Value

...our proposition for excellence

Connect with us on: Head Office: Guinea Insurance House,33, Ikorodu Road, Jibowu, Lagos
Tel: (Customer Service) 0709 821 2408 (Call Center) 0709 821 1385. Email: info@guieainsurance.com.

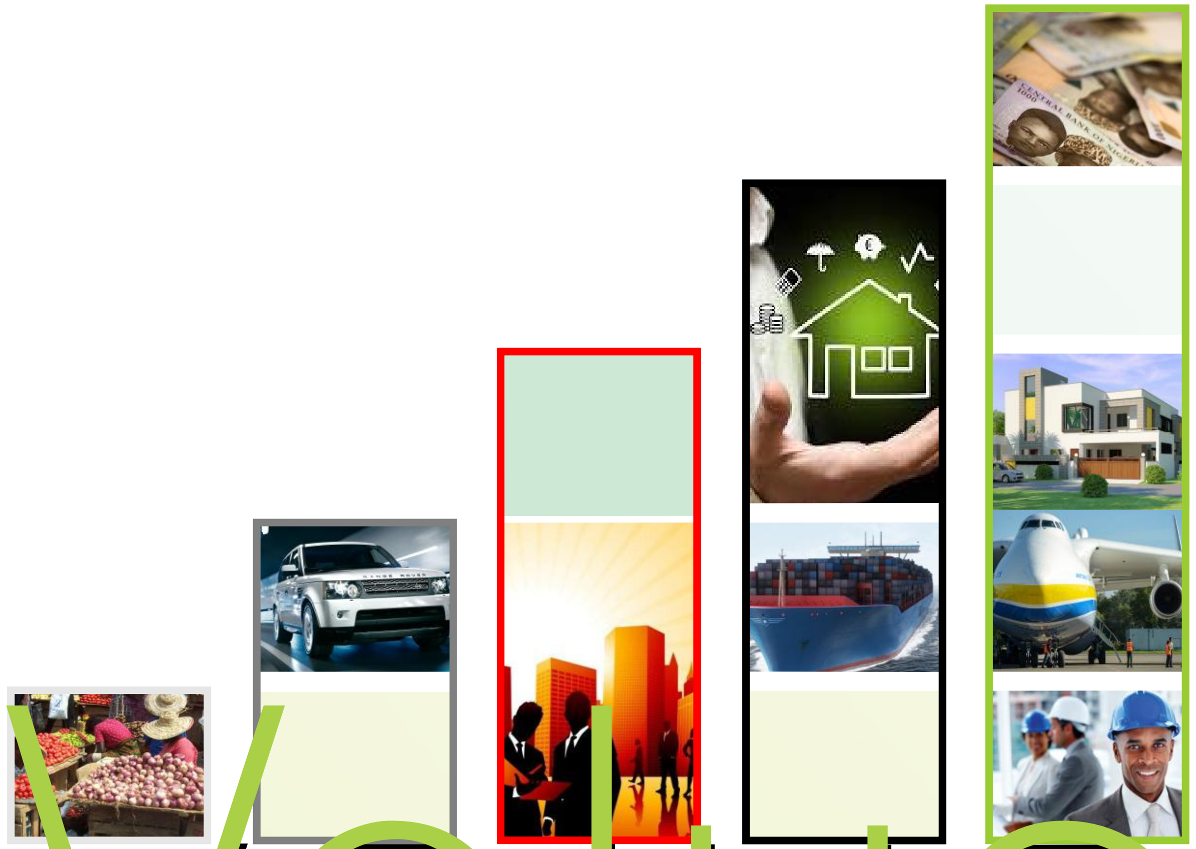
Lagos Abuja Port Harcourt Benin Kano Calabar Onitsha Kaduna

General Accident Motor Insurance Fire Insurance Special Risks

2014 Guinea Insurance Plc Annual Report

www.guineainsurance.com

2014 ANNUAL REPORT



Value

...our proposition for excellence

Guinea Insurance Plc

...exceeding your expectations

...inspired to conquer new frontiers

VISION

To be a leading Insurance company in Nigeria

MISSION

To provide professional services to our esteemed customers through the introduction of quality products, driven by state-of-the-art technology backed by a group of high-profiled personnel, to maximize returns to shareholders.

BRAND PERSONALITY

- Caring
- Contemporary
- Competent
- Dependable
- Confident
- Ethical

CORE VALUES

- Integrity
- Professionalism
- Service
- Teamwork
- Commitment

www.guineainsurance.com

House Holder Insurance

Your Protection, Our Premium!

Home is where the heart is. Protect your home and belongings from the unexpected. Our first-rate home insurance solutions are deliberately crafted to cover your high-value items against: .

- Loss or damage to building
- Loss of rent
- Loss or damage to content
- Personal Liability to the public

Give us a call TODAY!

Guinea Insurance Plc
...exceeding your expectations

General Accident - Motor Insurance - Fire Insurance - Special Risks

LAGOS ABUJA PORT HARCOURT BENIN ONITSHA KANO KADUNA CALABAR

Guinea Insurance House: 33 Ikorodu Road, Jibowu, Lagos. Tel: +234709 821 2408,0709 821 1386, Email: info@guineainsurance.com, Connect with us on:

Contents

Our Company 4

Notice of Annual General Meeting 5
Corporate Information 6
Financial Highlights 7
Corporate Governance 8
Board of Directors 10
Chairman's Statement 13
Chief Executive's Statement 15
Board Declaration on Enterprise Risk Management 17
Report of Directors' 18
Management Team 21
Statement of Directors' Responsibilities In Relation To The Financial Statements 30
Certification Pursuant To Section 60(20 Of The Investment Act No 29 of 2007
Report of The Auditor Committee 31

Audited Financial Statement

Independent Auditors Report to Members of Guinea Insurance Plc 32
Statement of the Significant Account Policies
Profit and Loss Account
Statement of Financial Position
Statement of Change Equity
Statement of Cash Flow
Note of Financial Statement
Non-life Revenue Account
Statement of Value Added
Five Year Financial Summary
Five Year Financial Summary Income Statement Profit and Loss

Bonus History 109

Incorporation and Share Capital History 110
E-dividend and E- Bonus 111
Corporate Directory 112
Admission Form 113
Mandate Form 114
Proxy Form 115

OUR COMPANY

The history of GUINEA INSURANCE PLC dates back to the year 1948 when British West African Corporation Limited (BEWAC) opened an Insurance Department and became Chief Agents in Nigeria for Legal and General Assurance Society Limited of London. In 1950, the Agency was extended to Norwich Union Fire Insurance Society Limited, United Kingdom. In response to Business Growth and to maximize available opportunities, Legal & General Assurance Society Limited, Norwich Union Fire Insurance Society Limited, Northern Region Development Corporation Limited and British West African Corporation Limited jointly incorporated an insurance Company.

Thus, Guinea Insurance Company Limited became operative from December 3, 1958.The Overseas shareholders held 51 % majority shares before the indigenization decree of 1976, reversed the holding to 60% Nigerian interest, 40% overseas. The Overseas Shareholders divested their 40% holding to existing Nigerian Shareholders in 1998 thereby making the Company 100% Nigerian.

After the recent Recapitalization exercise in the industry, Guinea Insurance Plc is licensed by the National Insurance Commission (NAICOM) to operate as an Insurer for all classes of General Insurance business.

With the recent acquisition of majority shares by Chrome, a new Executive Management Team and a Chairman emerged. Now, the Company has been fully restructured and repositioned to meet the ever-changing needs of our numerous customers as well as the challenges of the new millennium. The share capital has been increased from N500m to a paid up of N3, 200,000,000.00. Thus, making GUINEA INSURANCE PLC one of the most highly capitalized companies in the Nigerian Insurance industry of today.

GUINEA INSURANCE PLC is now managed by a crop of highly skilled and committed professionals, driven by modern technology and supported by vibrant and resourceful Board of Directors led by Sir Emeka Offor [KSC]. The company is positioned to provide excellent insurance services of global standard that yield high value-addition to our numerous customers.

The Head Office is presently located in its new Corporate Head Quarters at GUINEA INSURANCE HOUSE 33 Ikorodu Road Jibowu Lagos together with a network of branches spread all over the country, we are poised to serve you better.

NOTICE IS HEREBY GIVEN that the 57TH Annual General Meeting of GUINEA INSURANCE PLC will be held at Daaty Hotel plot 4 D Line, Ewet Housing Estate, Uyo, Akwa Ibom State on the 10th day of December at 11am to transact the following business

ORDINARY BUSINESS

1. To receive the report of the Directors and Audited Financial Statements together with the Auditor's Report for the year ended 31st December, 2014.
2. To re-elect Directors.
3. To elect/re-elect members of the Audit Committee in accordance with Section 359 (4) and (5) of the Company and Allied Matters Act, CAP C20, 2004.
4. To authorize the Directors to fix the remuneration of the External Auditors.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions which will be proposed as Special Resolutions.

5. "That the Directors be and are hereby authorized to raise, whether by way of Public offer, private placements, rights issue, book building process or other methods, additional capital of up to N1,000,000,000 (One billion Naira) by way of the Issuance of shares, convertible or non convertible loans, stock, medium term notes, corporate bonds or other securities in such tranches, serves or proportions, at such coupon or interest rates within such maturity periods, and on such other terms and conditions including the provision of security for repayment, as the directors may deem fit or determine, subject to obtaining the approvals of relevant regulatory authorities."
6. "That the Directors be and are hereby authorized to enter into and execute any agreement, deeds, notices and any other documents necessary for and or incidental to effecting resolution (5) above".
7. "That the Directors of the company or anyone of them for the time being, be and are hereby authorized to appoint such professional parties and advisers, and to perform all such other acts and to do all such other things as may be necessary for or incidental to effecting the above resolutions, including without limitation, complying with directive of any regulatory authority".
8. "That the authorized share capital of the company be and is hereby increased from N3,200,000,000 to N4,200,000,000 by the addition thereto of the sum of N1,000,000,000 divided into 2,000,000,000 ordinary shares of 50kobo each ranking in all respects pari-passu with the exciting shares of the company"
9. "That the Memorandum of Association of the company be and is hereby amended by deleting the words "The authorized share capital of the company is N3,200,000,000 divided into 6,400,000,000 ordinary shares of 50kobo each and substituting therefore the following words "The authorized share capital of the company is N4,200,000,000 divided into 8,400,000,000 ordinary shares of 50kobo each".

PROXY

A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. A proxy need not be a member of the company. A form of proxy is enclosed and for it to be valid for the purpose of this meeting, it must be completed and deposited at the office of the Registrar, Cardinal Stones (Formally City Securities) (Registrars) Limited, 358, Herbert Macaulay Way Yaba Lagos not later than 48 hours before the time for holding the meeting.

AUDIT COMMITTEE

In accordance with section 359 (5) of the companies and Allied Matters Act, CAP C20 2004 any member may nominate a shareholder as a member of the Audit committee by giving notice in writing of such nomination to the company secretary at least 21 days before the annual general meeting

UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES.

Some dividend warrants and share certificates remain unclaimed or are yet to be presented to the Company for revalidation. A list in respect of same is circulated with the Annual Report and Financial Statements. Members affected are advised to write to or call at the office of the Registrars of the Company, Cardinal Stones (formally City Securities) (Registrars) Limited, 358, Herbert Macaulay Way, Yaba, Lagos

CLOSURE OF REGISTER OF MEMBERS AND TRANSFER BOOKS

The register of members and transfer books will be closed from Tuesday December 1, 2015 to Wednesday December 9, 2015, both days inclusive for the purpose of preparing an up- to- date Register.

BY THE ORDER OF THE BOARD

ISIOMA OMOSHIE
FRC/2013/NBA00000000928
COMPANY SECRETARY/LEGAL ADVISER

Registered Office
GUINEA INSURANCE HOUSE
33, Ikorodu Road
Jibowu Lagos.

CORPORATE INFORMATION

DIRECTORS

Sir Emeka Offor - Chairman
Mr. Polycarp Didam – Managing Director/CEO
Mr.Fred Udechukwu – Director
HRH Eze Smart Nze - Director
Engr. Emeka Agusiobo - Director
Prof. E.L.C Nnabuife – Director
Alhaji A.O. Kadiri – Independent Director

COMPANY SECRETARY/LEGAL ADVISER

Isioma Omoshie
Registration No. - RC. 1808
Registered Office: - Guinea Insurance House, 33, Ikorodu Road,Jibowu Lagos

REINSURERS:

a. African Reinsurance Corporation
b. Continental Reinsurance Plc
c. Nigeria Reinsurance Co.
d. WAICA Reinsurance Corporation
e. Aveni Reinsurance Company Ltd.

REGISTRARS:

Cardinal Stone Registrars Ltd (formaly City Securities Registrars Ltd)
358, Herbert Macaulay Way Yaba Lagos

PRINCIPAL BANKERS:

United Bank For Africa
Wema Bank
Access Bank
Zenith Bank
Mainstreetbank
Guaranty Trust Bank

AUDITORS:

ERNST & Young,
Chartered Accountants 10th & 13th Floors, Uba House 57,
Marina, Lagos.

CONTACT DETAILS:

01 – 8446470
07098212408
info@guineainsurance.com
www.guineainsurance.com

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31, DECEMBER 2014

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31, DECEMBER 2014	2014 =N=000	2013 =N=000
Major Statement of Financial Position Items:		
Total Assets	4,564,728	4,213,959
Total Equity	2,896,428	2,982,953
Insurance Contract Liabilities	758,956	533,020
Major Income Statement Items:		
Gross Premium Written	1,093,413	1,088,340
Gross Premium Income	867,997	1,081,185
Net Premium Income	625,187	978,027
Claims Expenses	(243,517)	(324,281)
Profit/{Loss} Before Taxation	(14,372)	(300,282)
Current Year Company Income Tax	(67,526)	(130,447)
Back Duty Income Tax	(-)	(130,000)
Profit/ Loss After taxation-	(81,898)	39,835
Per 50k Share Data		
Earnings per share {kobo} before Tax	(0.2)	5.0
Earnings per share {kobo} after Tax	(1.4)	0.7
Net asset per share {kobo}	47	49
Stock Exchange quotation [kobo} as at 31 December	50	50

CORPORATE GOVERNANCE

The Company is committed to the principles of Corporate Governance and Code of best practices and therefore takes account of and complies with the principles of good corporate governance. At Guinea Insurance Plc, the Board is committed to full disclosure and transparency in providing information to all stakeholders.

Corporate Governance Policies are designed to ensure the protection of the long term interest of all stakeholders in consideration of this therefore, the Board exercises the best of judgment in policy making, monitoring executive actions and directing the Company's strategies.

Directors also meet with shareholders at the Annual General Meetings and shareholders forum convened by the company.

The policies of the Board are designed to maintain its distinct duty as the link between shareholders and the Company's management led by the Chief Executive Officer.

The Board of Directors is made up of Seven (7) Directors comprising Six (6) Non - Executive Directors and six (1) Executive Director – MD/CEO.

We confirm that our Non Executive Directors are of strong calibre and contribute actively to Board deliberations and decision making. However, Non-Executive Directors are not appointed for a fixed period. There is a requirement in article 97 of the Company's memorandum and articles of association, whereby one-third (1/3) of Non-Executive Directors retire by rotation at every Annual General Meeting.

Responsibilities at the top of the Company are well defined and the Board is not dominated by one individual. The position of the Chairman is separate from the Chief Executive Officer. The Chairman is not involved in the day to day operations of the Company. The Board is responsible for controlling and managing the strategic business of the Company and constantly reviews and presents a balanced and comprehensive assessment of the company's performance and future prospects.

The Board meets regularly at least once in a quarter however due to the resignation of the Executive Management Committee; the Board could not meet up with the number of times as statutorily required. Sufficient notices with clear agenda/report are given ahead of such meetings. All Directors have access to the Company Secretary who can only be appointed or removed by the Board and is also responsible to the Board.

The Board is responsible for controlling and managing the strategic business and constantly reviews and presents a balance and comprehensive assessment of the Company's performance and future prospects.

Also a Management Executive Committee meets weekly to address policy implementation and other operational issues.

The Board functions either as a full Board or through the underlisted Committees which are constituted as follows:

AUDIT COMMITTEE

In compliance with the provisions of Section 359 of the Companies and Allied matters Act, Cap C20, LFN 2004, the Company constituted an Audit Committee. As at December 31, 2014, the Audit Committee consisted of four (4) members, of which are Non-Executive Directors and the other two are Share holders. The Committee which is chaired by a Shareholder has the responsibility of reviewing the scope, results of the audit, independence and objectivity of the auditors.

The Composition of the Committee as at December 31, 2014 is as follows:

1. Mr. Peter Mgbeahuru - Chairman (Shareholder Representative)
2. Mr. Waheed Shonibare - Member (Share holder Representative)
3. Prof.E.L.C Nnabuife - Member (Non Executive Director)
4. Alhaji A.O Kadiri - Member (Non Executive Director)

BOARD COMMITTEES

The following are the Board Committees-

1. Finance & General Purpose:

The committee reviews and oversees financial control and performance, budgetary control and make appropriate recommendations to the Board.

COMPOSITION

Chairman - Alhaji A.O.Kadiri
Members - Prof. E.L.C Nnabuife
Mr. Fred Udechukwu
Mr. Polycarp Didam

2. Establishment & Governance:

The committee which operates as a nomination committee reviews and recommends for approval to the Board matters bordering on Board appointments, Staff appointments, Staff compensation, welfare, promotions and recruitment into senior management positions.

COMPOSITION

Chairman - Mr. Fred Udechukwu
Members - HRH Eze Smart Nze
Engr Emeka Agusiobo
Mr. Polycarp Didam

3. Investment Committee:

The committee reviews and recommends for approval matters relating to investment of the company's funds and all other areas of asset management of the company to ensure maximum returns while ensuring the protection of the assets of the company.

COMPOSITION

Chairman - Mr. Fred Udechukwu
Members - Alhaji A.O. Kadiri
Mr. Polycarp Didam

4. Audit and Compliance

The responsibilities of the Committee are as follows:

The Committee shall be responsible for the review of the integrity of the data and information provided in the audit and /or Financial reports.

The Committee shall provide oversight functions with regard to both the Company's financial statements and its internal control and risk management functions.

The Committee shall receive and review the internal Audit report and make recommendations to the Board on issues raised.

Review the procedure put in place to encourage honest whistle blowing.

The Committee shall review the terms of engagement and recommend the appointment or re-appointment and compensation of External Auditors to the Board and the shareholders.

Ensure compliance to regulatory directives.

Composition

Chairman - Alhaji A.O Kadiri
Member - Prof. E.L.C Nnabuife
Mr. Polycarp Didam.

