	392	442,581
At 1 January 2018	-	25,493	104,225	202,617	45,528	32,568	5,730	416,161
Charge for the period	-	9,942	3,323	16,957	612	832	-	31,666
Disposals	-	-	-	(10,194)	-	-	-	(10,194)
At 31 March 2018	-	35,435	107,548	209,380	46,140	33,400	5,730	437,633
CARRYING VALUE								
At 31 March, 2019	**199,812**	**442,693**	**34,641**	**244,598**	**20,556**	**19,812**	**8,324**	**970,436**
At 31 December, 2018	**199,812**	**444,008**	**36,086**	**211,454**	**21,723**	**20,328**	**8,716**	**942,127**
At 31 March, 2018	**199,812**	**2,082,579**	**32,213**	**219,240**	**6,833**	**(33,400)**	**-**	**3,558,497**

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	-	-	1,815	54,703	271	628	-	57,417
Disposals	-	-	-	(14,675)	-	-	-	(14,675)
At 31 March 2019	199,812	28,600	75,485	300,974	41,208	56,617	8,716	711,412
At 1 January 2018	1,199,762	1,677,600	70,506	309,439	44,223	44,604.00	5,730	3,351,864
Additions	-	-	319	330	197	5,754	-	6,600
Disposals	-	-	-	(12,055)	-	-	-	(12,055)
At 31 March 2018	1,199,762	1,677,600	70,825	297,714	44,420	50,358.00	5,730	3,346,409
ACCUMULATED DEPRECIATION								
At 1 January 2019	-	2,860	53,883	150,699	35,308	35,705	-	278,455
Charge for the period	-	143	1,068	11,848	499	1,136	392	15,086
Disposals	-	-	-	(13,942)	-	-	-	(13,942)
At 31 March 2019	-	3,003	54,951	148,605	35,807	36,841	392	279,599
At 1 January 2018	-	2,288	53,813	144,395	38,652	31,741	5,730	276,619
Charge for the period	-	8,697	1,413	11,897	481	824.00	-	23,312
Disposals	-	-	-	(10,194)	-	-	-	(10,194)
At 31 March 2018	-	10,985	55,226	146,098	39,133	32,565	5,730	289,737
CARRYING VALUE								
At 31 March 2019	199,812	25,597	20,534	152,369	5,401	19,776	8,324	431,813
At 31 December 2018	199,812	25,740	19,787	110,247	5,629	20,284	8,716	390,215
At 31 March 2018	1,199,762	1,666,615	15,599	151,616	5,287	17,793	-	3,056,672

10.2.1 Valuation of properties

Land and building held by Equity Assurance 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).

IN THOUSANDS OF NIGERIAN NAIRA

11 STATUTORY DEPOSIT

	Group Mar 2019	Group Dec 2018	Company Mar 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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Claims reported and loss adjustment expenses	2,961,797	3,058,711	2,961,797	3,058,711
Claims incurred but not reported	296,180	252,001	296,180	252,001
Unearned premiums	727,253	618,549	727,253	618,549
Total Insurance contract iabilities, gross	3,985,230	3,929,261	3,985,230	3,929,261
Reinsurance receivables	2,034,444	1,855,918	2,034,444	1,855,918
Net insurance contract liabilities	1,950,786	2,073,343	1,950,786	2,073,343

13 TRADE PAYABLES

Trade payables represent liabilities to Agents, Brokers and Re-insurers as at year end.

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Reinsurance payable	18,035	43,073	18,035	43,073
Coinsurance payable	201	1,099	201	1,099
Commission payable	19,437	66	19,437	66
Other trade payables	3,528	25,148	-	-
	41,201	69,386	37,673	44,238

14 OTHER PAYABLES

	Mar 2019	Dec 2018	Mar 2019	Dec 2018
Due to related parties (Note 14.1)	46,084	42,175	113,130	93,362
Deferred income (Note 14.2)	128,027	63,268	-	-
Dividend payable	38,798	38,798	38,798	38,798
Withholding tax payable	23,398	25,001	20,170	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	416,396	355,785	390,215	354,203
Rent received in advance	8,530	-	-	-
Unearned commission	82,264	52,430	82,264	52,430
Penalty due to NAICOM (Note 14.3)	259,984	259,984	259,984	259,984
Sundry creditors	89,482	93,057	83,557	80,469
Accrued expenses	126,062	140,864	70,458	70,130
	1,251,929	1,104,266	1,091,480	1,003,597
Current	863,918	781,014	831,496	743,613
Non-current	388,011	323,252	259,984	259,984

14.1 DUE TO RELATED PARTIES

EA Capital Management Limited	-	-	49,738	42,170
Managed Healthcare Services Limited	-	-	16,533	8,242
Sunu Group	46,084	42,175	46,859	42,950
	46,084	42,175	113,130	93,362

14.2 This represents unearned income from the businesses of EA Capital Management Limited- N12.232Million (December 31, 2018-N13.157Million) and Managed Healthcare Services Limited- N115.795Million (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.