Meetings of the Board and Committees of the Board for the 2014 financial year are hereby attached

BOARD MEETING ATTENDANCE 2014

BOARD MEETING ATTENDANCE 2014

S/N	NAMES OF DIRECTORS	FEB 13	FEB 19	MAY 17	JUN 27	AUG 28	SEP 25	NOV 27	TOTAL
1	Sir Emeka Offor	-	-	1	1	-	1	-	3
2	Polycarp Didam	1	1	1	1	1	1	1	7
3	Fred Udechukwu	1	1	1	1	1	1	1	7
4	Prof. E.L.C Nnabuife	1	1	1	1	1	1	1	7
5	HRH Eze Smart Nze	1	1	1	1	1	1	1	7
6	Engr. Emeka Agusiobo	1	1	1	1	1	1	1	7
7	Alhaji A.O Kadiri	1	1	1	1	1	1	1	7

INVESTMENT COMMITTEE MEETINGS 2014

S/N	NAMES OF DIRECTORS	MAR 19	MAY 20	NOV 26	TOTAL
1	Fred Udechukwu	1	1	1	3
2	Alhaji A.O Kadiri	1	1	1	3
3	Polycarp Didam	1	1	1	3

AUDIT COMMITTEE MEETINGS 2014

S/N	NAMES OF DIRECTORS	FEB 25	MAY 20	NOV 25	TOTAL
1	Peter Mgbeahuru	1	1	1	3
2	Waheed Shonibare	1	1	1	3
3	Prof. E.L.C Nnabuife	1	1	1	3
4	Alhaji A.O Kadiri	1	1	1	3

ESTABLISHMENT AND GOVERNANCE COMMITTEE MEETINGS 2014

S/N	NAMES OF DIRECTORS	MAR 20	MAY 21	NOV 26	TOTAL
1	Fred Udechukwu	1	1	1	3
2	HRH Eze Smart Nze	1	1	1	3
3	Engr Emeka Agusiobo	1	1	1	3
4	Polycarp Didam	1	1	1	3

FINANCE & GENERAL PURPOSE COMMITTEE MEETING 2014

S/N	NAMES OF DIRECTORS	MAR 19	MAY 20	NOV 25	TOTAL
1	Alhaji A.O Kadiri	1	1	1	3
2	Fred Udechukwu	1	1	1	3
3	Prof. E.L.C Nnabuife	1	1	1	3
4	Polycarp Didam	1	1	1	3

AUDIT AND COMPLIANCE COMMITTEE MEETINGS 2014

S/N	NAMES OF DIRECTORS	MAR 20	MAY 21	NOV 25	TOTAL
1	Alhaji A.O Kadiri	1	1	1	3
2	Prof. E.L.C Nnabuife	1	1	1	3
3	Polycarp Didam	1	1	1	3

BY ORDER OF THE BOARD

Isioma Omoshie
Company Secretary
FRC/2013/NBA00000000928

Registered Office
Guinea Insurance House
4th Floor, 33, Ikorodu Road, Jibowu, Lagos.

BOARD OF DIRECTORS

BOARD OF DIRECTORS

SIR EMEKA OFFOR (KSC)
CHAIRMAN

FRED UDECHUKWU
NON EXECUTIVE DIRECTOR

POLYCARP DIDAM
MD/CEO

EMEKA AGUISIOBO
NON EXECUTIVE DIRECTOR

Sir Emeka Offor became Director of Guinea Insurance PLC in September 29, year 2000.

He is an experienced venture capitalist and entrepreneur who combines a comprehensive knowledge of global oil market dynamics with good marketing and negotiating skills. A well respected Nigerian in the oil sector, he has traveled widely and he is a member of a number of professional and commercial bodies including Nigeria – Romanian Chamber of Commerce & industry where he is the President and also the Nigerian Institute of Purchase and Supply.

He was formally a chairman of the board of ERHC Energy Inc., USA; a Houston based independent Oil and Gas Company focused on oil and gas exploration and production in the Gulf of Guinea. He is the Chairman/CEO of the various

Mr. Fred Udechukwu was appointed as a Director in Guinea Insurance PLC in December 1, 2004. He is a well respected Nigerian. He holds a B Sc. in Economics from the University of Ife in 1980 and an M Sc. in Economics from the University of Lagos in 2001.

His work experience spans over 24 years in the banking sector. He was Commissioner of Finance Anambra State from 2000 to 2001.

Mr Fred Udechukwu is currently the Managing Director/CEO Global Scan System Ltd and a Director in so many Companies.

Mr. Polycarp Didam was appointed as a Director in Guinea Insurance PLC in October 14, 2013. He holds a Post Graduate Diploma in Management; M.Sc. in Business Administration (General Management) both from Abubakar Tafawa Balewa University, (ATBU), Bauchi.

He is an Advance Management Programme (AMP22) graduate of the Lagos Business School(LBS). A member of Nigeria Institute of Management, National Institute of Marketing of Nigeria and Chartered Insurance Institute of Nigeria. Polycarp brings over three decades of professional experience in: Insurance Underwriting, Commercial Insurance Broking, Infrastructure & Public Sector Advisory, Investment Management and Financial advisory in corporate and financial sectors, having worked with leading organisations in the industry.

He has attended various professional trainings home and abroad.

Engr. Emeka Agusiobo is a seasoned entrepreneur. He attended the University of Lagos where he obtained a B Sc. in Surveying Engineering in 1984. He was appointed as a Director of Guinea Insurance in December 1, 2004 .

As a man of vision and foresight, with a good understanding of the Nigerian economic terrain, he ventured early into private practice. He is currently the founding partner of Valenz Holdings Ltd an engineering firm that is the pride of Nigeria's local content policy.

BOARD OF DIRECTORS Cont'd.

BOARD OF DIRECTORS

ALH. A.O. KADIRI
NON EXECUTIVE DIRECTOR

PROF. E.L.C. NNABUIFE
NON EXECUTIVE DIRECTOR

H.R.H EZE SMART NZE
NON EXECUTIVE DIRECTOR

Alhaji A.O Kadiri was appointed as the Independent Director of Guinea Insurance PLC in December 1, 2004. He obtained his HND (Accounts) 1983, FCA 1990, FCTI 1999, MBA UNIBEN 1998.

His work experience spans over 30 years post graduate and 20 years post professional experience. He was the Audit Manager Uthman Audu Ekhar & Co (Chartered Accountants), Asst. Chief & Head internal Audit University of Benin Teaching Hospital and to date he is the Principal Managing Partner Abdukerim Kadiri & Co (Chartered Accountants).

Prof. E.L.C Nnbuife was appointed as a Director of Guinea Insurance PLC in December 1, 2004. He is an alumnus of the University of Ibadan where he obtained a B. Sc. in Forestry in 1975, University of Washington, Seattle where he had M. Sc. Forest Resources Specializing in Pulp and Paper Technology in 1978 and a PhD. Forest Resources specializing in wood utilization Technology in 1981.

He is an erudite scholar and has authored many papers and books. Prof. Nnabuife is currently the Dean of the faculty of Agriculture, Nnamdi Azikiwe University Awka, Anambra State.

HRH Eze Smart Nze was appointed as a Director of Guinea Insurance PLC in December 1, 2004. He is an alumnus of the National School, Stockport, England where he obtained a Diploma in Sales and Marketing, in 1973. He attended an Effective Sales and Marketing Course at the Nigerian Institute of Management in 1989. He obtained a Certificate of Completion in Negotiation & Conflict Management from the United Institute of Management in 2010. He also attended a Certificate Course in Humanitarian Law at the Peace Operations Training Institute in 2010.

He is the Chairman and Chief Executive Officer of two well established factories in Lagos – Edysmart (Nigeria) limited and Dallas Cosmetic Industries limited. He is a member of the Manufacturers Association of Nigeria and the Nigeria Export Promotion Council.

CHAIRMAN'S STATEMENT

Sir Emeka Offor (KSC)
Chairman

CHAIRMAN'S STATEMENT

Distinguished Shareholders
Valued Customers and Friends of Guinea Insurance Plc
Ladies and Gentlemen

On behalf of the Board of Directors and myself, I warmly welcome you all to the 57th Annual General Meeting of our Company, Guinea Insurance Plc ("the Company"), to present for your adoption, the company's Annual Report and Financial Statements for the year ended December 31, 2014.

I will like proceed by first bringing to the fore, an overview of the 2014 global and domestic economic developments, which severely impacted our business. Ladies and gentlemen, these economic developments, will enable us better appreciate the opportunities and challenges your company faced during the period under review.

The Global Economy

As reported by the United Nations World Economic Situation and Prospects, the global economy continued to expand during 2014 although at a moderate rate of 2.6% and an uneven pace. While Gross Domestic Product (GDP) growth in developed economies increased from 1.2% in 2013 to 1.6% in 2014, the slowdown in Latin America and the Commonwealth of Independent States led to the deterioration in the growth rate of developing countries from 4.8% to 4.3% as the prolonged recovery process from the global financial crisis was still saddled with unfinished post-crisis adjustments. Apparently, six years after the global financial crisis, recovery is still hampered by a combination of residual post-crisis adjustments and a number of new unexpected shocks, such as heightened geopolitical conflicts in several parts of the world.

There still exists a clear distinction in the growth rates of developed economies such as United States (2.3%) and Japan (0.4%) – technically falling into a recession in the second and third quarters – and emerging economies like China (7.3%), Nigeria (5.9%) and India (5.4%). Western Europe continues to struggle; the EU-15 growth rate was 1.2%. The region is held back by the travails of the Euro area where the level of GDP is yet to regain its pre-recession peak. While countries such as Spain, Ireland and Portugal have returned to positive growth (though recoveries are still extremely fragile), Italy and France contracted and stagnated respectively.

The Nigerian Economy

The United Nations World Economic Situation and Prospects stated that the global economy continued to expand during 2014 although at a moderate rate of 2.6% and an uneven pace. While Gross Domestic Product (GDP) growth in developed economies increased from 1.2% in 2013 to 1.6% in 2014, the slowdown in Latin America and the Commonwealth of Independent States led to the deterioration in the growth rate of developing countries from 4.8% to 4.3% as the prolonged recovery process from the global financial crisis was still saddled with unfinished post-crisis adjustments. Indeed, six years after the global financial crisis, recovery is still hampered by a combination of residual post-crisis adjustments and a number of new unexpected shocks, such as heightened geopolitical conflicts in several parts of the world. The Nigerian Economy started the year on a positive note with macroeconomic indicators such as inflation rate (8.2%) and the exchange rate (N155.73 per dollar) staying within projected ranges. The second quarter of the year also kicked off on a high note following the nation's GDP rebasing exercise conducted by the National Bureau of statistics (NBS). The results did not only confirm Nigeria as the largest economy in Africa with a GDP of N80.22 trillion ($509.97 billion), they also revealed the nation to be one of the least leveraged in the world, with a revised debt-to-GDP ratio of 11%, from 20%.

According to the National Bureau of Statistics, real Gross Domestic Product (GDP) growth was estimated at 5.94% in 2014, lower than the 6.77% achieved in 2013. The non-oil sector which has been the mainstay of the economy in terms of growth, recorded a growth of 6.44% in real terms, lower than the 8.78% recorded in 2013. Growth in this sector was driven by activities recorded in agriculture, trade, textile, apparel and footwear and real estate.

The oil sector contributed approximately 8.97% in Q4 2014 lowered by 0.42% points from the 9.39% in Q4 2013 largely due to global crude oil markets being impacted by the slowed economic growth of China and weaker demand for refined products from the U.S. and Europe. The significant fall in oil prices, combined with ongoing challenges in the Nigerian oil and gas sector, saw Nigeria's crude oil production drop below 2.3 million barrels per day. The impact of this drop in production was exacerbated in Q3 2014 by plummeting crude oil prices, forcing the Central Bank of Nigeria (CBN) to devalue the naira by 8%, and pushing the benchmark interest rate (the MPR) to a record of 13%, in an effort to preserve the nation's foreign reserves which stood at $34.50 billion by December 2014, down from $43.61 billion at the start of the year.

The banking industry also witnessed some headwinds in 2014 – increase in cash reserve ratio (CRR) on public sector and private sector deposits from 55% to 75%, and 12% to 15% respectively, reduction of commission on turnover charges from N3 to N2 per million in 2013; and pegging of the mandatory cost of short message service (SMS) alert at N4.

In the capital market, bearish sentiments prevailed for most of the year as foreign investors steadily withdrew from the Nigerian market due to currency risk, gradual recovery in developed economies and the effects of the US Federal Reserve Bank's tapering of its quantitative easing policy. The air of uncertainty that hovered over the Nigerian capital market throughout 2014 caused investors to increasingly adopt a 'flight to quality' strategy.

The Insurance Industry

Nigeria's insurance industry showed significant signs of positive gains in 2014 even though it is still performing far below its full potential. Insurance penetration (gross premium earned as a percentage of GDP) and density (gross premium earned in relation to total population size) remain low at 0.43% and $8.9 respectively relative to South Africa (13.39% and $1,071.9), Mauritius (6.25% and $507.2), Kenya (3.17% and $29.9) and Ghana (3.07% and $49.3). The low level of insurance penetration has been largely attributed to low awareness, poor purchasing power of Nigerians, poor market drive and unexciting products from insurers. Also lack of government patronage of insurance has been identified as a critical bane of insurance growth.

The Federal government, however, took active steps to support the growth of insurance in the country in 2014. The bold commitment of the government came to the fore when it announced at the National Insurance Summit held in Abuja in December 2014 that it has set a target of N5 trillion gross premium written (GPW) for the sector to achieve in the next 10 years.

Nigeria's insurance industry will remain driven by the country's rich demography given the population of 170m (estimated growth rate of 2.5% per year), median age of 17.9 years, rising urban population, and emerging middle-class which the sector continues to explore.

The National Insurance Commission (NAICOM) remains committed to strengthening the industry's configuration on the back of new regulatory measures. Recent efforts include increase in financial inclusion through creation of risk-based recapitalization exercise, "No Premium No

CHAIRMAN'S STATEMENT Cont'd

Cover", Market Development and Restructuring Initiative (MDRI), Adoption of IFRS standard of reporting by insurance companies, Enterprise Risk Management framework, and issuance of guidelines on micro-insurance and Takaful (non-conventional) insurance.

Company Financial Performance

2014 no doubt, put a strain on business nerve the world over. The economic downturn and challenging business environment posed far-reaching effects on the companys' profitability deliverables. In spite of these challenges, our company recorded modest growth in some performance indices when compared with year 2013.

Guinea Insurance Plc achieved a significant growth of 1,200% on investment property gains from N20million in 2013 to N260million in 2014. While within a virile regulatory environment which enabled premium cash flow, investment income rose by 31% from N186million in 2013 to N244million in 2014. Gross Premium Written increased slightly by 0.5% from N1.08billion in 2013 to N1.09billion in 2014, this was largely driven by the company's effort to grow its Retail and Microinsurance businesses. An equitable risk management mechanism was put in place within the period to engender savings for the company therefore, Claims and Underwriting expenses decreased by: 25% from N324million in 2013 to 243million in 2014 and 43% from 267million in 2013 to 150million in 2014 respectively. We are confident that the salient initiatives inaugurated in year 2014 will begin to yield good fruits as we consolidate and deliberately focus on profitable underwriting and investment performance while also, cautiously pursuing top-line growth.

Prospect for 2015

Experts are of the opinion that the Nigerian economy will be influenced in 2015 by post-election crisis, social unrest, and increased cost of production courtesy of high interest rate and devaluation of the naira. Despite the challenging operating environment, The key factors which will drive the global and regional economic outlook in 2015 are sustainability of growth and consumption in advanced economies, the effectiveness of revised fiscal and monetary policies in emerging markets and global commodity prices (especially crude oil).

It is our desire to be a full finance service provider with tentacles in other viable businesses such as banking, telecommunications, Microinsurance, Retail, oil and energy. The steps toward these ambitious ideals, Ladies and gentlemen, have already been taken by your company.

In all that we do, we shall always be guided by the ingredients of our mission which include maximising customer satisfaction, focusing on increasing our market share, and creating wealth for national developments and our shareholders. Our company is poised to take up opportunities within the industry while also strengthening its risk management capabilities to ensure effectiveness, efficiency and profitability.

Our action point for year 2015, is to activate and vigorously pursue the following key business segments:

Retail and Microinsurance Marketing

Our target is to actualise the much needed financial inclusion of the population at the bottom of the pyramid who by nature of the conventional insurance, are not catered for. We intend to drive the Retail and Microinsurance units maximally to meet the needs of the insuring public through the provision of innovative and affordable product. Efforts are underway to secure NAICOM's approval for seven of our newly crafted products namely: Waka Jeje (Personal Accident for Okada riders), Jeki Policy (GIT for traders in various markets), I Wan Be Landlord (Esusu/Savings Plan) Nothing Do You (Credit Life, Fire & Burglary etc. for Financial Institutions - MFB's) No More Loss (Fire & Burglary Insurance for traders) Safe Rails (Personal Accident for Railway Commuters through), No Worries (Funeral insurance) and I Go Get Am – (Anniversary products which would be affordable to the retail market.).

It is our believe that these policyholders would be encouraged to build a savings culture and create wealth for themselves. Our approach is to:

(a) Improve the insurer's familiarity with the preferences and behaviour of poor persons.

(b) Educating the market about insurance to create low-income consumers.

Agency Outlets

Francise and cell offices are underway. They are scheduled to commence business operations in 2015 at the following locations: Enugu State, Asaba region, Kano State and Lagos State. Others will follow as the feasibility studies of their viability are finalised.

Business Partnership with Telcos

The Company would continue to partner with relevant organisations to design affordable products for low and irregular income groups, and all literacy levels. To bring this to lime light, arrangements are underway with third party vendors regarding the sale and marketing of Guinea Insurance Retail/Microinsurance products on Telco platforms.

Strategic Business Plan

To take reasonable steps toward executing our 5-year Strategic Business Plan of 2014 – 2019 which is a comprehensive set of plans and efforts designed to consolidate your company's position in the insurance industry.

Information and Communication Technology (ICT)

For continued support on sustenance of economic development in Nigeria and increased penetration of insurance products and services, we have taken cognizance of the ever fast-changing effect of technology on the face of the globe and the growing population of the "cybernatives." We will continue to leverage on technology to transform the way we serve our customers, simplify transactions processing across our value chain and implement cost effective models to deliver the desired business growth.

CONCLUSION

I wish to express my sincere appreciation to our esteemed clients, brokers and agents for their invaluable patronage, loyalty and support, and to assure them of our resolve to improve our services in the years ahead.

My thanks also goes to you our Shareholders and members of the Board of Directors as well as Management and Staff of Guinea Insurance Plc for their strength of character and service to our esteemed customers noting that together, we are able to be the company we are today and remain the company of tomorrow.

I thank you all for attending this AGM. May God bless you all and may God also bless Guinea Insurance Plc, Amen.

Sir Emeka Offor
Chairman

CEO'S REPORT

Distinguished Shareholders, Ladies and Gentlemen;
It is with great pleasure that I welcome you to the 57th Annual General Meeting of our company , Guinea Insurance Plc.

BUSINESS ENVIRONMENT

I like to begin my report with a brief review of the socio-economic environment within which we operated during the period under review in order to put the company's performance in proper perspective.

It is encouraging that for the first time since 2008, analysts agree that the world economy showed more signs of sustainable recovery in 2013, albeit at a cautious pace which is believed to have benefited from the gradual revival of the United States economy. Against the background of the gradually improving world economy, the Nigerian economy continued its growth momentum as revealed by some key performance indicators.

The oil sector continued on its free fall path in terms of contribution to the Gross Domestic Product (GDP) while the non-oil sector, buoyed by the agricultural sector, was the main driver of growth. Without doubt, government's efforts to diversify the economy supported by agro-friendly policies and structural changes yielded positive results in 2013. Nigeria's GDP which was 6.6% in March 2013 was sustained within the 7% range at the end of the first quarter of 2014, while inflation rate remained in the 'single-digit zone' closing in March 2014 at its five year low of 7.8% (March 2013 – 8.6%). Nigeria's brand of crude oil traded in the region of USD91 – 101 per barrel in the first quarter of 2014 ($116 – March 2013). The fall in price impacted Nigeria's foreign exchange reserves which contracted by 16.5%, a significant drop from USD44.17 billion in March, 2013 to USD37.82 in March, 2014.

2014 STRATEGIC OBJECTIVES

Records show that by all measures, insurance remains a relatively undeveloped segment of Nigeria's financial services sectors comprising just 0.3 per cent of overall GDP in 2014 in terms of the value of gross premiums written. The young and growing population of approximately 170 million people in Nigeria present huge growth opportunity for the insurance industry.

POLYCARP DIDAM
MD/CEO

CEO'S REPORT Cont'd

So, how do we look at the future? To survive, grow and thrive to return your company to a steady record of profitability. In the past two years, we have worked relentlessly to establish a platform that can generate better income for your company. As a people with shared vision, we realise that the road ahead is not smooth and our planned destination seems far-flung but we will remain hard as nail; stay the course and remain true to it.

As the management of your company, we look forward to taking on these economic and competitive challenges, hopefully within a reasonable framework that will engender real and sustainable value for our shareholders (and stakeholders) over time.

Ladies and gentlemen, as we look forward to the future, we have initiated resilient measures that will buoy up returns and cushion our marketing efforts against the harsh realities of an imminent economic downturn. We therefore have overhauled our business processes to focus more on our centres of excellence; resolved to significantly impact the development of the informal sector and continue to increase business generation; moved to reposition your company and provide satisfactory returns.

To drive home this devotion of ours; the following strategic business alliances and get-up-and-go initiatives, have been forged:

REPACKAGING OF PRODUCTS

Our Retail/Microinsurance products have been distilled to pocket friendly sizes and are sold via a scratch card device. They are available on e-insurance platforms real-time namely:

- Personal Accident Policy for individual and household
- Motor Third Party Policy for commercial and private
- Fire Insurance Policy for mini shops and homes

Our Homeshield Insurance Policy is a conventional insurance product that has been customised for the 'house and content' with specialised benefits for the insurance needs of our teaming customers.

ESTABLISHMENT OF GI FRANCHISE OFFICES

True to our resolve to take your company to the next level, we have initiated new business channels in states where your company has no business presence by leveraging on strategic business partnerships known as Guinea Insurance Franchise Offices. Some of the franchise agreements that are either concluded or close to activation are:

- Enugu Guinea Insurance Franchise Office: Commenced business operation in September 2014 and has successfully launched GI products in the state.
- Asaba Guinea Insurance Franchise Office: Business partnership arrangement in Asaba is near completion as we are already signing off the MOU that will kick-start business operation in that region.
- Kano Guinea Insurance Franchise Office: Expression of interest has been made franchisee. We are currently conducting a market research of the region, subsequently, an MOU will be drawn.
- Lagos Guinea Insurance Franchise Office: Expression of interest has made the franchisee is undergoing in-house review.

ESTABLISHMENT OF GI CELL OFFICES

Another successful strategic initiative we have tested the market with is the establishment of cell offices in overt markets starting with Lagos State as the pilot scheme.

- Iyana Ipaja Guinea Insurance Cell Office: Had been open for business in the month of July, 2015 and has already began to effectively firm up its footings in the area as it interfaces with the market community.

ELECTRONIC CHANNEL BUSINESS PARTNERSHIP

We have forged strategic business partnerships with successful going-concerns, thereby taking advantage of their huge customer base to market and sell our products through their online portals. Some these strategic alliances that are close to activation are:

- UBA: We have concluded business arrangements to market and sell our products and services online to the huge network of customer base available on the bank's e-platform.
- Wakanow.com: is a leading online travel company that provides customers with everything they need to research, plan and purchase a trip locally and globally. We intend to sell our Flysafe Insurance Policy to air traveller through this platform. The MOU to kick-start this business arrangement will soon be concluded.
- Quickteller: is the easiest and most convenient way to buy airtime, make payments, send and receive money. With over 30 million active subscribers on this platform, the business opportunity is enormous and the cost of doing business is greatly reduced.

CSR PROJECTS

- Donation of educational materials ranging from: Note books, Biros, School bags, Note pads, T-shirts and key holders to three primary schools in Lagos namely: Fadeyi Primary School, Lagos Mainland Local Government (LMLG) Primary School and Onayade Community Primary School.

NB: Guinea Insurance Plc won the Insurance Company of Year 2014 Award in the Corporate Social Responsibility category of Businesstoday Online news.

- Donation of educational materials ranging from: Note books, Biros, School bags, Note pads, T-shirts and key holders in support of the 2014 insurance queen's pet project captioned 'Teens for Insurance' in 2014 which was activated pan-Nigeria out of the need to embed insurance orientation in the minds of our young adults. NB: Guinea Insurance Plc was given the 2014 Miss Insurance Appreciation Award
- Guinea Insurance Jibowu CSR 3-Triangular Lay Bye Outdoor Sites Landscaping/ Beautification at Jibowu Roundabout, Lagos State. NB: Received Lagos State Parks and Gardens Agency (LASPARK) commendation.
- The 2014 Industry Queen implored Gthe company to rally round her in a bid to make the project realistic. In response to this clarion call, Management acknowledged the challenge of low insurance penetration in the country and affirmed the company's commitment to partner with the ruling queen in actualising her dream. Donation of educational materials ranging from: Note books, Biros, School bags, Note pads, T-shirts and key holders to three primary schools in Lagos namely: Fadeyi Primary School, Lagos Mainland Local Government (LMLG) Primary School and Onayade Community Primary School. Donation of educational materials ranging from: Note books, Biros, Fadeyi Primary School, Lagos Mainland Local Government (LMLG) Primary School and Onayade Community Primary School.

2015: PROSPECT

2015 is an electioneering year, the Nigerian economy will be influenced by post-election crisis, social unrest, and increased cost of production courtesy of high interest rates and devaluation of the naira.

The continuous nose dive of oil prices; the dwindling exchange rate of naira to dollar and a barrage of attendant socio-economic concerns, leave very little room for comfort in 2015.

As a company destined for greatness, propelled by a people with insatiable thirst for success, there are no limits. There are only plateaus; we must go beyond them no matter how daunting a task it may pose to be.

CONCLUSION

I will like to say that I am particularly encouraged by the ongoing support of all stakeholders: Our valued customers for their continued patronage, shareholders for their support, commitment and loyalty to the Company, as well as our employees for their strength of character and dedication.

May God bless you all and continue direct the course of our company - Guinea Insurance Plc to the Promised Land.

POLYCARP DIDAM
MD/CEO

BOARD DECLARATION ON ENTERPRISE RISK MANAGEMENT

BOARD DECLARATION ON ENTERPRISE RISK MANAGEMENT

Pursuant to and in accordance guidelines of NAICOM section 2.10 the Board hereby declares stating that, to the best of its knowledge and belief, having made appropriate enquiries:

a. The company has systems in place for the purpose of ensuring compliance with this guideline;

b. The Board is satisfied with the efficiency of the processes and systems surrounding the production of financial information of the company;

c. The company has in place a Risk Management Strategy, developed in accordance with the requirements of the guideline, setting out its approach to risk management; and

d. The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations.

Alhaji A.O Kadiri -----------------------
Chairman Board Committee on Audit, Compliance & Risk Management
FRC/2013/ICAN/00000004049

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2014

1. **ACCOUNTS**
In compliance with the Company and Allied matters Act CAP C20 Laws of the Federation Nigeria 2004 and the Insurance Act 2003, the Directors have pleasure in submitting to members their Report together with the Audited Financial Statements of the Company for the year ended 31st December, 2014

2. **PRINCIPAL ACTIVITIES**
Guinea Insurance Plc is a Public Limited Liability Company having interests in General Insurance.

3. **COMMENCEMENT OF BUSINESS**
The Company commenced business in 1958.

4. **LEGAL FORM**
The Company is a Public Limited Liability Company incorporated as a Private Limited Liability Company on 3rd December 1958 in accordance with the provisions of the Companies and Allied Matters Act , transacting primarily General Insurance business. On 17th January, 1991 it was listed on the Nigerian Stock Exchange.

5. **DIRECTORS**

Board of Directors
The Board of Directors of the Company during the year under review and to the date of this report is made up of the following:-

Sir Emeka Offor	-	Chairman Board of Directors.
Mr. Polycarp Didam	-	Managing Director/CEO
Mr. Fred Udechukwu	-	Non – Executive Director
HRH Eze Smart Nze	-	Non – Executive Director
Engr. Emeka Agusiobo	-	Non – Executive Director
Prof. E. L. C. Nnabuife	-	Non – Executive Director
Alhaji A.O Kadiri	-	Independent Director

6. RESULTS OF THE YEAR ENDING DECEMBER 31, 2014

The Directors' are pleased to announce the trading results for the year ended 31 December, 2014 together with the comparative figures for the previous year.

RESULTS	2014 N'000	2013 N'000
Gross Premium written	1,093,413	1,088,340
Net Premium Income	625,187	978,027
Claims expenses	(243,517)	(324,281)
(Loss)/Profit for the year	(81,898)	39,835

7. DIVIDEND

No dividend was proposed in respect of the year under review (2014; Nil)

8. BUSINESS REVIEW AND FUTURE DEVELOPMENTS.

The Company carried out Insurance activities in accordance with its Memorandum and Articles of Association. A comprehensive review of the business for the year and prospects for the ensuing year is contained in the Managing Director's Report.

9. CONTRAVENTIONS.

During the period under review, the Company paid the sum of N4,800,000 (Four Million Eight Hundred Thousand naira) to the Nigerian Stock Exchange being the penalty for the late filling of the 2014 Audited Accounts.

10. DIRECTORS' AND THEIR SHARE HOLDINGS

The Directors of the Company, who held office during the year under review together with their direct and indirect interests in the issued share capital of the company as recorded in the register of Directors' shareholding and as advised by the Registrars of the Company City Securities Limited are as follows:

Number of Share per 50k as at 31,December, 2014

S/N	NAMES OF DIRECTORS	NUMBER OF ORDINARY SHARES HELD (2014)	NUMBER OF ORDINARY SHARES HELD (2013)
1.	Sir Emeka Offor	Direct (1) -30,000 Indirect (2) -2,798,514,210 (Chrome Oil Services Limited)	Direct (1) -30,000 Indirect (2) -2,291,781,210, (Chrome Oil Services Limited)
2.	Mr. Fred Udechukwu	Direct- (1) 21,600,000 Indirect (2) 1,288,252,777 (Nimek Investment Limited)	Direct- (1) 21,600,000 Indirect (2) 1,288,252,777 (Nimek Investment Limited)
3.	HRH Eze Smart Nze	Indirect - 2,545,454 (Edysmart Nigeria Limited)	Indirect - 2,545,454 (Edysmart Nigeria Limited)
4.	Engr. Emeka Agusiobo	Indirect - 15,181,818 (Valenz Holdings)	Indirect - 15,181,818 (Valenz Holdings)
5.	Prof E.L.C Nnabuife	Direct - 100,000	Direct - 100,000
6.	Alhaji A.O Kadiri	Direct - 50,000	Direct - 50,000

No changes were made in the above holdings as at the date of this report and none of the Directors have notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act CAP C 20 Laws of the Federation of Nigeria 2004 of any disclosable interests in contracts in which the Company was involved as at 31 December 2014.

11. SHAREHOLDERS

Major Shareholders

According to the register of members, the following shareholders of the company hold more than 5% of the Issued Ordinary share capital of the company (as at 31, December, 2014)

NAME	2014	2013
Chrome Oil Services Limited	45.58%	45.58%
Nimek Investments Limited	20.98%	20.98%

SHAREHOLDING ANALYSIS

The shareholding pattern of the company is as stated below (as at December 31, 2013)

Range	No. of Holders	Percent	Units	Percent
1 - 10,000	8,561	47.3%	40,657,552	0.66%
10,001 - 100,000	7,799	43.10%	309,668,085	5.04%
100,001 - 1,000,000	1,558	8.61%	479,976,375	7.82%
1,000,001 - 10,000,000	158	0.87%	416,590,036	6.78%
10,000,001 - 100,000,000	16	0.09%	275,954,674	4.49%
100,000,001 - 1,000,000,000	3	0.02%	530,386,291	8.64%
1,000,000,001- 99,999,999,999	2	0.01%	4,086,766,987	66.57%
Grand Total	18,097	100.00%	6,140,,000,000	100%

12. DIRECTORS RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements which will:

a. Give a true and fair view of the state of affairs of the company at the end of each Financial year, and of the profit or loss for the period and ensure compliance with the Companies and Allied Matters CAP C20 LFN 2004 and Insurance Act 2003. In doing so they ensure that:

- Proper accounting records are maintained
- Adequate Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities
- Applicable accounting policies are adopted and consistently applied.
- Judgments and estimates made are reasonable and prudent.
- The going concern basis is used, unless it is inappropriate to presume that the Company shall continue in business

b. Retirement By Rotation

In accordance with Article 97 of the Company's Articles of Association. Mr. Fred Udechukwu and Prof E.L.C Nnabuife retires by rotation and being eligible offer themselves for re-election.

13. CORPORATE GOVERNANCE

The Company maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The business of the Company is conducted with integrity which pays due regard to the legitimate interests of all stake holders.

14. FIXED ASSETS

Movements in fixed assets during the year are shown in note to Financial Statements. In the opinion of the directors, the total market value of the company's properties is not lower than the financial statements.

15. HUMAN RESOURCES

a. Employment of Disabled Persons

The Company in recognition of its special obligation to employ disabled persons, maintains a policy of giving fair consideration to application for employment made by disabled persons with due regard to their abilities and aptitude. All employees are given equal opportunities to develop themselves. As at 31st December, 2013 no disabled person was employed in the company.

b. Employees Involvement And Training

The company is committed to keeping its employees fully informed, as much as possible on its performance and progress and seeking their views whenever practicable on matters which practically affect them as employees. Management's professional and technical expertise are the company's major assets and investment in their further development continues. The company's expanding skill-base has been extended by a range of training programmes for its employees and opportunities for career development within the company have thus been enhanced.

C. Health Safety And Welfare

Employees are made aware of the health and safety regulations in force within the premises of the company. The Company provides subsidies to all employees for transportation, housing, lunch and medical expenses.

17. RESEARCH AND DEVELOPMENT

The Company in its determination to maintain its status as one of the best insurance companies in the industry continues to encourage research and development of existing and new products aimed at consistently improving the company's position.

18. POST-BALANCE SHEET

There are no post balance sheet events which could have a material effect on the state of affairs of the company as at December 31 2014.

19. DONATIONS

There were no donations to charitable organization during the year under review.

20. CORPORATE SOCIAL RESPONSIBILITY

The Company engaged in a Corporate Social Responsibility (CSR) programme by supporting initiatives aimed at improving the awareness of insurance amongst students at the grassroot level, while also striving to create a new lease of life for pupils and parents by donating educational materials in support of the 2014 Miss Insurance "Teens4Insurance" initiatives as well inspire pupils and their tutors to put their very best in order to improve their lot. Thus the company donated Branded Exercise books, Ball pens and School Bags etc.. The event was well publicised in major national dailies.

21. AUDITORS

Ernst & Young were appointed as auditors on December 6, 2012 and having expressed their willingness, will continue in office as Auditors of the Company in accordance with S. 357 (2) of the Companies and Allied Matters Act, CAP C 20 Laws of the Federation of Nigeria 2004. A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration

By Order of the Board

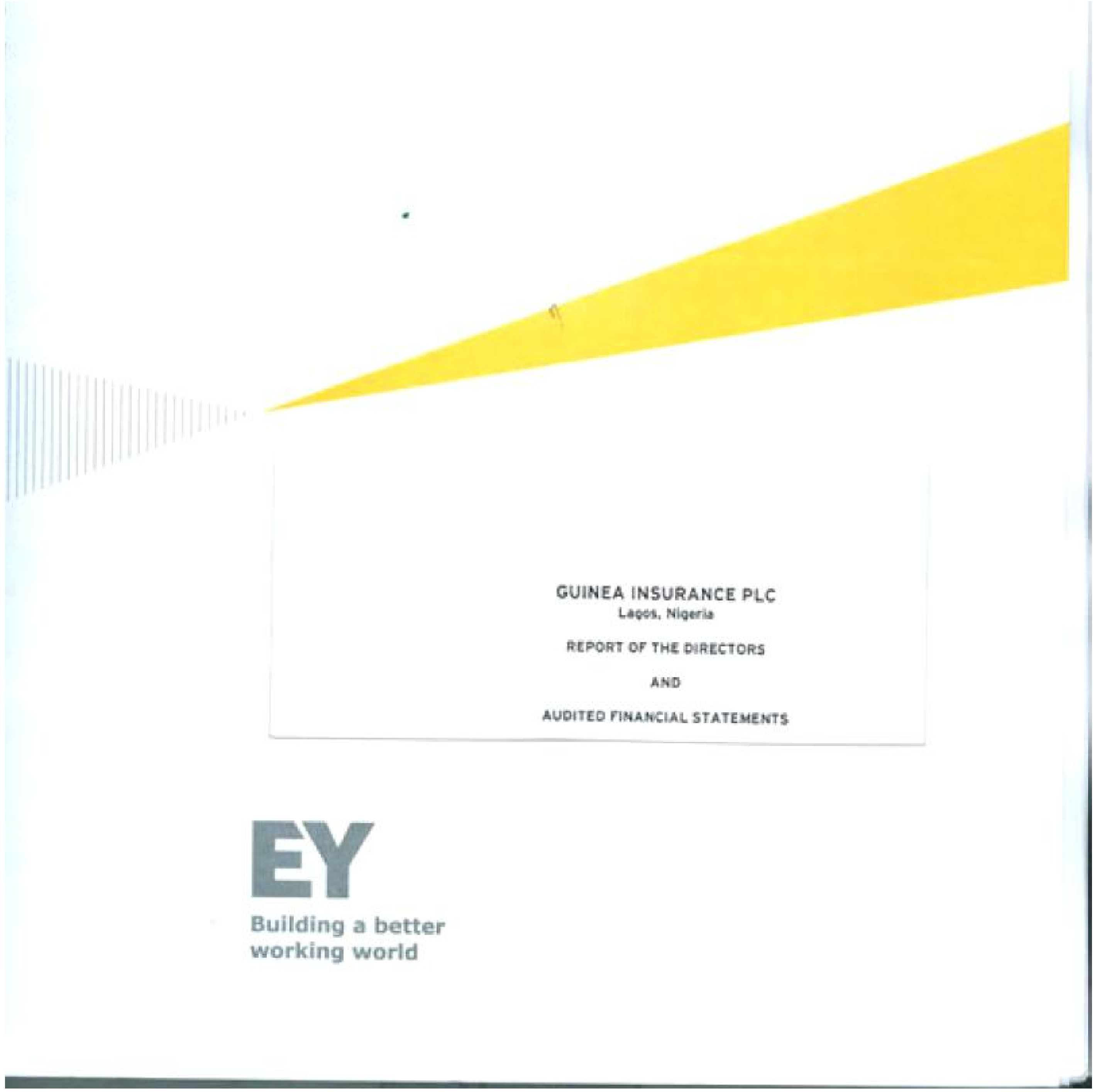
Isioma Omoshie
Company Secretary
FRC/2013/NBA00000000928
Registered Office
GUINEA INSURANCE HOUSE
33, Ikorodu Road Jibowu Lagos
22 September 2015

MANAGEMENT TEAM

Management

1	Polycarp Didam	Managing Director/Chief Executive Officer
2	Isioma Omoshie	AGM, Group Lead, Corporate & Legal Services
3	Osayande Ferguson Obano	AGM, Group Lead, Finance & Accounts
4	Cyprian Maduabuchi Agbo (KSP)	AGM, Group Lead, Retail/Microinsurance/Bancassurance
5	Faith Nelson-Ojeaga	AGM, Group Lead, Human Capital Management & Administration
6	Wole Fayemi	Controller, Group Lead, Technical
7	Audu Dunni Oladokun	Senior Manager, Group Lead, Information Communication Technology
8	Moji Adegboye	Senior Manager, Acting Group Lead Marketing
9	Godwin Evwaire	Senior Manager, Group Lead, Energy And Special Risks
10	Oluyinka Adebiyi	Senior Manager, Team Lead, Public Sector South

INDEPENDENT AUDITOR'S REPORT


GUINEA INSURANCE PLC
Lagos, Nigeria

REPORT OF THE DIRECTORS

AND

AUDITED FINANCIAL STATEMENTS

EY
Building a better
working world

GUINEA INSURANCE PLC

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS

	PAGE
Directors and Advisers	3
Financial Highlights	4
Report of the Directors	5 - 8
Statement of Directors' Responsibilities in Relation to the Presentation of the Financial Statements	9
Report of the Statutory Audit Committee	10
Independent Auditors' Report	11 - 12
Summary of significant accounting policies	13 - 38
Statement of Profit or Loss and Other Comprehensive Income	39
Statement of Financial Position	40
Statement of Changes in Equity	41
Statement of Cash Flows	42
Notes to the Financial Statements	43 - 82
Non-life Revenue Account	83 - 84
Statement of Value Added	85
Five-Year Financial Summary	86 - 87

GUINEA INSURANCE PLC

DIRECTORS AND ADVISERS

FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTOR	CAPACITY
Sir Emeka Offor	Chairman
Mr. Polycarp Didam	Managing Director/CEO
Mr. Fred Udechukwu	Non-Executive Director
HRH. Eze Smart Nze	Non-Executive Director
Engr. Emeka Agusiobo	Non-Executive Director
Prof. Elias Lovette Chukwunonso Nnabuife	Non-Executive Director
Alhaji Abdulkerim Oshioke Kadiri	Independent Director
COMPANY SECRETARY	Isioma Omoshie
REGISTERED OFFICE	Guinea House 33, Ikorodu Road Jibowu - Lagos
CONTACT DETAILS	07098212408 info@guineainsurance.com www.guineainsurance.com
AUDITORS	Ernst & Young 10th & 13th Floors, UBA House 57, Marina, Lagos
REGISTRAR	Cardinal Stone (Registrars) Limited (Formerly City Securities Limited) 358, Herbert Macaulay Way Yaba, Lagos

GUINEA INSURANCE PLC

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 ₦'000	2013 ₦'000
Key Statement of Financial Position items as at 31 December 2014		
Total assets	4,564,728	4,213,959
Total equity	2,896,428	2,982,953
Insurance contract liabilities	758,956	533,020
Key Statement of Profit or loss and other comprehensive income items for the year ended 31 December 2014		
Gross premium written	1,093,413	1,088,340
Gross premium income	867,997	1,081,185
Net premium income	625,187	978,027
Claims expenses	(243,517)	(324,281)
(Loss)/profit before income tax expense	(14,372)	300,282
Income tax expense	(67,526)	(260,447)
(Loss)/profit for the year	(81,898)	39,835
Per 50 kobo Share Data		
Basic and diluted (loss)/earnings per share (Kobo)	(1.4)	0.7
Net asset per share (Kobo)	47	49
Nigerian Stock Exchange quotation (Kobo) as at 31 December	50	50

GUINEA INSURANCE PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2014

In compliance with the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Insurance Act 2003, the Directors have pleasure in submitting to the members their report together with the audited financial statements of Guinea Insurance Plc "the Company" for the year ended 31 December 2014.