IN THOUSANDS OF NIGERIAN NAIRA

15 DEPOSIT FOR SHARES

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
At January 1	1,000	-	-	-
Additions during the period	-	1,000	-	-
Balance at	1,000	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:

	Mar 2019	Dec 2018	Mar 2019	Dec 2018
KYT investments Limited	1,000	-	-	-
	1,000	-	-	-

16 BORROWINGS

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Obligations under finance lease	-	-	-	-
Convertible redeemable loan (Note 16.2)	2,948,547	2,830,705	2,948,547	2,830,705
Total	2,948,547	2,830,705	2,948,547	2,830,705
Maturity analysis				
Current portion	-	-	-	-
Non-current portion	2,948,547	2,830,705	2,948,547	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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Balance at January 1	2,830,705	2,644,867	2,830,705	2,644,867
Interest charges	30,589	115,400	30,589	115,400
Payments during the period	-	-	-	-
Exchange difference	87,253	70,438	87,253	70,438
Closing balance	2,948,547	2,830,705	2,948,547	2,830,705

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
Balance as at January 1	43,667	116,176	28,467	63,015
WHT tax credit offset	-	(3,439)	-	-
Charge for the period	24,609	40,081	18,375	20,752
Payment during the period	-	(109,151)	-	(55,300)
Closing balance	68,276	43,667	46,842	28,467

17.1 The tax charge for the period comprises:

Company income tax				
-Sunu Assurances Nigeria Plc	18,375	20,752	18,375	20,752
-Managed Healthcare Services	4,603	6,742	-	-
-EA Capital Management Limited	1,631	12,587	-	-
	24,609	40,081	18,375	20,752
Deferred tax	-	-	-	-
Total tax charge for the Period	24,609	40,081	18,375	20,752

18 DEFERRED TAX

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company 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 Mar 2019	Group Dec 2018	Company Mar 2019	Company 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

20 SHARE PREMIUM

	Group Mar 2019	Group Dec 2018	Company Mar 2019	Company 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

IN THOUSANDS OF NIGERIAN NAIRA

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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
At 1 January	947,401	872,330	947,401	872,330
Transfer from retained earnings	21,021	75,071	21,021	75,071
Closing balance	968,422	947,401	968,422	947,401

22 ASSETS REVALUATION RESERVES

ASSETS REVALUATION RESERVES	Mar 2019	Dec 2018	Mar 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

FAIR VALUE RESERVE	Mar 2019	Dec 2018	Mar 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 Mar 2019	Group Dec 2018	Company Mar 2019	Company Dec 2018
At 1 January	(5,028,695)	(5,198,989)	(5,277,283)	(5,435,450)
Total comprehensive income for the period	(222,871)	(48,085)	(227,069)	(60,212)
Transfer from Asset Revaluation Reserves	-	293,450	-	293,450
Transfer to contingency reserves	(21,021)	(75,071)	(21,021)	(75,071)
Closing balance	(5,272,587)	(5,028,695)	(5,525,373)	(5,277,283)

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

	Group Mar 2019	Group Dec 2018
Balance as at 1 January	230,139	223,496
Transfer from the profit or loss account	426	6,643
Closing balance	230,565	230,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019 (CONT'D)
IN THOUSANDS OF NIGERIAN NAIRA

26 NET PREMIUM INCOME

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Gross direct premium written	838,803	1,156,954	688,366	1,028,140
Inward reinsurance premium	12,326	46,440	12,326	46,440
Gross premium written	851,129	1,203,394	700,692	1,074,580
Increase in unearned premiums	(108,704)	(389,154)	(108,704)	(405,693)
Gross Premium income	742,425	814,240	591,988	668,887
Less: Reinsurance costs	(108,061)	(129,308)	(108,061)	(129,308)
Net Premium income	634,364	684,932	483,927	539,579