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company is a public limited liability company incorporated as a Private Limited Liability Company on 3rd December 1958 in accordance with the provisions of the Companies and Allied Matters Act, transacting primarily General Insurance business. On 17th January 1991 it was listed on the Nigerian Stock Exchange.

2. RESULTS

	2014 ₦'000	2013 ₦'000
Gross premium written	1,093,413	1,088,340
Net premium income	625,187	978,027
Claims expenses	(243,517)	(324,281)
(Loss)/profit for the year	(81,898)	39,835

3. DIVIDEND

No dividend was proposed in respect of the current year (2013 : Nil).

4. BUSINESS REVIEW AND FUTURE DEVELOPMENT

The Company carried out insurance activities in accordance with its Memorandum and Articles of Association. A comprehensive review of the business for the year and prospects for the ensuing year is contained in the Managing Director's Report.

5. DIRECTORS AND THEIR INTERESTS

The following are the names of Directors as at the date of this report and those who held offices during the year under review:

DIRECTOR	CAPACITY
Sir Emeka Offor	Chairman
Mr. Polycarp Didam	Managing Director/CEO
Mr. Fred Udechukwu	Non-Executive Director
HRH. Eze Smart Nze	Non-Executive Director
Engr. Emeka Agusiobo	Non-Executive Director
Prof. Elias Lovette Chukwunonso Nnabuife	Non-Executive Director
Alhaji Abdulkerim Oshioke Kadiri	Independent Director

GUINEA INSURANCE PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2014

5. DIRECTORS AND THEIR INTERESTS continued

The names of the Directors and their interests in the issued share capital of the company as recorded in the Register of Directors' Shareholding as at 31 December 2014 are as follows:

DIRECTORS NAME	Number of Ordinary Shares held (2014)	Number of Ordinary Shares held (2013)
Sir Emeka Offor	Direct (1) – 30,000 Indirect (2) – 2,798,514,210 (Chrome Oil Services Limited)	Direct (1) – 30,000 Indirect (2) – 2,798,514,210 (Chrome Oil Services Limited)
Mr. Fred Udechukwu	Direct (1) – 21,600,000 Indirect (2) - 1,288,252,777 (Nimek Investment Limited)	Direct (1) – 21,600,000 Indirect (2) - 1,288,252,777 (Nimek Investment Limited)
HRH Eze SmartNze	Indirect – 2,545,454 (Edysmart Nigeria Limited)	Indirect – 2,545,454 (Edysmart Nigeria Limited)
Engr. Emeka Agusiobo	Indirect – 15,181,818 (Valanz Holdings)	Indirect – 15,181,818 (Valanz Holdings)
Prof. Elias Lovette Chukwunonso	Direct – 100,000	Direct – 100,000
Alhaji Abdulkerim Oshioke Kadiri	Direct – 50,000	Direct – 50,000

None of the Directors has notified the Company for the purposes of Section 277 of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004 of any disclosable interests in contracts in which the Company was involved as at 31 December 2014.

6. EMPLOYMENT AND EMPLOYEES

i. Employee Involvement and Training
The Company is committed to keeping its employees fully informed, as much as possible on its performance and progress, and seeking their views whenever practicable on matters which practically affect them as employees. Management's professional and technical expertises are the Company's major assets and investment in their further development continues. The Company's expanding skill-base has been extended by a range of training programmes for its employees and opportunities for career development within the Company have thus been enhanced.

ii. Employment of Disabled Persons
The Company in recognition of its special obligation to employ disabled persons maintains a policy of giving fair consideration to application for employment made by disabled persons with due regard to their abilities and aptitude. All employees are given equal opportunities to develop themselves. As at 31 December 2014, no disabled person was employed in the Company.

iii. Health Safety and Welfare at Work
Employees are made aware of the health and safety regulations that are in force within the premises of the Company. The Company provides subsidy to all employees for transportation, housing, lunch and medical expenses, etc.

iv. Research and Development
The Company in its determination to maintain its status as one of the best insurance companies in the industry continues to encourage research and development of existing and new products aimed at consistently improving the Company's position.

GUINEA INSURANCE PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2014

7. EVENTS AFTER REPORTING DATE

There are no events after the reporting date which could have had material effect on the state of affairs of the Company as at 31 December 2014 and the loss for the year then ended which have not been adequately provided for or disclosed in the financial statements.

8. EQUITY RANGE ANALYSIS

The range of shareholding as at 31 December 2014 is as follows:

Range	No. of Holders	Percent (%)	Units	Percent (%)
1-10,000	8,561	47.30	40,657,552	0.66
10,001 - 100,000	7,799	43.10	309,668,085	5.04
100,001 - 1,000,000	1,558	8.61	479,976,375	7.82
1,000,001 - 10,000,000	158	0.87	416,590,036	6.78
10,000,001 - 100,000,000	16	0.09	275,954,674	4.49
100,000,001 - 1,000,000,000	3	0.02	530,386,291	8.64
1,000,000,001 - 99,999,999,999	2	0.01	4,086,766,987	66.57
	-----------	-----------	-----------------------	----------
Grand Total	18,097	100.00	6,140,000,000	100
	======	======	===========	=====

9. SHAREHOLDERS WITH 5% UNITS AND ABOVE

	2014	2013
Chrome Oil Services Limited	45.58%	45.58 %
Nimek Investments Limited	20.98%	20.98 %

10. SHAREHOLDING HISTORY

The changes in the share capital of the Company since incorporation are summarized below:

	Authorized Share Capital Increase				Issued and Fully Paid Capital Increase				
DATE	UNITS	PRICE	FROM AMOUNT	TO AMOUNT	UNITS	PRICE	FROM AMOUNT	TO AMOUNT	CONSIDERATION
	"000"	N	N (000)	N (000)	"000"	N	N (000)	N (000)	
1986	500	2.00	2,000	3,000	504.9	2.00	1,515	2,525	Bonus
1989	6,000	0.50	3,000	6,000	2,524.5	0.50	2,525	3,787	Bonus
1991	18,000	0.50	6,000	15,000	-	0.50	-	3,787	Bonus
1992	30,000	0.50	15,000	30,000	15,147.0	0.50	3,787	11,360	Rights
1993	40,000	0.50	30,000	50,000	14,496.4	0.50	11,360	18,609	Rights
1997	140,000	0.50	50,000	120,000	37,016.9	0.50	18,609	37,217	Bonus
2001	-	0.50	-	120,000	165,566.2	0.50	37,217	120,000	Rights
2002	260,000	0.50	120,000	250,000	-	0.50	-	120,000	-
2003	500,000	0.50	250,000	500,000	-	0.50	-	120,000	-
2004	-	0.50	-	500,000	480,000	0.50	120,000	360,000	Rights
2005	-	0.50	-	500,000	-	0.50	-	360,000	Nil
2006	-	0.50	-	500,000	-	0.50	-	360,000	Nil
2007	5,000,000	0.50	500,000	3,000,000	-	0.50	-	360,000	Nil
2008	-	0.50	-	3,000,000	4,380,000	0.50	360,000	2,550,000	Nil
2011	-	0.50	-	3,000,000	300,000	0.50	2,550,000	2,700,000	ALB*
2012	400,000	0.50	3,000,000	3,200,000	-	0.50	-	2,700,000	-
2013	-	0.50	-	3,200,000	740,000	0.50	2,700,000	3,070,000	Cash
2014	-	0.50	-	3,200,000				3,070,000	

* Absorption of Life Business (ALB).

GUINEA INSURANCE PLC

REPORT OF THE DIRECTORS – Continued

FOR THE YEAR ENDED 31 DECEMBER 2014

10. SHAREHOLDINGHISTORY - continued

On 30 December 2014 and 18 March 2015 , a major shareholder made an advance for increase in share capital in the sum of ₦100 million and ₦400million respectively in order to remedy the deficiency in solvency margin and sh are capital of the C ompany.

11. DONATIONS AND SPONSORSHIP

There were no donations to charitable organizations during the year (2013 : Nil).

12. PROPERTY, PLANT AND EQUIPMENT INFORMATION

Information relating to the Company's property, plant and equipment is detailed in the Note 23 to the financial statements.

13. AUDITORS

Ernst & Young have indicated their willingness to continue in office as auditors of the Company in accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 .

BY ORDER OF THE BOARD

ISIOMA OMOSHIE
FRC/2014 / NBA/00000000 928

COMPANY SECRETARY/LEGAL ADVISER
Guinea House
33, Ikorodu Road
Jibowu, Lagos

22 September 2015

GUINEA INSURANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION OF THE PREPARATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements f or each financial year that present fairly, in all material respects, the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

1. keeps proper accounting records t hat disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;

2. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

3. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with,

1. relevant International Financial Reporting Standards i ssued by the International Accounting Standards Board (IASB)
2. the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004
3. Insurance Act 2003 and
4. Financial Reporting Council of Nigeria Act, No. 6, 2011
5. Relevant policy guidelines issued by the National Insurance Commission (NAICOM)

The Directors are of the opinion that the financial statements present fairly, in all material respects, the state o f the financial affairs of the C ompany and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

....	....
Alhaji Abdulkerim O shioke Kadiri	Mr. Polycarp Didam
Director	Managing Director /CEO
FRN No: FRC/201 3/ ICAN/000000 04049	FRN No: FRC/201 3/ CIIN/000000 05294

22 September 2015

GUINEA INSURANCE PLC

REPORT OF THE STATUTORY AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2014

To the members of Guinea Insurance Plc:

In accordance with the provision of Section 359(6) of the Companies and Allied Matters Act , CAP C20 Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of Guinea Insurance Plc hereby report as follows:

1. We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and we acknowledge the co-operation of management and staff in the conduct of these responsibilities.

2. We confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices , and that the scope and planning of both the external and internal audits for the year ended 31 December 2014 were satisfactory and reinforce the Company's internal control systems.

3. We have deliberated with the external auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the external auditors' recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and internal control.

……………………………………
Peter Mgbeahuru
Chairman, Statutory Audit Committee
FRCN/2013/CIBN/00000005314
22 September 2015

Members of the Audit Committee are:

Mr .Peter Mgbeahuru	Shareholder Representative - Chairman
Mr. Sonibare Waheed Akani	Shareholder Representative
Prof. Elias Lovette Chukwunonso Nnabuife	Non-Executive Director
Alhaji Abdulkerim Oshioke Kadiri	Independent Director

Secretary to the Committee
Isioma Omoshie

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUINEA INSURANCE PLC

Report on the Financial Statements
We have audited the accompanying financial statements of Guinea Insurance Plc, which comprise the statement of financial position as at 31 December 2014 , and the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes .

Directors' Responsibility for the Financial Statements
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 , relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011 , and for such internal control as the Directors determines necessary to enable the preparation of financial statements that are free from material misstatement , whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Guinea Insurance Plc as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 , relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No . 6, 2011.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUINEA INSURANCE PLC – Continued

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 39 of the financial statements which indicates that the Company's shareholders funds of ₦2.896 billion (2013: ₦ 2.983 billion) and the solvency margin of ₦2.04million (2013: ₦2.1billion) as at 31 December 2014, are less than the minimum regulatory requirement.

Report on Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

1. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
3. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;

Compliance with National Insurance Commission (NAICOM) Guidelines on Finance Companies and circular BSD/1/2004

1. During the year, the Company contravened a section of the NAICOM Guidelines on Insurance Companies. Details of these are stated in Note 37 of the financial statements.

Kayode Famutimi, FCA, FRC/2012/ICAN/00000000155
For: Ernst & Young
Lagos, Nigeria

27 October 2015

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

Guinea Insurance Plc ("the Company") was incorporated on 3 December 1958 as a Limited Liability Company and became a Public Liability Company on 17 January 1991. The overseas shareholders divested their 40% shareholding to existing Nigerian shareholders in 1988 thereby making the Company 100% owned by Nigerians. The Company was established for the purpose of carrying on insurance business. Up till 31 December 2006, the Company operated as an insurer for all classes of insurance business in Nigeria i.e. Life and pension, General business and Special risks. From 2007, it underwrites all classes of general insurance business only and pays vouched claims arising. The financial statements of the Company for the year ended 31 December 2014 were authorised for issue in accordance with the resolution of the Directors on 22 September 2015.

Going Concern

The financial statements have been prepared on the going concern basis, and there is no intention to curtail business operations. Capital adequacy and liquidity ratios are continuously reviewed and appropriate action taken to ensure that there are no going concern threats to the operations of the Company.

2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Insurance Act 2003 and are in compliance with the Listings Requirement of the Nigerian Stock Exchange (NSE) and the Companies and Allied Matters Act of Nigeria (CAMA), CAP C20 Laws of the Federation of Nigeria 2004 to the extent that they are not in conflict with the International Financial Reporting Standards.

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in the respective notes to the financial statements.

3. Basis of preparation

(a) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

1. available-for-sale financial assets are measured at fair value
2. investment properties are measured at fair value
3. Land and building are measured at fair value

(b) Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except where expressly indicated, financial information presented in Naira has been rounded to the nearest thousand.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

3. Basis of preparation - continued

(c) Use of estimates and judgements – continued

The estimates and underlying assumptions are review ed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation , uncertainty and critical judgements in applying accounting policies that have the most significant effect o n the amounts recognised in the financial statements are described below:

i. Impairment of available -for -sale equity financial assets
The Company determined that available -for -sale equity financi al assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Company evaluated among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such qualitative evidence exists for available-for -sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. "Further details can be found in Note 16.2 9."

ii. Impairment on receivables
In accordance with the accounting policy, the Company tests annually whether premium receivables have suffered any impairment. The recoverable amounts of the premium receivables have been determined based on the incurr ed loss model. These calculations required the use of estimates based on passage of time and probability of recovery. "Further details can be found in Note17.1 9."

iii. Valuation of employee benefit obligation
The cost of defined benefit plans and other post-employments benefits and the present value of the benefit obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key ass umptions used in the estimates are contained in Note 2 9 to the financial statements.

iv. Valuation of investment properties
The valuation of the properties is based on the price for which comparable land and properties are being exchanged or are being marketed for sale. Therefore, the market -approach method of valuation is used; this reflects existing u se with recourse to comparison a pproach that is the analysis of recent sale transaction on similar properties in the neighbourhood. The best price that subsisting interest in the property will reasonably be expected to be sold if made available for sale by private treaty between willing seller and buyer under competitive market condition. "Furthe r details can be found in Note 2 1."

v. Non-life insurance contract liabilities
For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the repo rting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

3. Basis of preparation - continued

(c) Use of estimates and judgements – continued

v. Non-life insurance contract liabilities - continued
The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder method.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims developmen t is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historica l claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one -off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved. "Furthe r details can be found in Note 2 5."

4. Significant accounting policies

Critical 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. Guinea Insurance Plc believes that its critical accounting policies are limited to those described below.

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

(a) Classification of Insurance contracts

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred. Contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or o ther beneficiary if a specified uncertain future event (the insured event) adversely affects the policy holder or other beneficiary are classified as insurance contracts. Insurance ri sk is risk other than financial risk, transferred from the holder of the contract to the issuer.

Contracts that transfer financial risks but not significant insurance risk are termed investment contracts. Financial risk is the risk of a possible future ch ange in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non -financial variable that the variable is not s pecific to a party to the contract. Insurance contracts may also transfer some financial risk.

4. Significant accounting policies - continued

(b) Recognition and measurement of insurance contracts

(i) Premiums

Gross premium written comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude Value Added Tax. Premium income includes adjustments to premiums written in prior accounting periods.

Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business. Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premium written is recognized as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of indemnity received.

(ii) Unexpired risk provision

The provision for unexpired risk represents the proportion of premiums written which is estimated to be earned in subsequent financial years, computed separately for each insurance contract using a time proportionate basis, or another suitable basis for uneven risk contracts.

(iii) Reinsurance

The Company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the transferral of risks. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the gross provision for the unearned premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Premium ceded, claims reimbursed and commission recovered are presented in the profit or loss and statement of financial position separately from the gross amounts.

Premiums, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred.

Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

(iv) Claims incurred

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The gross provision for claims represents the estimated liability arising from claims in current and preceding financial years which have not yet given rise to claims paid. The provision includes an allowance for claims management and handling expenses. The gross provision for claims is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided.

4. Significant accounting policies – continued

(b) Recognition and measurement of insurance contracts – continued

(iv) Claims incurred - continued

Adjustments to the amounts of claims provision for prior years are reflected in the profit or loss in the financial period in which adjustments are made, and disclosed separately if material.

In setting the provisions for claims outstanding, a best estimate is determined on an undiscounted basis and then a margin of prudence (usually required by regulation) is added such that there is confidence that future claims will be met from the provisions.

The methods used and estimates made for claims provisions are reviewed regularly.

(v) Acquisition costs

Acquisition costs represent commissions payable and other expenses related to the acquisition of insurance contracts revenues written during the financial year. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision.

(c) Deferred expenses

Deferred acquisition costs (DAC)

Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts and are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred

Subsequent to initial recognition, DAC for general insurance are amortized over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortized in the same manner as the underlying asset amortization is recorded in the profit or loss.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss. DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognized when the related contracts are either settled or disposed of.

Deferred expenses - Reinsurance commissions

Commissions receivable on outwards reinsurance contracts are deferred and amortized on a straight line basis over the term of the expected premiums payable.

(d) Interest

Interest income and expense for all interest bearing financial instruments, except for those classified at fair value through profit or loss, are recognised within 'investment income' and 'finance cost' in the profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. The effective interest rate is calculated on initial recognition of the financial asset and liability and is not revised subsequently.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(d) Interest - continued

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Interest income and expense presented in the profit or loss include interest on financial assets and liabilities at amortised cost on an effective interest basis.

Fair value changes on other financial assets and liabilities carried at fair value through profit or loss, are presented in net income from other financial instruments and carried at fair value in the profit or loss .

(e) Rental income

Rental income arising from operating leases on investment properties and land and building is accounted for on a straight line basis over the lease terms and is included in investment income.

(f) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

(g) Income tax expenses

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(h) Foreign currency translation

The Nigerian Naira is the Company's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date; the resulting foreign exchange gain or loss is recognized in the profit or loss.

Non-monetary assets and liabilities denominated in foreign currency at historical cost are translated using the exchange rate at the date of the transaction; no exchange differences therefore arise. Non-monetary assets and liabilities denominated in foreign currency at fair value are translated using the exchange rate ruling at the date that the fair value was determined.. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(i) Dividends

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of investment income net trading income, net income on other financial instruments at fair value or other operating income depending on the underlying classification of the equity instrument.

(j) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

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.

(k) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, unrestricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) 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 Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

(l) Financial assets and liabilities

(i) Recognition
The Company has classified its financial instruments into the following categories: available-for-sale, and loans and receivables. Management determines the classification at initial recognition.

All financial instruments are initially recognized at fair value, which includes transaction costs for financial instruments not classified as at fair value through profit and loss.

(ii) Subsequent measurement
Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification .

- Available-for-sale financial assets
Financial assets classified by the Company as available-for-sale financial assets are generally those that are not designated as another category of financial assets, or strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(l) Financial assets and liabilities – continued

(ii) Subsequent measurement - continued

- Available-for-sale financial assets - continued

Available-for-sale financial assets are carried at fair value, with the exception of investments in unquoted equity instruments where fair value cannot be reliably determined, which are carried at cost. Fair values are determined in the same manner as for investments at fair value through profit or loss. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income while the investment is held, and are subsequently transferred to the profit or loss upon sale or de-recognition of the investment.

Interest income, calculated using the effective interest method, is recognised in the profit or loss. Dividends received on available-for-sale instruments are recognised in profit or loss when the Company's right to receive payment has been established.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those designated by the Company as fair value through profit or loss or available-for-sale.

Loans and receivables consist primarily of trade receivables and staff loans and advances. These loans and advances are managed in accordance with a documented policy and information is provided internally on this basis.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR (Effective interest rate). The EIR amortization is included in 'finance income' in the profit or loss. Gains and losses are recognized in the profit or loss when the investments are derecognized or impaired, as well as through the amortization process. Loans granted at below market rates are fair valued and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

- Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence such as the probability of solvency or significant financial difficulties of the debtors that the Company will not be able to collect the amount due under the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognized when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit and loss.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(m) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

· In the principal market for the asset or liability, or
· In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible to by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

· Level 1 —Quoted (unadjusted) market prices in active markets for identical assets or liabilities

· Level 2 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

· Level 3 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

4. Significant accounting policies – continued

(m) Fair value measurement – continued

At each reporting date, the valuation committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

For this analysis, the valuation committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the valuation committee and the Company's external valuers present the valuation results to the audit committee and the company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs.

For other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

(n) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

4. Significant accounting policies – continued

(n) Impairment of financial assets - continued

(i) Assets carried at amortised cost
An impairment loss in respect of a financial investment measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized through profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Available-for-sale financial assets
Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the statement of financial position date, that have an impact on the future cash flows of the asset.

An available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. Where an available-for-sale asset, which has been re-measured to fair value directly through equity, is impaired the impairment loss is recognized in the profit or loss. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to the profit or loss and is recognized as part of the impairment loss. The amount of the loss recognized in the profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized in the profit or loss, where the instrument is a debt instrument, the impairment loss is reversed through the profit or loss.

An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through the profit or loss but accounted for directly in equity.

If there is objective evidence that an impairment loss has been incurred on an equity instrument that does not have a quoted price in an active market and that is not carried at fair value because its fair value cannot be reliably measured the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

(iii) Trade receivable
A provision for impairment is made when there is objective evidence, such as the probability of insolvency or significant financial difficulties of the debtors that the Company will not be able to collect the amount due under the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(n) Impairment of financial assets - continued

(iii) Trade receivable - continued
Impaired debts are derecognized when they are not collected within 30 days in line with "NO PREMIUM NO COVER".

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit and loss. The regulator has laid great emphasis on No Premium, No Cover and this has changed the phase of impairment model within the industry. The Company defines credit risk as the risk of counterparty's failure to meet its contractual obligations.

The introduction of NO PREMIUM NO COVER policy with effect from 1 January 2013, is to enforce the Section 50(1) of the Insurance Act 2003; which stipulates that "the receipt of an insurance premium shall be a condition precedent to a valid contract of insurance and there shall be no cover in respect of an insurance risk, unless the premium is paid in advance or receivable within 30 days. Consequently, only insurance covers for which full premiums are receivable within 30 days either directly by the insured or through a duly licensed insurance broker, are recognized as trade receivable.

(o) Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a current legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(p) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any intangible asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (company of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In 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 assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

4. Significant accounting policies – continued

(p) Impairment of non-financial assets - continued

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

(q) De-recognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(r) Reinsurance assets

Reinsurance assets consist of short-term balances due from reinsurers as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurances 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. The company has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The company assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the insurance asset is impaired, the company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit or loss. The Company 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.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(r) Reinsurance assets - continued

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

These are deposit assets that are recognized based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured.

Investment income on these contracts is accounted for using the effective interest rate method when accrued.

(s) Other receivables and prepayments

Other receivables are measured on initial recognition at the fair value of the consideration received and subsequently at amortised cost less provision for impairment. These include receivables from suppliers and other receivables other than those classified as trade receivable and loans and receivables. Prepayments include prepaid rents and services. These are carried at amortised cost.

If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the other receivables and prepayments accordingly and recognises that impairment loss in the income statement.

(t) Investment properties

Iinvestment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is 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 conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognized in the profit or loss in the year of retirement or disposal. Transfers are made to or from investment properties only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(u) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period (three years) and the amortization method (straight line) for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss.

(v) Property, plant and equipment

All categories of property, plant equipment are initially recorded at cost. Subsequently, land and buildings are measured using revaluation model at the end of the financial period. Any increase in the value of the assets is recognized in other comprehensive income and accumulated surplus ,unless the increase is to reverse a decrease in value previously recognized in profit or loss where by the increase will be recognized in profit or loss .A decrease in value of land and building as a result of revaluation will be recognized in profit or loss unless the decrease is to reverse an increase in value previously recognized in other comprehensive income whereby the decrease will be recognized in other comprehensive income.

(i) Recognition and measurement

Other items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

4. Significant accounting policies – continued

(v) Property, plant and equipment - continued

(ii) Subsequent costs
The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative period are as follows:

Land and building	20 years
Motor vehicles	4 years
Computer equipment	3 years
Household equipment, Office furniture and fittings	5 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(iv) De-recognition
An item of property and equipment is derecognised 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 (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 derecognised.

(w) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the Company. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments and depreciated over the shorter of their useful economic life and the lease term.. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases in which the Company does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on a straight line same as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

4. Significant accounting policies – continued

(w) Leased assets - continued

Other leases are operating leases and are not recognised on the Company's statement of financial position .

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease

Minimum lease payments made under finance leases are apportioned between the finance expense, which is recognised as financial cost in profit or loss, and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed. Contingent rents shall be charged as expenses in the periods in which they are incurred

(x) Statutory deposit

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

(y) Insurance Contract Liabilities

Non-life insurance contract liabilities
Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium.. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money due to it short term nature. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, deficiency is recognized in the profit or loss by setting up a provision for premium deficiency.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(y) Insurance Contract Liabilities – continued

- Reserves for unearned premium
  In compliance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

- Reserves for outstanding claims
  The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

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

  Liability adequacy test
  At the end of each reporting period, Liability Adequacy Tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is charged to profit or loss by increasing the carrying amount of the related insurance liabilities.

(z) Trade payables

Trade payables are recognised when due. These include amount due to agents, brokers and insurance contract holders. Trade payables are measured on initial recognition at the fair value of the consideration received and subsequently measured at amortized cost.

Trade payables are derecognized when the obligation under the liability is settled, cancelled or expired.

(aa) Other payables and accruals

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

(ab) Employee benefits

(i) Defined contribution plans
Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

(ii) Defined benefit (staff gratuity) payables
A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(ab) Employee benefits – continued

(ii) Defined benefit (staff gratuity) payables - continued
The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The Company has a Gratuity Scheme for its employees. The scheme is non - contributory and employees qualify for benefits after five years' service. Provision for gratuity is made when it is determined that there is a shortfall in the assets funding liabilities.

The scheme was terminated in April 2011 and future service after this date does not attract gratuity benefits .

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Company) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
[redacted]he date of the plan amendment or curtailment, and
[redacted]he date that the Company recognises restructuring -related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in statement of profit or loss and other comprehensive income (by function):

Service costs comprising current service costs, past -service costs, gains and losses on curtailments and non-routine settlements , net interest expense or income .

(ac) Income tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except: Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(ac) Income tax – continued

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(ad) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(ae) Financial guarantee contracts

Financial guarantees are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment and the unamortised premium when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Significant accounting policies – continued

(af) Share capital and reserves

(i) Share issue costs
Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(ii) Dividend on ordinary shares
Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

(iii) Treasury shares
Where the Company purchases the Company's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(ag) Share premium reserve

Share premium reserve represents surplus on the par value price of shares issued. The share premium is classified as an equity instrument in the statement of financial position.

(ah) Contingency reserve

The company maintains Contingency reserves for non-life business in accordance with the provisions of S. 21 of the insurance Act 2003 to cover fluctuations in securities and valuations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profits; until the reserves reaches the greater of minimum paid up capital or 50% of net premium.

(ai) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

5. Standards and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Standards and interpretations issued but not yet effective - continued

IFRS 14 Regulatory Deferral Accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate - regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first -time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate -regulation and the effects of that rate -regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Company is an existing IFRS preparer, this standard would not apply.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. It is not expected that this amendment would be relevant to the Company since the entity has no defined benefit plans with contributions from employees or third parties.

IAS 1 Disclosure initiative amendments
Amendments to IAS 1 to further encourage companies to apply professional judgement in determining what information to disclose and how to structure it in their financial statements. This amendment is effective for annual periods beginning on or after 1 January 2016. These amendments will not have any impact on the Company's financial statements.

IFRS 10, IFRS 12 and IAS 28 Amendments to the investment entities consolidation exception
Clarification of the exemption from preparing consolidated financial statements; treatment of a subsidiary that provides services that support the investment entity; and the application of the equity method by a non -investment entity that has an interest in an associate or joint venture that is an investment entity. This amendment is effective for annual periods beginning on or after 1 January 2016. It is not expected that this amendment would be relevant to the Company, since the Company has no subsidiaries.

Annual improvements 2010 -2012 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

► A performance condition must contain a service condition
► A performance target must be met while the counterparty is rendering service
► A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
► A performance condition may be a market or non -market condition

► If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

5. Standards and interpretations issued but not yet effective - continued

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarifies that:

► An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'

► The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual improvements 2011 -2013 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
► Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
► This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Standards and interpretations issued but not yet effective – continued

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more stru ctured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for an nual periods beginning on or after 1 January 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting.

The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non -current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial s tatements will have to apply that change retrospectively. For first -time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Company's financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Standards and interpretations issued but not yet effective – continued

Annual improvements 2012 -2014 Cycle
IFRS 5 Changes in methods of disposal
The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application o f the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. The amendments are effective for annual periods beginning on or after 1 January 2016. These amendments will not have any impact on the Company's financial statements.

IFRS 7 Servicing contracts and applicability of the amendments to IFRS 7
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset that has been transferred. In respect of IFRS 7 disclosures required in interims, the amendment clarifies that the IFRS 7 disclosures in respect of offsetting are not required in the condensed interim financial report. The amendments are effective for annual periods beginning on or after 1 January 2016. These amendments will not have any impact on the Company's financial statements.

IAS 19 Discount rate: regional market issue.
The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. The amendments are effective for annual periods beginning on or after 1 January 2016 . These amendments will not have any impact on the Company's financial statements.

IAS 34 Disclosure of information 'elsewhere in the interim financial report
The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cr oss-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The amendments are effective for annual periods beginning on or after 1 J anuary 2016 . These amendments will not have any impact on the Company's financial statements.

- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitte d. These amendments are not expected to have any impact to the Company as the Company does not have any bearer plants.

GUINEA INSURANCE PLC

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Standards and interpretations issued but not yet effective – continued

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

This amendment is effective for annual periods beginning on or after 1 January 2016. It is not expected that this amendment would be relevant to the Company.

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2014 but had no impact on the financial statements.

IAS 32 Offsetting Financial Assets and Financial Liabilities
The IASB issued an amendment to clarify the meaning of "currently has a legally enforceable right to set off the recognised amounts" (IAS 32.42(a)). This means that the right of set-off:
- must not be contingent on a future event; and
- must be legally enforceable in all of the following circumstances:
1. the normal course of business;
2. the event of default; and
3. the event of insolvency or bankruptcy
4. the entity and all of the counterparties.

IFRS 10 - Investment entities exemption
Requires investment entities to carry subsidiaries at fair value, rather than consolidate it.

IFRIC 21 Levies
Clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time.

IAS 39 Continuing hedge accounting after novation
The standard now permits the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument.

IAS 36 Recoverable Amount Disclosures
The amendments to IAS 36 Impairment of Assets clarify the disclosure requirements in respect of fair value less costs of disposal. The amendments remove the requirement to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets within definite useful lives allocated to that unit is significant.
In addition, the IASB added two disclosure requirements:

· Additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal.
· Information about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique. The amendments harmonise disclosure requirements between value in use and fair value less costs of disposal

GUINEA INSURANCE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 ₦'000	2013 ₦'000
Gross premium written	1	1,093,413	1,088,340
Change in unearned premium	1	(225,416)	(7,155)
Gross premium income	1.2	867,997	1,081,185
Reinsurance expenses	1.3	(242,810)	(103,158)
Net premium income		625,187	978,027
Fees and commission income	2	47,229	14,558
Net underwriting Income		672,416	992,585
Claims expenses	3	(243,517)	(324,281)
Underwriting expenses	4	(150,984)	(267,004)
Underwriting result		277,915	401,300
Investment income	5	244,066	186,209
Gain on sale of property, plant and equipment	6	810	3,400
Net fair value gains on investment properties	7	260,000	20,000
Other operating income	8	4,225	227,904
Impairment charge	9	(44,234)	(3,879)
Management expenses	10	(750,143)	(534,652)
Finance costs	11	(7,011)	-
(Loss)/ profit before income tax expense		(14,372)	300,282
Income tax expense	12.1	(67,526)	(260,447)
(Loss)/ profit for the year		(81,898)	39,835
Other comprehensive (loss)/ income			
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:			
Net unrealised (loss)/ gains 'on available-for-sale financial assets**	14	(4,667)	10,557
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plans	29.2	57	785
Income tax relating to the components of OCI	12.1	(17)	(236)
Other comprehensive (loss)/ income for the year, net of tax		(4,627)	11,106
Total comprehensive (loss)/ income for the year		(86,525)	50,941
(Loss)/earnings per share - Basic and diluted (kobo)	13	(1.4)	0.7

** Income from these instruments is exempted from tax

See accompanying summary of significant accounting policies and notes to the financial statements.

GUINEA INSURANCE PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	2014 ₦'000	2013 ₦'000
Assets			
Cash and cash equivalents	15	1,048,755	1,471,323
Available-for-sale financial assets	16	132,812	140,504
Trade receivables	17	10,575	4,053
Reinsurance assets	18	135,265	103,811
Deferred acquisition costs	19	65,860	27,729
Other receivables and prepayments	20	624,859	52,003
Investment properties	21	1,310,000	1,050,000
Intangible assets	22	36,149	64,021
Property, plant and equipment	23	885,453	985,515
Statutory deposit	24	315,000	315,000
Total assets		4,564,728	4,213,959
Liabilities and Equity			
Liabilities			
Insurance contract liabilities	25	758,956	533,020
Finance lease obligations	26	27,126	-
Trade payables	27	113,189	57,278
Other payables and accruals	28	276,686	244,938
Employee benefit obligations	29	16,570	16,118
Current income tax payable	12.2	297,699	301,217
Deferred tax liabilities	12.3	78,074	78,435
Advances for increase in share capital	30	100,000	-
Total liabilities		1,668,300	1,231,006
Equity			
Issued and paid-up share capital	31	3,070,000	3,070,000
Share premium	32	337,545	337,545
Contingency reserve	33	339,191	306,389
Accumulated losses		(884,988)	(770,328)
Available-for-sale reserve	34	34,680	39,347
Total equity		2,896,428	2,982,953
Total liabilities and equity		4,564,728	4,213,959

Alhaji Abdulkarim Oshioke Kadiri
Director
FRC/2013/ICAN/00000004049

Mr. Polycarp Didam
Managing Director/CEO
FRC/2013/CIIN/00000005294

Mr. Osayande F. Obano
Chief Financial Officer
FRC/2013/ICAN/00000000778

See accompanying summary of significant accounting policies and notes to the financial statements.

GUINEA INSURANCE PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Issued share capital (Note 31) ₦'000	Share premium (Note 32) ₦'000	Contingency reserve (Note 33) ₦'000	Accumulated losses ₦'000	Available-for-sale reserve (Note 34) ₦'000	Total equity ₦'000
As at 1 January 2013	2,700,000	337,545	273,739	(778,062)	28,790	2,562,012
Profit for the year	-	-	-	39,835	-	39,835
Other comprehensive income	-	-	-	549	10,557	11,106
Total comprehensive income	-	-	-	40,384	10,557	50,941
Transfer between reserves	-	-	32,650	(32,650)	-	-
Issue of share capital	370,000	-	-	-	-	370,000
At 31 December 2013	3,070,000	337,545	306,389	(770,328)	39,347	2,982,953
Loss for the year	-	-	-	(81,898)	-	(81,898)
Other comprehensive income/(loss)	-	-	-	40	(4,667)	(4,627)
Total comprehensive loss	-	-	-	(81,858)	(4,667)	(86,525)
Transfer between reserves	-	-	32,802	(32,802)	-	-
At 31 December 2014	3,070,000	337,545	339,191	(884,988)	34,680	2,896,428

See accompanying summary of significant accounting policies and notes to the financial statements.