27 COMMISSION INCOME

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

28 NET CLAIMS EXPENSES

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Claims paid during the period	582,916	429,697	495,446	346,275
Outstanding claims	(52,735)	1,622,506	(52,735)	1,622,506
Total claims and loss adjustment expenses	530,181	2,052,203	442,711	1,968,781
Recoverable from re-insurance	(265,990)	(1,586,344)	(265,990)	(1,586,344)
	264,191	465,859	176,721	382,437

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 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Acquisition costs	119,868	150,246	112,723	146,252
Other underwriting expenses	15,690	6,113	15,690	6,113
Total underwriting expenses	135,558	156,359	128,413	152,365

30 NET INCOME FROM NON-INSURANCE COMPANIES

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
EA Capital Management Limited	1,332	4,891	-	-
Managed Healthcare Services Limited	46,666	45,759	-	-
	47,998	50,650	-	-

31 INVESTMENT INCOME

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Cash and cash equivalents interest income	213,199	133,477	203,091	113,937
Dividend income	888	-	888	-
Rental income	1,838	747	1,213	34
	215,925	134,224	205,192	113,971

IN THOUSANDS OF NIGERIAN NAIRA

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
The investment income comprises the following:				
Investment income attributable to shareholders	2,726	747	2,101	34
Investment income attributable to policyholders	213,199	133,477	203,091	113,937
	215,925	134,224	205,192	113,971

32 NET REALISED (LOSS)/ GAINS ON FINANCIAL ASSETS

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Realised gain on quoted equity securities	-	(1,127)	-	(1,127)

33 NET FAIR VALUE LOSS ON FINANCIAL ASSETS

Net fair value (loss) on financial assets at fair value through profit or loss	1,662	23,459	(84)	19,587

34 OTHER OPERATING INCOME

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Profit/(loss) from sale of property, plant & equipment	784	5,961	734	5,961
Bank interest	21	8	20	4
Exchange gain	8,890	34,195	8,890	34,195
Other income	856	3,668	852	3,657
	10,551	43,832	10,496	43,817

35 IMPAIRMENT LOSS

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Impairment on trade receivables	-	1,795	-	-
Impairment no longer required on Tbills	(1,894)	-	(1,894)	-
Impairment no longer required on placement	(8,787)	-	(8,787)	-
Impairment on placement	7,149	6,690	7,149	6,040
Impairment on Tbills	1,672	319	1,672	294
	(1,860)	8,804	(1,860)	6,334

36 OTHER OPERATING EXPENSES

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Depreciation and amortization charges	39,600	44,991	27,603	36,151
Auditors remuneration	3,695	4,114	2,500	3,060
Directors expenses	7,653	5,002	4,825	2,545
Professional fees	7,185	9,375	5,714	6,042
Bank charges	750	907	145	468
Training expenses	4,165	2,664	2,187	1,844
Communication expenses	29,661	31,416	27,049	28,965
Exchange loss	-	-	-	-
Marketing expenses	19,129	20,738	13,083	11,459
Statutory fees	1,927	24,803	1,927	24,803
Repairs and maintenance	18,729	16,533	11,443	10,843
Diesel and electricity	43,687	31,885	41,307	30,035
Rent and rates	195,883	5,853	195,085	3,362
Insurance expenses	8,726	7,147	3,972	3,287
Pension and gratuity	8,911	6,729	5,748	3,023
Printing and stationery	2,887	3,005	1,024	1,138
Travelling and accomodation	21,734	20,250	19,263	18,558
Other administrative expenses	9,789	18,011	6,905	12,638
	424,111	253,423	369,780	198,220

IN THOUSANDS OF NIGERIAN NAIRA

37 FINANCE COSTS

	Group 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Interest on Daewoo loan	30,589	29,250	30,589	29,250
Exchange difference on Daewoo loan	87,253	146,331	87,253	146,331
Restructuring fees on Daewoo loan	61,270	-	61,270	-
	179,112	175,581	179,112	175,581

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 3 Months ended Mar 31, 2019	Group 3 Months ended Mar 31, 2018	Company 3 Months ended Mar 31, 2019	Company 3 Months ended Mar 31, 2018
Loss attributable to the equity holders	(218,795)	(301,098)	(222,993)	(307,627)
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)	(1.6)	(2.2)	(1.6)	(2.2)
Diluted (loss)/earnings per share (kobo per share)	(1.6)	(2.2)	(1.6)	(2.2)