GUINEA INSURANCE PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 ₦ '000	2013 ₦ '000
Operating activities:			
Premium received		1,086,220	1,295,712
Commission received		47,229	14,558
Commission paid		(189,115)	(269,349)
Reinsurance premium paid		(272,790)	(108,224)
Gross claim paid net of recoveries		(244,470)	(325,006)
Payments to employees		(349,384)	(267,488)
Other operating cash receipt		-	325,006
Operating (payment)	35.1	(641,168)	503,367
Other income received		4,225	227,904
Income tax paid	12.2	(71,422)	-
Net cash (used in)/provided by operating activities	35	(630,675)	1,071,474
Investing activities:			
Investment income received		248,340	186,209
Purchase of property, plant and equipment		(26,251)	(986,712)
Purchase of intangible assets	22	-	(84,504)
Proceeds from sale of property, plant and equipment		810	3,400
Net cash provided by/(used in) investing activities		222,899	(887,441)
Financing activities:			
Interest repayment on finance lease		(6,557)	-
Principal repayment on finance lease		(8,898)	-
Net cash used in financing activities		(15,455)	-
Net (decrease)/ increase in cash and cash equivalents		(423,231)	184,033
Effect of exchange rate changes on cash and cash equivalents		663	(955)
Cash and cash equivalents at 1 January		1,471,323	1,288,245
Cash and cash equivalents at 31 December		1,048,755	1,471,323

See accompanying summary of significant accounting policies and notes to the financial statements.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

1.1 Gross Premium Income

	Gross premium written 2014 ₦ '000	Increase in unearned premium 2014 ₦ '000	Gross premium income 2014 ₦ '000
Motor	172,824	(24,633)	148,191
Fire	176,720	(39,885)	136,835
Marine and aviation	135,532	(35,549)	99,983
Miscellaneous general accident	608,337	(125,349)	482,988
	1,093,413	(225,416)	867,997

Changes in unearned premium per class of insurance business

	Unearned premium 2013 ₦'000	Increase in unearned premium in 2014 ₦'000	Unearned premium 2014 ₦'000
Motor	50,024	24,633	74,657
Fire	35,441	39,885	75,326
Marine and aviation	34,881	35,549	70,430
Miscellaneous general accident	74,241	125,349	199,590
	194,587	225,416	420,003

	Gross premium written 2013 ₦'000	In/Decrease in Unearned premium 2013 ₦'000	Gross premium income 2013 ₦'000
Motor	177,427	8,103	185,530
Fire	97,542	(10,469)	87,073
Marine & Aviation	87,500	31,750	119,250
Miscellaneous General Accident	725,871	(36,539)	689,332
	1,088,340	(7,155)	1,081,185

Changes in unearned premium per class of insurance business

	Unearned premium 2012 ₦ '000	Increase in unearned premium in 2013 ₦ '000	Unearned premium 2013 ₦ '000
Motor	58,127	(8,103)	50,024
Fire	24,972	10,469	35,441
Marine and aviation	66,631	(31,750)	34,881
Miscellaneous general accident	37,702	36,539	74,241
	187,432	(7,155)	194,587

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

		2014	2013
1.2	Gross premium income on insurance contracts	₦'000	₦'000
	Gross premium written in the year	1,093,413	1,088,340
	Change in unearned premium	(225,416)	(7,155)
	Total gross premium income	867,997	1,081,185
1.3	Reinsurance expenses		
	Premium ceded to reinsurers	(275,73 8	(108,224)
	Change in unearned premiums ceded to reinsurers	32,92 8	5,066
	Total reinsurance expense	(242,810)	(103,158)
	Total net insurance premium income	625,187	978,027
2	Fees and commission income		
	Reinsurance commission income	47,229	14,558
	Total fees and commission income	47,229	14,558
3	Claims expenses		
	Gross claims paid	314,404	341,932
	Claims ceded to reinsurers	(69,934)	(16,926)
	Gross change in outstanding claims	521	(29,569)
	Change in outstanding claims ceded to reinsurers	(1,474)	28,844
		243,517	324,281
4	Underwriting expenses		
	Amortized acquisition costs (Note 19)	130,588	174,504
	Maintenance costs	20,396	92,500
		150,984	267,004
5	Investment income		
	Rental income from:		
	nvestment properties	8,700	8,700
	Land and building	1,568	-
	Available-for-sale financial assets:		
	Dividend income	17,578	12,341
	Interest income on statutory deposits	39,017	38,796
	Interest income on cash and cash equivalents	177,203	126,372
		244,066	186,209

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

		2014	2013
5	Investment income - continued	₦'000	₦'000
5.1	Interest income on cash and cash equivalents:		
	Due to Policy holders	142,717	52,163
	Due to shareholders	34,486	74,209
		177,20 3	126,372
6	Gain on sale of property, plant and equipment		
	Property, plant and equipment:		
	Realized gains on disposals	810	3,400
7	Net fair value gains on investment properties		
	Fair value gains on investment properties (Note 21)	260 ,000	20,000
8	Other operating income		
	Recoveries from trade receivables	4,216	116,230
	Recoveries from deposit on computerization (Note 20 .1)	-	110,733
	Sundry income	9	941
		4,225	227,904
9	Impairment charge		
	Revaluation deficit on building (Note 23)	40,538	-
	Trade receivables (Note 17 .1)	671	3,879
	Available-for-sale financial assets:		
	Impairment (Note 16.2)	3,693	-
	Reclassification adjustment on gains (Note 14)	(668)	-
		44,234	3,879
10	Management expenses		
	Depreciation on PPE (Note 23)	122, 070	53,265
	Amortization of intangible assets (Note 2 2)	27,872	20,483
	Auditors' remuneration	9,000	9,000
	Employee benefits expense (10.1)	349,836	265,510
	Exchange differentials	(663)	1,220
	Legal and professional fees	20,221	27,469
	Rents and rates	9,612	22,339
	Administrative	212, 195	135,366
	Total management expenses	750,143	534,652

		2014	2013
10	Management expense - continued	₦'000	₦'000
10.1	Employee benefits expense		
	Wages and salaries	337,514	256,686
	Defined benefit plan cost	1,595	1,594
	Pension costs	10,727	7,230
	Total employee benefits expense	349,836	265,510

Administrative expenses is made up of NAICOM dues, bank charges, Subscriptions, ICT expenses, corporate gifts, directors remunerations/expenses, car repairs and maintenance, traveling expense.

11 Finance costs

This represents interest charged on motor vehicles purchased on finance lease.

12 Income tax

The major components of income tax exp ense for the year are:

		2014	2013
12.1	Income tax expense		
	Per profit or loss	₦'000	₦'000
	Current income tax:		
	Company income tax	60,579	52,395
	Education tax	7,325	13,858
	Underprovision for tax in prior years	-	130,000
		67,904	196,253
	Deferred tax:		
	Fair value gains on investment properties	26,000	2,000
	Employee benefits	549	374
	Property, plant and equipment	(14,766)	61,820
	Revaluation loss on building	(12,161)	-
		(378)	64,194
	Income tax expense reported in profit or loss	67,526	260,447
	Reported in other comprehensive income		
	Deferred tax relating to items recognised in Other comprehensive income (OCI) during the year:		
	Re-measurement gains on defined benefit plans	17	236
	Income tax expense charged to OCI	17	236

12 Income tax - continued

Reconciliation to tax expense and the accounting (loss)/ profit multiplied by Guinea's domestic tax rate for 2014 and 2013 :

	2014	2013
	₦'000	₦'000
Accounting (loss)/ profit before income tax expense	(14,372)	300,282
At statutory income tax rate of 30% (2013 : 30%)	(4,312)	90,085
Adjustments in respect of current income tax of previous years	-	130,000
Non-deductible expense for tax purposes	235,042	35,226
Income not subject to tax	(253,581)	(4,722)
Education tax	7,325	13,858
Tax rate differential on fair value gains	(52,000)	(4,000)
At effective income tax rate of 42% (2013 : 71%)	(67,526)	260,447

		2014	2013
12.2	Current income tax payable		
	At 1 January	301,217	104,964
	Based on profit for the year	67,904	196,253
	Payments made during the year	(71,422)	-
	At 31 December	297,699	301,217

12.3 Deferred taxation	Statement of financial position		Statement of profit or loss	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
Accelerated depreciation for tax purposes	(63,199)	(77,965)	(14,766)	61,820
Revaluation loss on building	12,161	-	(12,161)	-
Fair values on investment properties	(30,287)	(4,287)	26,000	2,000
Employee benefits obligation	3,251	3,817	549	374
Deferred tax (credit)/ expense			(378)	64,194
Net deferred tax liabilities	(78,074)	(78,435)		

Reconciliation of deferred tax liabilities, net

	2014	2013
Opening balance as of 1 January	(78,435)	(14,005)
Tax credit/(expense) during the year recognised in profit or loss	378	(64,194)
Tax expense during the year recognised in OCI	(17)	(236)
Closing balance as at 31 December	(78,074)	(78,435)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

13 (Loss)/earnings per share (LPS)/EPS

Basic (LPS)/EPS amounts are calculated by dividing the (loss)/profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted (LPS)/EPS computations:

	2014	2013
(Loss)/profit attributable to ordinary shareholders (₦'000)	(81,898)	39,835
Weighted average number of ordinary shares for basic EPS ('000)	6,140,000	6,034,575
Basic and diluted (loss)/earnings per ordinary share (kobo)	(1.4)	0.7
	====	====

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements. Basic and diluted (LPS)/EPS are the same as there are no potential ordinary shares.

14 Net unrealised (loss)/gains on available-for-sale financial assets	2014 ₦'000	2013 ₦'000
Unrealised (loss)/gain on available-for-sale financial assets (Note 16.2)	(3,999)	10,557
Reclassification adjustments to gain included in profit or loss (Note 9)	(668)	-
	-----------	------------
Total net unrealised (loss)/gains on available-for-sale financial assets	(4,667)	10,557
	======	======

15 Cash and cash equivalents

	2014	2013
Cash at banks and on hand	161,770	54,169
Short-term deposits (including demand and time deposits)	886,985	1,417,154
	----------------	----------------
Total cash and cash equivalents	1,048,755	1,471,323
	========	========
Representing:		
Policyholder's fund	341,921	584,967
Shareholder's fund	706,834	886,356
	----------------	----------------
	1,048,755	1,471,323
	========	========

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company. All placements are subject to an average variable interest rate obtainable in the market.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

16 Financial assets

16.1 Available-for-sale financial assets comprise:	2014 ₦'000	2013 ₦'000
Listed equity securities at fair value	95,008	102,700
Unlisted equities at cost	37,804	37,804
	------------	-------------
Total available-for-sale financial assets	132,812	140,504
	======	=======

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

16 Financial assets - continued

16.2 Carrying value of financial instruments	Available-for-sale ₦'000	Total ₦'000
At 1 January 2013	129,947	129,947
Fair value gains recorded in OCI	10,557	10,557
	------------	-------------
At 31 December 2013	140,504	140,504
Impairment (Note 9)	(3,693)	(3,693)
Fair value loss recorded in OCI (Note 14)	(3,999)	(3,999)
	------------	----------------
At 31 December 2014	132,812	132,812
	=======	=======

Representing:	2014	2013
Policyholders' funds	95,008	-
Shareholders' funds	37,804	-
	-------------	------
	132,812	-
	=======	===

Fair value of financial assets and financial liabilities not carried at fair values
The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets which fair value approximates carrying value
For financial assets and financial liabilities that have less than three month's maturity such as demand deposits and those without specified maturity such as statutory deposit, other receivables and other payables, the carrying amounts approximate to their fair value.

Unquoted investments carried at cost
Certain unquoted investments for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these financial instruments, fair value information are therefore not available, this makes it impracticable for the Company to fair value these investments. They have therefore been disclosed at cost less impairment. The carrying amount is the expected recoverable amount on these investments. The Company does not intend to dispose of these investments.

16.3 Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by value technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are based on unobservable market data.

16 Financial assets – continued

16.3 Determination of fair value and fair value hierarchy – continued

31 December 2014	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Available-for-sale financial assets:				
Equity securities	95,008	-	-	95,008

During the reporting period ended 31 December 2014, there were no transfers between level 1 and 2 and in and out of level 3.

31 December 2013	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Available-for-sale financial assets:				
Equity securities	102,700	-	-	102,700

17 Trade receivables

	2014 ₦'000	2013 ₦'000
Gross insurance receivables	21,387	14,498
Impairment allowance	(10,812)	(10,445)
	10,575	4,053

The carrying amounts disclosed above approximate fair value at the reporting date and are net of impairment charges.

17.1 Movement in impairment allowance:

	2014 ₦'000	2013 ₦'000
At beginning of the year	10,445	6,566
Additions (Note 9)	671	3,879
Impairment written off	(304)	-
At end of the year	10,812	10,445

18 Reinsurance assets

	2014	2013
Reinsurers's share of reserve for outstanding claims	28,946	30,420
Prepaid reinsurance	106,319	73,391
Total reinsurance assets	135,265	103,811
At 1 January	103,811	127,589
Additions during the year	275,738	108,224
Less reinsurance expense	(242,810)	(103,158)
Share of outstanding claims	(1,474)	(28,844)
At 31 December	135,265	103,811

18 Reinsurance assets - continued

At 31 December 2014, the Company conducted an impairment review of the reinsurance assets but no impairment loss resulted from the exercise.

Reinsurance assets are not impaired as balances are set-off against payables from retrocession at the end of every quarter.

19 Deferred acquisition costs

These represents commission paid to brokers on unearned premium relating to the unexpired tenure of risks.

	Fire ₦'000	Motor ₦'000	General accident ₦'000	Workmen compensation ₦'000	Marine and aviation ₦'000	Total ₦'000
At 1 January 2013	2,704	6,256	3,014	994	12,416	25,384
Commission incurred during the year	19,765	22,198	117,067	-	17,819	176,849
Amortisation (Note 4)	(15,406)	(22,252)	(112,546)	(994)	(23,305)	(174,504)
At 31 December 2013	7,063	6,202	7,535	-	6,930	27,729
Commission incurred during the year	35,016	17,635	89,584		26,484	168,719
Amortisation (Note 4)	(25,742)	(17,920)	(67,528)	-	(19,398)	(130,588)
At 31 December 2014	16,336	5,916	29,591	-	14,016	65,860
2014						
Current	16,336	5,916	28,665	-	14,015	64,933
Non-current	-	-	926	-	-	925
	16,336	5,916	29,591	-	14,016	65,860
2013						
Current	7,063	6,202	7,535	-	6,930	27,729
Non-current	-	-	-	-	-	-
	7,063	6,202	7,535	-	6,930	27,729

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

20 Other receivables and prepayments

	2014 ₦'000	2013 ₦'000
Deposit for computerization	93,291	93,291
Accrued interest	15,290	17,434
Due from Chrome group	-	232
Due from Global Scansystems (Note 36)	583,307	-
Staff upfront and advances	13,925	15,631
Prepayments	10,882	16,207
Others	1,454	2,498
	718,149	145,293
Impairment charge on other receivables (Note 20.1)	(93,290)	(93,290)
	624,859	52,003

20.1 Movement in impairment loss on other receivables:

	2014	2013
At beginning of the year	93,290	204,023
Write-back of recovery (Note 8)	-	(110,733)
At end of the year	93,290	93,290

The carrying amounts disclosed above reasonable approximate the fair value at the reporting date. All other receivable amounts are collectible within one year and the prepayment utilisable within one year.

21 Investment properties

	2014 ₦'000	2013 ₦'000
At beginning of the year	1,050,000	1,030,000
Fair value adjustments	260,000	20,000
At end of the year	1,310,000	1,050,000

Investment properties are stated at fair value, which has been determined based on valuations performed by Yinka Kayode & Co. (FRCN/2013 /00000000001197), accredited independent valuers, as at 31 December 2014. The valuer is a specialist in valuing these types of investment properties. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific peculiarities corroborated with available data derived from previous experiences.

Valuations are performed on an annual basis and the fair value gains and losses were recorded within the profit or loss.

Representing:	2014 ₦'000	2013 ₦'000
Policyholders' funds	400,000	-
Shareholders' funds	910,000	-
	1,310,000	-

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

21 Investment properties – continued

	2014 ₦'000	2013 ₦'000
Opening balance at 1 January	1,050,000	1,030,000
Fair value adjustments	260,000	20,000
Closing balance at 31 December	1,310,000	1,050,000

Description of valuation techniques used and key inputs to valuation on investment properties

The valuation of the properties is based on the price for which comparable land and properties are being exchanged hands on or are being marketed for sale. (Open Market Basis Approach)

By nature, detailed information on concluded transactions is difficult to come by. We have therefore relied on past transactions and recent adverts in deriving the value of the subject properties. At least, eight properties were analysed and compared with the subject property.

The Company enters into operating leases for one of its investment properties. The rental income arising during the year amounted to ₦8,700,000 (year ended 31 December 2013: ₦8,700,000) and which is included in investment income.

There are no restrictions on the reliability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

	2014 ₦'000	2013 ₦'000
Rental income derived from investment properties	8,700	8,700
Direct operating expenses (including repairs & maintenance)	-	-
Profit arising from investment properties carried at fair value	8,700	8,700

Fair value disclosure on investment properties is as follows:

	Fair value measurement using			
	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Date of valuation - 31 December 2014	₦'000	₦'000	₦'000	₦'000
Investment property	-	-	1,310,000	1,310,000
Date of valuation - 31 December 2013				
Investment property	-	-	1,050,000	1,050,000

During the reporting period ended 31 December 2014, there were no transfers between level 1 and 2 and in and out of level 3.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

21 Investment properties – continued

Description of valuation techniques used and key inputs to valuation on investment properties

Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)
Open market basis in its existing use to depreciated replacement cost approach	Estimated rental value per SQM per month	₦'500,000 -1,000,000 (₦725,000)
	Rent growth P.A	0
	long term vacancy rate	7%-10% (7)

Under the open market basis the current cost of reconstructing the existing structure together with improvement in today's market, adequately depreciated to reflect its physical wear and tear, age, functional and economical obsolescence plus site value in its existing use as at the date of inspection. The duration of the cash flows and specific timing of inflows are determined by event such as rent reviews, lease renewals and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by the agreement at the time of letting out the property. Periodic cash flow is typically estimated as gross income less non recoverable expense, collection losses, lease incentives, maintenance cost, agent and commission cost, and other operating and management expenses.

Assumption s

Rental period is for 5y ears and 4 month is outstanding as at 31st December 2014 and 31 December 2013 16 months outstanding

	2014	2013
Analysis of lease payment by maturity	₦ '000	₦ '000
Not later than one year	2,900	8,700
Later than one year and not later than five years	-	2,900
Later than five years	-	-
	----------	-----------
At 31 December	-	11,600
	======	======

22 Intangible assets

	Computer software	Total
Cost:	₦ '000	₦ '000
At 1 January 2013	-	-
Cost	84,504	84,504
	----------	-----------
At 31 December 2013	84,504	84,504
Cost	-	-
	----------	-----------
At 31 December 2014	84,504	84,504
	======	=====
Accumulated amortisation and impairment:		
At 1 January 2013	-	-
Amortisation	20,483	20,483
	-----------	-----------
At 31 December 2013	20,483	20,483
Amortisation	27,872	27,872
	-----------	-----------
At 31 December 2014	48,355	48,355
	======	======
Carrying amount:		
At 31 December 2014	36,149	34,169
	======	======
At 31 December 2013	64,021	64,021
	======	=====

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

23 Property, plant and equipment

	Land and building	Motor vehicles	Computer Equipment	Household equipment, office furniture and fittings	Total
	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000
Cost/revaluation :					
At 1 January 2013	-	161,373	30,427	35,978	227,778
Additions	787,401	44,780	89,135	65,396	986,712
Disposals	-	(16,641)	-	-	(16,641)
At 31 December 2013	787,401	189,512	119,562	101,374	1,197,849
Additions	2.638	45,452	3,316	11,141	62,547
Disposals	-	(8,609)	-	-	(8,609)
Elimination adjustment	(49,501)	-	-	-	(49,501)
Deficit o n revaluation (Note 9)	(40,538)	-	-	-	(40,538)
At 31 December 2014	700,000	226,355	122,878	112,515	1,161,748
Accumulated depreciation:					
At 1 January 2013	-	124,661	25,227	25,822	175,710
Charge for the year	10,031	19,645	14,500	9,089	53,265
Disposals	-	(16,641)	-	-	(16,641)
At 31 December 2013	10,031	127,665	39,727	34,911	212,334
Charge for the year	39,470	32,590	32,309	17,701	122,070
Disposals	-	(8,609)	-	-	(8,609)
Elimination adjustment	(49,501)	-	-	-	(49,501)
At 31 December 2014	-	151,646	72,036	52,612	276,294
Net book value:					
At 31 December 2014	700,000	74,709	50,842	59,902	885,453
At 31 December 2013	777,370	61,847	79,835	66,463	985,515

The Company acquired motor vehicles during the year under finance lease and they are included in the movement schedule above. The carrying amount of the vehicles under finance lease is ₦35,762,908.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

23 Property, plant and equipment

23.1 Qualitative disclosure of fair value measurement hierarchy of asset as at 31st December 2014

Fair value disclosure on property, plant and equipment is as follows:

Fair value measurement using	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Date of valuation - 31 December 2014	₦'000	₦'000	₦'000	₦'000
Cost			700,000	700,000
At 1 January 2014	-	-	787,401	787,401
Addition	-	-	2,638	2,638
As at 31 December 2014	-	-	790,039	790,039
Depreciation and Impairment				
At 1 January 2014	-	-	10,031	10,031
Addition	-	-	39,470	39,470
Impairment	-	-	40,538	40,538
As at 31 December 2014	-	-	90,039	90,039

24 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2014 (31 December 2013: ₦315,000,000) in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 12.39% per annum (2013: 13.14%) and this has been included within investment income.

25 Insurance contract liabilities	2014 ₦'000	2013 ₦'000
Insurance contract liabilities consist of the following:		
Provision for reported claims by policyholders	171,853	267,194
Provision for claims incurred but not reported (IBNR)	167,100	71,239
Outstanding claims provisions (Note 25.1)	338,953	338,433
Provision for unearned premium (Note 25.2)	420,003	194,587
Total insurance contract liabilities	758,956	533,020
Represented by the following assets/investments:		
Cash and cash equivalents	341,921	584,967
Available-for-sale financial assets	95,008	-
Investment properties	400,000	-
	836,929	584,967

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

25 Insurance contract liabilities - continued 25.1 Outstanding claims provision	2014 ₦'000	2013 ₦'000
At 1 January	338,433	368,002
Claims incurred in the current accident period year	314,924	312,363
Claims paid during the year	(314,404)	(341,932)
At 31 December	338,953	338,433
5.2 Provision for unearned premium		
At 1 January	194,587	187,432
Premium written in the year (Note 1)	1,093,413	1,088,340
Premium earned during the year (Note 1)	(867,997)	(1,081,185)
At 31 December	420,003	194,587

26 Analysis of Finance lease by maturity

Within one year	11,755	-
After one year but not more than five years	15,371	-
	27,126	-

The Company has finance lease of some of its motor vehicles. The Company's obligations under finance leases are secured by the lessor's title to the lease assets. Future minimum lease payments under finance lease together with the present value of the minimum lease payments are as follows:

	2014 Minimum payments	2014 Present value of payments	2013 Minimum payments	2013 Present value of payments
	₦'000	₦'000	₦'000	₦'000
Within one year	17,045	11,755	-	-
After one year but not more than five years	17,576	15,371	-	-
More than five years	-	-	-	-
Total minimum lease payments	34,621	27,126	-	-
Less amounts representing finance charges	(7,495)	-	-	-
Present value of minimum lease payments	27,126	27,126	-	-

27 Trade payables	2014 ₦'000	2013 ₦'000
This represents the amount payable to insurance and reinsurance companies on facultative and treaty placements.	113,189	57,278

This represents the amount payable to insurance and reinsurance companies as at year end. The carrying amounts of trade payable as disclosed above approximate their fair value at the reporting date.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

		2014	2013
28	Other payables and accruals	₦'000	₦'000
	Accrued expenses	79,238	76,310
	Rent received in advance (Note 28 .1)	13,730	11,600
	Statutory payables	28,085	28,257
	Other payables	134,745	118,677
	Deferred commission income (Note 28.2)	20,88 8	10,094
		-------------	------------
		276,686	244,938
		=======	=======

Other payable is made up of creditors.

28.1	Rent received in advance		
	At beginning of the year	11,600	20,300
	Deferred rent	12,398	
	Released to profit or loss	(10,268)	(8,700)
		----------	------------
	At end of the year	13,730	11,600
		======	======

28.2	Deferred commission income		
	At beginning of the year	10,094	-
	Deferred income	58,023	24,652
	Released to profit or loss	(47,229)	(14,558)
		----------	------------
	At end of the year	20,888	10,094
		======	======

29	Employee benefit obligations		
	Defined contribution payables (Note 29.1)	5,732	3,394
	Defined benefit gratuity payables (Note 29.2)	10,838	12,724
		-----------	-----------
		16,570	16,118
		======	======

29.1 Defined contribution payables

Defined contribution payable represents the amount payable to fund manager under a defined contributions plan. In accordance with the Pension Reform Act of 2014, the Company introduced defined contributory scheme to replace the funded defined benefit scheme. Under the contributory scheme, the employee contributes 8% of basic salary, housing and transport allowances and the employer contributes 10% on the same basis. Pension remittances are made to various Pension Fund Administrators on behalf of the Company's staff on a monthly basis. There is no further obligation on the part of the company in addition to the amount contributed.

29.2 Defined benefit gratuity payables

The Company operated a non-contributory lump sum . Defined benefit gratuity payables. Employees are entitled to gratuity payments on exit after full years of service with the Company. The gratuity benefits of each employee was calculated and crystallized as at 30th April 2011. In particular, future company service after this date does not attract gratuity benefits. Employees upon exit from the Company shall receive the value of their crystallized gratuity benefit without interest credit. The scheme was closed to new entrants beginning from 30th April 2011. There are no plan assets explicitly segregated to meet gratuity benef its. The Company meets benefits on a pay-as-you-go-basis.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

29 Employee benefit obligations – continued

29.2 Defined benefit gratuity payables – continued

The defined benefit plan will come to an end and no further disclosure will be required on characteristics of its defined benefit plans, the risks associated with them and how its defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows .

An actuarial valuation was conducted by a qualified independent actuary. The last actuarial valuation was carried out by Messrs HR Nigeria Limited (Consultants and Actuaries) as at 31 December 2014 . New employees joining the company from 1 April 2011 will only be entitled to the defined pension contribution payables . The gratuity balance is disclosed on the face of the statement of financial position. The Company ensures that adequate provisions are made to meet its obligations under the scheme.

	2014	2013
The amounts recognised in profit or loss is as follows:	₦'000	₦'000
Interest cost	1,595	1,594
	=====	=====
The amounts recognised in other comprehensive income:		
Re-measurement gains on defined benefit plans	(57)	(785)
	=====	=====

The movement in the defined benefit obligation is as follows:

At 1 January	12,724	14,757
Service cost		
Interest cost	1,595	1,594
Actuarial (gains)/losses - Assumption	(650)	(1,570)
Actuarial (gains)/losses - Experience	593	785
Benefit paid by the fund	(3,424)	(2,842)
	-----------	------------
At 31 December	10,838	12,724
	======	======

Demographic Assumption

Mortality in service

The rates of mortality assumed for employees are the rates publishe d in the A67/70 Ultimate Tables, published jointly by the institute and Faculty of Actuaries in the UK.

Sample of age	Number of deaths in year out of 1,000 lives	Number of deaths in the year 1,000 lives
	25	7
	30	7
	35	9
	40	14
	45	26

Withdrawal from service

Age band	Rate (%)
Less than or equal to 30	5.00
31-39	5.00
40-44	7.00
45-50	7.00
51-55	7.50
56-60	3.00

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

29 Employee benefit obligations – continued

29.2 Defined benefit gratuity payables – continued

The principal assumptions used in determining employee benefit obligations for the company's plans are shown below:

	2014	2013
	%	%
Discount rate:	15	13.5
Average pay increase	0	0
Average rate of inflation rate	9	9

A quantitative sensitivity analysis for significant assumption as at 31 December is as shown below:

Assumptions	Discount rate	
	1%	1%
Sensitivity Level	Increase	Decrease
	₦ '000	₦ '000
Impact on the net defined benefit obligation	10,445	11,262
	=====	=====

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Life Expectancy of staff (Mortality rate)	Discount rate	
Assumptions	1%	1%
	Increase	Decrease
	₦ '000	₦ '000
Impact on the net defined benefit obligation	10,859	10,818

The following payments are expected payments to be made in the future years out of the defined benefit plan obligation:

	2014	2013
	₦ '000	₦ '000
Less than 4 years	-	-
Between 4 and 10 years	2,899	4,908
Between 10 and 15 years	7,939	7,816
	-----------	------------
Total expected payments	10,838	12,724
	======	======

30 Advance for increase in share capital

During the year, the Chairman made an advance for increase in share capital of ₦100,000,000 to address the deficiency in solvency margin and equity capital. Another sum of ₦400,000,000 was deposited on 18 March 2015, the total ₦500,000,000 has been escrowed at the instance of NAICOM pending the allotment of shares.

31 Issued share capital

	2014	2013
	₦ '000	₦ '000
Authorised share capital		
6.4 billion Ordinary shares of 50 kobo each	3,200,000	3,200,000
	========	========
Issued and fully paid		
6.14 billion (2013 : 6.14 billion) Ordinary shares of 50 kobo each	3,070,000	3,070,000
	========	========

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

31 Issued share capital - continued

	2014	2013
	₦'000	₦'000

The movement in issued share capital during the year is as follows:

Number of shares	'000	'000
At 1 January	6,140,000	5,400,000
Issued during the year	-	740,000
	----------------	----------------
At 31 December	6,140,000	6,140,000
	========	========

32 Share premium

At 31 December	337,545	337,545
	=======	=======

33 Contingency reserve

Contingency reserve is computed as the higher of 20% of net profit and 3% of premium as specified in Section 21(2) of the Insurance Act 2003.

34 Available-for-sale reserve

The available-for-sale reserve shows the effects from the fair value measurement of financial instruments of the category available-for-sale. Any gains or losses are not recognised in the profit or loss until the asset has been sold or impaired.

35 Reconciliation of (loss)/ profit before income tax expense to cash flows (used in)/ provided by operating activities

	2014	2013
	₦'000	₦'000
(Loss)/profit before income tax expense	(14,372)	300,282
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	122,070	53,265
Amortization of intangible assets	27,872	20,483
Amortisation cost	130,588	174,504
Profit from sale of property, plant and equipment	(810)	(3,400)
Exchange differentials on transactions	(633)	1,220
Investment income	(244,066)	(186,209)
Revaluation deficit on building	40,538	-
Fair value gains	(260,000)	(20,000)
Impairment loss on insurance receivables	671	3,879
Recoveries on other receivables	-	(110,733)
Impairment loss on available-for-sale financial assets	3,025	-
Finance costs	7,011	-
Changes in working capital:		
(Increase)/decrease in trade receivables	(7,193)	207,372
(Increase)/decrease in reinsurance assets	(31,454)	23,778
Increase in deferred expenses	(168,719)	(176,849)
(Increase)/decrease in other receivables and prepayment	(575,000)	850,781
Increase/(decrease) in provision for outstanding claims	520	(29,569)
Increase in provision for unearned premium	225,416	7,154
Increase in deposit for shares	100,000	-
Increase/(decrease) in trade payables	55,911	(29,023)
Increase /(decrease) in other payables and accruals	29,617	(14,268)
Decrease in employee benefit obligation	(215)	(1,193)
Income tax paid	(71,422)	-
	----------------	----------------
Net cash (used in)/provided by operating activities	(630,675)	1,071,474
	========	========

		2014	2013
35	Reconciliation of (loss)/ profit before income tax expense to cash flows (used in)/provided by operating activities – continued	₦'000	₦'000
35.1	Other operating cash (payment)/receipt		
	Auditors' remuneration	(9,000)	(9,000)
	Other expenses	(187,969)	(185,174)
	(Increase)/ decrease in other receivables and prepayment	(518,128)	740,048
	Increase/(decrease) in other payables	42,181	(40,623)
	Increase in trade and other payables	31,748	(1,884)
		(641,168)	503,367

36 Related party disclosures

36.1 Transactions with related parties

The Company entered into transactions with related companies (common directors) and key management personnel during the year in the normal course of business. The sales to and purchases from related parties are made at normal market prices.

	2014	2013
Sale of Insurance contracts to related companies and other key management personnel:	₦'000	₦'000
- Chrome Oil Services Limited	50	-
- Chrome Insurance Brokers	457,960	493,830
- Global Scansytems technology limited	1,052	-
- Kaztech Engineering Nigeria Limited		2,809
- Kaztech Marine Services Limited	-	45,021
- Sir Emeka Offor Foundation - Key management personnel	-	105
- Mr Soji Emiola- Key management personnel	-	537
- Mr Fred Udechukwu - Shareholder	-	13
- Prof E.L.C Nnabuife - Shareholder	-	145
- Mr Emeka Onuselogu- Key management personnel	-	702
- Mr Nasiru Isyaku- Key management personnel	-	2,273
Purchase of Financial services from related companies:		
- Chrome Insurance Brokers	91,356	96,901
- Global Scansystems Technology Limited	131	36,114

36.2 Balances with related parties

	2014	2013
Other receivables and prepayments		
- Chrome Group	-	232
- Global Scansystems Technology Limited	583,307	-
- Ethanig Nigeria Limited - Shareholder	93,291	93,291

36.3 Investment with related parties

	2014	2013
Cash and cash equivalents		
- Global Scansystems Technology commercial paper	706,834	636,114

No amount was payable to related parties at the end of the year.

Outstanding balances at the reporting date are unsecured. Settlement will take place in cash. However, ₦300m has been received as at 30 June 2015 from Global Scan Sytems Technology Limited. However, some of the receivables from related parties are impaired .

		2014	2013
36	Related party disclosures - continued		
36.4	Compensation of key management personnel:	₦'000	₦'000
	Salaries	60,909	60,842
	Post-employment pension benefits	2,907	2,328
	Total compensation of key management personnel	63,816	63,170

37 Contraventions:

2014		
Nature of contravention	Number of Infractions	Penalty ₦'000
Late submission of audited financial statements to Nigerian Stock Exchange	1	3,800
2012 audited financial statements	1	1,500
2013 audited financial statements	1	
2014 audited financial statements	1	
2013 audited financial statements to corporate affairs commission	1	136.8
2013		
Nature of contravention	Number of Infractions	Penalty ₦'000
Late submission of audited financial statements to NAICOM	1	825
Non- rendition of unremitted premium to NAICOM	1	120
Late filling of the Company's return on VAT	1	25
Late submission of IFRS requirement to Financial Reporting Council	1	1,000

38 Events after the reporting date

No significant event has occurred since the reporting date which requires adjustment of, or further disclosure in the financial statements.

39 Going Concern

The Company's shareholders funds as at 31 December 2014 is ₦2.896billion (2013: ₦2.983billion) and the solvency margin as at 31 December 2014 is ₦2.04billion (2013 :₦2.1 billion), are less than the minimum regulatory requirement. These conditions have been remedied by fresh injection of N500m by the chairman as deposit for share. At the instance of NAICOM, the N500m is escrowed with a CBN Licensed bank pending its allotment approval by the Securities and Exchange Commission (SEC) Also, the Company has recalled its investments and balances with Global Scansystems Technology Limited receipt of which is expected to mitigate the solvency gap.

40. Insurance and financial risk

Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Company has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, a Company policy framework which sets out the risk profiles for the Company, risk management, control and business conduct standards for the Company's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Company.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk - continued

The board of directors approves the Company risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

Capital management objectives, policies and approach

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

1. To maintain the required level of stability of the Company thereby providing a degree of security to policyholders;

2. To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requireme nts of its capital providers and of its shareholders;

3. To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;

4. To align the profile of assets and liabilities taking account of risks inherent in the business;

5. To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders;

6. To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.
7. To hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additio nal amounts required by the regulator

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission. These regulatory capital tests are based upon required levels of solvency, capital an d a series of prudent assumptions in respect of the type of business written.

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital po sition of the Company in the light of changes in economic conditions and risk characteristics.

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

The Company has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk - continued

Capital management objectives, policies and approach - continued
Available capital resources as at 31 December 2014

	2014		2013	
	₦'000	₦'000	₦'000	₦'000
Total shareholders' funds per financial statements		2,896,428		2,982,953
Regulatory adjustments - Other receivables and prepayment	(624,859)		(52,003)	
- Accrued interest on statutory deposit	15,290		-	
-Staff upfront and advance	13,925		15,631	
- Received from global scan after year end	300,000		-	
- Intangible assets	(36,149)		(64,021)	
- Deposit for shares	100,000		-	
		(231,793)	-	(100,393)
		----------------		----------------
Available capital resources		2,664,635		2,882,560
Minimum capital base required by regulator		3,000,000		3,000,000
		--------------		---------------
Shortfa ll in capital		335 ,365		117,440
		========		========

The shortfall in current year has been addressed by way of ₦400m capital injection on 18 March 2015 .

The adjustments onto a regulatory basis represent assets inadmissible for regulatory reporting purposes. However, current year available capital resources are subject to Regulator's review and approval.

NAICOM measures the financial strength of non -life insurers using a solvency margin model. It generally expects non -life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines solvency margin of a non -life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of the net premium income (Gross Premium Income less Reinsurance Premium paid) or the minimum capital base (3billion) whichever is higher. The regula tor indicated that insurers should produce a minimum solvency margin of 100%. The Company maintain solvency margin which was below the minimum required as at 31 December, 2014 . The regulator has the authority to request more extensive reporting and can pl ace restrictions on the Company's operations if the Compa ny falls below this requirement, including withdrawal of its operating license which put its going concern on threat.

Solvency margin for the non -life business as at 31 December 2014 is as follows: -

	2014	2013
Admissible assets	₦'000	₦'000
Cash and cash equivalents	341,921	1,471,323
Available for sale	132,812	140,504
Trade receivables	10,575	4,053
Reinsurance assets	135,265	103,811
Deferred acquisition cost s	65,860	27,729
Other receivables and prepayments	329,215	15,631
Investment properties	1310,000	1,000,000
Property, plant and equipment (Others)	885,453	208,145
Statutory deposit	315,000	315,000
	-----------------	------------------
	3,526 ,101	3,286,196
	=========	=========

40. Insurance and financial risk - continued

Capital management objectives, policies and approach - continued

Solvency margin for the non-life business as at 31 December 2014 - continued

Admissible liabilities	2014 ₦'000	2013 ₦'000
Insurance contract liabilities	758,956	533,020
Finance lease obligation	27,126	-
Trade payable	113,189	57,278
Other payables and accruals	276,686	244,938
Employee benefit obligations	16,570	16,118
Current tax payable	297,699	301,217
	1,490,226	1,152,571
Solvency margin	2,035,875	2,133,625
Required solvency	3,000,000	3,000,000
Shortfall	964,125	866,374

The Company has a solvency gap which is to be addressed through:

1. Recall of investment and balance with Global Scansystems Technology Limited, receipt of which is expected to mitigate this gap.
2. Injection of new fund – N100m on 30 December 2014 and N400m on 18 March 2015. The total of N500m is escrowed, at NAICOM's instance, with a CBN licensed bank and SEC approval is in process for its allotment.

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

Asset liability management (ALM) framework

The principal technique of the Company's ALM is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders. For each category of liabilities, a separate portfolio of assets is maintained.

The Company's ALM is:

An integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance contracts.

a. Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

40. Insurance and financial risk - continued

Asset liability management (ALM) framework - continued

a. Insurance risk - continued

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota –share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non–proportional reinsurance is primarily excess –of–loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 20% of total reinsurance assets at the reporting date.

The Company principally issues the following types of general insurance contracts: fire, motor, general accident, engineering, marine and aviation, bond and credit and oil and gas. Risks under non–life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 50% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

a. Insurance risk - continued

Key assumptions
The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim cos ts, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to asses s the extent to which past trends may not apply in the future, for example: once –off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and cl aims handling procedures.

Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Non –life Insurance contracts (General insurance)
The company principally issues the following types of general insurance contract which include; motor, miscellaneous general accident, fire, marine and aviation. Risk under non –life policies usually cover an average of twelve (12) month duration.

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risk is improved by careful selection and implementation of underwriting strategies, which are designed to en sure that risk, are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification acros s industry sectors. Further more strict claim review policies to access all new and ongoing claims, regular detail ed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to r educe the risk exposure of the C ompany. The Company further enforce d a policy of actively manag ing and promptl y pursing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities . The Company has also limited its exposure by imposing maximum claim amount on certain contract as well as the use of reinsurance arrangements in order to limit exposure.

The table below set out the concentration of non-life insurance contract liabilities by type of contract

	31 December 2014			31 December 2013		
	Gross liabilities	Reinsurance of liabilities	Net liabilities	Gross liabilities	Reinsurance of liabilities	Net liabilit ies
	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000
MISC GENERAL ACCIDENT	173,040	12,315	160,725	211,634	3,280	208,354
FIRE	83,006	7,447	75,560	50,425	2,688	47,737
MARINE	22,522	1,021	21,500	27,904	16,213	11,691
MOTOR	60,385	8,163	52,222	48,468	8,238	40,230
	338,953	28,946	310,008	338,432	30,420	308,013

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

a. Insurance risk - continued

Key assumptions
The principal assumptions underlying the liability estimates is that the company uses historically paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims .These projected outstanding claims are then further multiplied by the future infl ation index from the year of valuation to the future year of payment of the outstanding claims .

The non–life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain as sumptions such as legislative changes or uncertainty in the estimation process. It should be noted that movements in these assumptions are non –linear.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to cha nges in assumptions, assumptions had to be changed on an individual basis.

31 December 2014	Change in assumptions	Impact on gross liabilities	Impact on net liabilities	Impact on profit before tax	Impact on equity
		₦ 000	₦ 000	₦ 000	₦ 000
Average claims cost	+10%	1,372	117	(1,255)	(879)
Average number of claims	+10%	33,895	2,895	(31,001)	(21,700)
31 December 2013					
		₦ 000	₦ 000	₦ 000	₦ 000
Average claims cost	+10%	1,493	134	(1,358)	(951)
Average number of claims	+10%	33,843	3,042	(30,801)	(21,561)

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

In general, the uncertainty associated wit h the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each triangulation below illustrates how the Company's estimate of total claims outstanding for each year has changed at successive year-ends.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

a. Insurance risk - continued

Claims development table - continued

Claims Paid Triangulations as at 31 December 2014

	Development Years				
Motor	1	2	3	4	5
Accident year	₦'000	₦'000	₦'000	₦'000	₦'000
2010	12,429	23,516	28,537	28,956	30,143
2011	9,652	30,745	33,251	33,943	-
2012	12,623	19,486	20,396	-	-
2013	12,676	21,444	-	-	-
2014	34,062	-	-	-	-
Fire					
Accident year					
2010	311	3,092	3,602	3,764	3,764
2011	167	271	1,546	1,546	-
2012	90	2,602	4,704	-	-
2013	527	5,933	-	-	-
2014	2,387	-	-	-	-

General Accident	1	2	3	4	5
Accident year	₦'000	₦'000	₦'000	₦'000	₦'000
2010	27,848	56,477	58,302	74,631	75,018
2011	14,855	22,534	36,333	47,895	-
2012	7,500	30,320	39,824	-	-
2013	11,869	39,869	-	--	
2014	4,662	-			
Marine					
Accident year					
2010	335	1,601	1,601	4,026	4,026
2011	220	3,267	11,738	11,884	-
2012	4,817	8,473	8,487	-	-
2013	1,938	9,196	-	-	-
2014	-	-	-	-	-

b. Financial risks

(i). Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

1. Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of director and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

2. The Company sets the maximum amounts and limits that may be advances to corporate counterparties by reference to their long -term credit ratings.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued

(i). Credit risk - continued

3. The credit risk in respect of customer balances incurred on non -payment of premiums or contributions will only persist during the grace period specified in the policy document until expiry, when the policy is either paid or fully provided for and Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

4. Net exposure limits are set for each counterp arty i.e limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held.

5. A Company credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Credit exposure
The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2014 and 2013 is the carrying amounts as presented in Notes 20.

The credit risk analysis below is presented in line with how the Company manages the risk. The Company manages its credit risk exposure based on the carrying value of the financial instruments.

Industry analysis

31 December 2014	Financial services ₦'000	Government ₦'000	Other ₦'000	Total ₦'000
Other receivables	-	-	598,597	598,597
Statutory deposit	-	315,000	-	315,000
	-	315,000	598,597	913,597
Reinsurance assets	-	-	135,265	135,265
Trade receivables	-	-	10,575	10,575
Cash and cash equivalents	1,048,755	-	-	1,048,755
Total credit risk exposure	1,048,755	315,000	744,437	2,108,192
31 December 2013				
Other receivables	-	-	17,434	17,434
Statutory deposit	-	315,000	-	315,000
	-	315,000	17,434	332,434
Reinsurance assets	-	-	103,811	103,811
Trade receivables	-	-	4,053	4,053
Cash and cash equivalents	1,471,323	-	-	1,471,323
Total credit risk exposure	1,471,323	315,000	125,298	1,911,621

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued
(i). Credit risk - continued

Credit exposure – continued
The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counter parties:

		Neither past -due nor impaired			
31 December 2014	Investment Grade ₦'000	Non-investment grades satisfactory ₦'000	Non-investment grades unsatisfactory ₦'000	Past-due but not impaired ₦'000	Total ₦'000
Other receivables	-	598,597	-	-	598,597
Statutory deposit	315,000	-	-	-	315,000
Reinsurance assets	-	135,265	-	-	135,265
Trade receivables	-	-	-	10,575	10,575
Cash and cash equivalents	1,048,755	1,048,755	-	-	1,048,755
Total	1,301,411	733,862	-	10,575	2,108,192
31 December 2013					
Other receivables	-	17,434	-	-	17,434
Statutory deposit	315,000	-	-	-	315,000
Reinsurance assets	-	103,811	-	-	103,811
Trade receivables	-	-	-	4,053	4,053
Cash and cash equivalents	1,417,154	54,169	-	-	1,471,323
Total	1,732,154	175,414	-	4,053	1,911,621

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued
(i). Credit risk – continued

Credit exposure – continued
Age analysis of financial assets past due but not impaired

	< 30 days	31 to 60 days	61 to 90 days	Total past due but not impaired
31 December 2014	₦'000	₦'000	₦'000	₦'000
Reinsurance assets	-	-	-	-
Trade receivables	10,575	-	-	10,575
Total	10,575	-	-	10,575
31 December 2013				
Reinsurance assets	-	-	-	-
Trade receivables	3,470	485	98	4,053
Total	3,470	485	98	4,053

At 31 December 2014, there are no impaired reinsurance assets (2013: Nil), impaired other receivables of ₦93, 290,000 (2013: ₦93,290,000) and trade receivable ₦ 671,000 (2013: ₦3,879,000).

For assets to be classified as 'past–due and impaired' contractual payments must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets.

(ii). Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk:

- Guidelines are set for asset allocations, portfolio limit structures a nd maturity profi les of assets, in order to ensure sufficient funding available to meeting insurance and investment contracts obligations.
- The Company's catastrophe excess-of-loss reinsurance contracts contain cla uses permitting the immediate draw down of funds to meet cl aim payments should claim events exceed a certain size.
- Contingency funding plans are place, which specify minimum proportions of funds to meet emergency calls well as specifying events that would trigger such plans.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued
(ii). Liquidity risk - continued

Maturity profiles

The table that follows summarises the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contracts liabilities and reinsurance assets, maturit y profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligation s.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs to assist users in understanding how assets and liabilities have been matched. Reinsurance assets have been presented on the same basis as insurance liabilities. Loans and receivables include contractual interest receivable.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued
(ii). Liquidity risk - continued

Maturity analysis (contractual undiscounted cash flow basis)

31 December 2014	Carrying amount ₦'000	Up to 1 year ₦'000	1-3 years ₦'000	3-5 years ₦'000	Over 5 years ₦'000	No maturity date ₦'000	Total ₦'000
Financial assets							
Other receivables	598,597	598,597	-	-	-	-	598,597
Available-for-sales financial assets	132,812	-	-	-	-	132,812	132,812
Reinsurance assets	28,946	12,943	10,068	5,935	-	-	28,946
Trade receivables	10,575	10,575	-	-	-	-	10,575
Cash and cash equivalents	1,048,755	1,048,755	-	-	-	-	1,048,755
Total assets	1,819,685	1,670,870	10,068	5,935	-	132,812	1,819,685
Financial liabilities							
Insurance contract liabilities	338,95 3	338,954	-	-	-	-	338,953
Trade payables	113,1 89	113,1 89	-	-	-	-	113,1 89
Finance lease obligation	27,126	-	27,126	-	-	-	27,126
Other payables and accruals	242,068	128,908	113,160	-	-	-	242,068
Total liabilities	721,336	581 ,050	140,286	-	-	-	721,336
Total liquidity gap	1,098,349	1,089,820	(130,218)	5,935	-	132,812	1,098,349

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued
(ii). Liquidity risk - continued

Maturity analysis (contractual undiscounted cash flow basis)

31 December 2013	Carrying amount ₦'000	Up to 1 year ₦'000	1-3 years ₦'000	3-5 years ₦'000	Over 5 years ₦'000	No maturity date ₦'000	Total ₦'000
Financial assets							
Other receivables	17,434	17,434	-	-	-	-	17,434
Available-for-sales financial assets	140,504	-	-	-	-	140,504	140,504
Reinsurance assets	30,420	30,420	-	-	-	-	30,420
Trade receivables	4,053	4,053	-	-	-	-	4,053
Cash and cash equivalents	1,471,32 3	1,471,323	-	-	-	-	1,471,323
Total assets	1,663,73 4	1,523,230	-	-	-	140,504	1,663,734
Financial liabilities							
Insurance contract liabilities	338,433	338 ,433	-	-	-	-	338,433
Trade payables	57,278	57,278	-	-	-	-	57,278
Other payables and accruals	223,244	223,244		-	-	-	223,244
Total liabilities	618,955	618,955		-	-	-	618,955
Total liquidity gap	1,044,779	904,275	-	-	-	140,504	1,044,779

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued
Maturity analysis on expected maturity basis

31 December 2014	Current	Non- Current	Total
Assets	₦'000	₦'000	₦'000
Cash and cash equivalents	1,048,755	-	1,048,755
Trade receivables	10,575	-	10,575
Reinsurance assets	135,265	-	135,265
Financial assets:			
Available-for-sale financial assets	-	132,812	132,812
Investment properties	-	1,310 ,000	1,310 ,000
Property, plant and equipment	-	885,453	885,453
Intangible assets	-	36,149	36,149
Other receivables and prepay ments	624,859	-	624,859
Deferred acquisition costs	64,933	927	65,860
Statutory deposit	-	315,000	315,000
Total Assets	1,884,387	2,680,341	4,564,728
Liabilities			
Deposit for shares	100,000	-	100,000
Other payables and accruals	78,125	198,561	276,686
Trade payables	113,1 89	-	113, 189
Current tax payable	297,699	-	297,699
Deferred tax liability	-	78,074	78,074
Employee benefit obligations	16,570	-	16,570
Finance Lease obligations	27,126	-	27,126
Insurance contract liabilities	123,026	635,930	758,956
Total liabilities	755,735	912,565	1,668,300
31 December 2013			
Assets			
Cash and cash equivalents	1,471,323	-	1,471,323
Trade receivables	4,053	-	4,053
Reinsurance assets	103,811	-	103,811
Financial assets:			
Available-for-sale financial assets	-	140,504	140,504
Investment properties	-	1,050,000	1,05 0,000
Property, plant and equipment	-	985,515	985,515
Intangible Asset	-	64,021	64,021
Other receivables and prepayments	52,003	-	52,003
Deferred acquisition costs	27,729	-	27,729
Statutory deposit	-	315,000	315,000
Total Assets	1,658,919	2,555,040	4,213,959
Liabilities			
Other payables and accruals	233,338	11,600	244,938
Trade payables	57,278	-	57,278
Current tax payable	301,217	-	301,217
Deferred tax liability	-	78,435	78,435
Employee benefit obligations	16,118	-	16,118
Insurance contract liabilities	533,020	-	533,020
Total liabilities	1,140,971	90,035	1,231,006

40. Insurance and financial risk – continued

b. Financial risks - continued

(iii). Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk). The risk management frameworks for each of its components are discussed below:

(a). Currency ri sk

Currency risk is the risk that fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Our currency risk exposure is minimal and we are currently putting framework to manage our exposures t o exchange rate risks emanating from our underwriting some foreign transactions.

Foreign exchange risk

Guinea Insurance is exposed to foreign exchange currency risk primarily through certain transactions denominated in foreign currency. The Company is exposed to foreign currency risk through bank balances in other foreign c urrencies.

The carrying amounts of the Company's foreign currency -denominated assets as at end of the year are as follows:

	Cash & cash equivalents	Available -for -sale	Total
2014	₦'000	₦'000	₦'000
Dollars	53,627	-	53,627
2013			
Dollars	144		144

The Company limits its exposure to foreign exchange to 10% of total investment portfolio. Foreign currency changes are monitored by the investment committee and holdings are adjusted when offside of the investment policy. The Group further manages its exposure to foreign exchange risk using sensitivity analysis to assess potential changes in the value of foreig n exchange positions and impact of such changes on the Group's investment income. At the year end, the foreign currency investments held in the portfolio are cash and cash equivalents.

There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Currency risk

The following table details the effect on the profit as at 31 December 2014 from a ₦167.5 .25/$ closing rate favorable/unfavorable change in US dollars against the naira with all other variables held constant.

	2014 Increase by 1%	2014 decrease by 1%	2013 Increase by 1%	2013 Decrease by 1%
	₦'000	₦'000	₦'000	₦'000
Impact on profit before tax	(258)	258	(536)	536

40. Insurance and financial risk – continued

b. Financial risks - continued

(iii). Market risk – continued

(a). Currency risk - continued

The method used to arrive at the possible risk of foreign exchange rate was based on both statistical and non -statistical analyses. The statistical analysis was based on movement in main currencies for the last five years. This information was then revised and adjusted for reasonableness under the current economic circumstances.

(b). Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to interest rate risk.

(c). Equity Price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, pr incipally investment securities. The risks arising from change in price of our investment securities is managed through ou r investment desk and in line with the investment risk policy.

The Company's management of equity price risk is guided by the following:

- Investment Quality and Limit Analysis
- Stop Loss Limit Analysis
- Stock to Total Loss Limit Analysis

Investment quality and limit analysis

The Board through its Board Investment Committee set approval limits for taking investment decision approval limits are illustrated using an approval hierarchy that establishes different levels of authority necessa ry to approve investment decisions of different naira amounts. The approval limits system: sets a personal discretionary limit for Chief Executive Officer; requires that investment decisions above this personal discretionary limit requires approval by the Board [redacted] sets out lower limits for Chief Finance Officer (CFO) and, or provides the CFO with the authority to assign limits to subordin ates.

Stop loss limit analysis

The eligible stocks are further categorized into class A, B and C based on market capitalizations, liquidities and market volatilities. These classes are assigned stop loss limits and maximum holding days for trading as a measure of the amount of loss the Group is willing to accept. Periodic reviews and reassessments are undertaken on the performance of the stocks. The stop loss limits on classes' basis that guide the monitoring of investment in capital markets depicted below:

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued
(iii). Market risk – continued

(c). Equity Price risk - continued
The Company's ERM function monitors compliance of the Investment arm to these limits and reports to Management periodically.

A summary of the Company's Stop Loss Limit position on trading equities as at 31 December 2014 is as follows:

Stock to total limit on Company's investment portfolio					
Sector of stock	Cost price	Market price	Stock class	Gain/loss	Bench Mark
Breweries	90	333	A	283%	25%
Petroleum (Marketing)	147	282	A	9%	25%
Banking	105	98	C	- 4%	25%
Insurance	4	1	C	-75%	20%
Conglomerate	11	119	A	1,309%	25%

Stock to total limit on Company's portfolio		
Sector of stock	Market price	%
Breweries	333	40 %
Petroleum (Marketing)	282	34 %
Banking	98	12 %
Insurance	1	0%
Conglomerate	119	14 %

A summary of the Company's Stop Loss Limit position on trading equities as at 31 December 2013 is as follows:

Stock to total limit on Company's investment portfolio					
Sector of stock	Cost price	Market price	Stock class	Gain/loss	Bench Mark
Breweries	90	404	A	349%	25%
Petroleum (Marketing)	147	190	A	29%	25%
Banking	105	119	A	13%	25%
Insurance	4	1	C	-75%	20%
Conglomerate	11	177	A	1,508%	25%

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

40. Insurance and financial risk – continued

b. Financial risks - continued
(iii). Market risk – continued

(c). Equity Price risk - continued
A summary of the Company's Stop Loss Limit position on trading equities as at 31 December 2013 is as follows: - continued

Stock to total limit on Company's portfolio		
Sector of stock	Market price	%
Breweries	404	45%
Petroleum (Marketing)	190	21%
Banking	119	13%
Insurance	1	0%
Conglomerate	177	20%

Equity price risk
At the reporting date, the exposure to listed equity securities at fair value was ₦95,008 ,000 . An increase of 5 % on the NSE market index could have an impact of approximately ₦99,759,000 and a 5% decrease N90,258,000 on the income or equity attributable to the Company, depending on whether the decline is significant or prolonged.

	2014 Increase by 1%	2014 decrease by1%	2013 Increase by 1%	2013 Decrease by 1%
	₦'000	₦'000	₦'000	₦'000
Impact on profit before tax	(99,759)	90,258	(107,836)	97,566

Operational risks
Our operational risk exposure arises from inadequately controlled internal processes or systems, human error or non -compliance as well as from external events. Operational risk management framework includes strategic, reputation and compliance risks. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework an d by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

41. Contingencies and commitments

(a). Legal proceedings and regulation s

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

41. Contingencies and commitments - continued

(a). Legal proceedings and regulations - continued

The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

(b). Capital commitments and operating leases

The Company has no capital commitments at the reporting date.

42. Admissible assets

The admissible assets representing insurance funds are included in the Statement of Financial Position as follows:

31 December 2014

Total assets representing Insurance funds	₦'000	₦'000
Cash and cash equivalents:		
Cash	161,770	
Short-term deposits	886,985	

Total cash and cash equivalents		1,048,755
Available-for-sale financial assets:		
Quoted equities		95,008
Investment properties:		
No. 21 Nnamdi Azikiwe Road, Lagos Island, Lagos State		400,000

Total assets representing insurance funds		1,543,763
Total insurance funds		758,956

Balance due to shareholders' funds		784,807
		=======

31 December 2013

Total assets representing Insurance funds	₦'000	₦'000
Cash and cash equivalents:		
Cash	54,169	
Short-term deposits	1,417,154	

Total cash and cash equivalents		1,471,323
Available-for-sale financial assets:		
Quoted equities	102,700	
Total Available-for-sale financial assets		102,700

Total Assets representing insurance funds		1,574,023
Total Insurance funds		(533,020)

Balance due to shareholders' funds		1,041,003 ========

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

Non-life revenue account for the year ended 31 December 2014

	Fire Business ₦'000	Motor Business ₦'000	Individual General Accident ₦'000	Marine and Aviation ₦'000	2014 ₦'000	2013 ₦'000
Income						
Gross premium written	176,720	172,824	608,337	135,532	1,093,413	1,088,340
(Increase)/decrease in reserve for unexpired risks	(39,885)	(24,633)	(125,349)	(35,549)	(225,416)	(7,155)
Gross premium income	136,835	148,191	482,988	99,983	867,997	1,081,185
Reinsurance expense	3,791	(52,063)	(130,584)	(63,954)	(242,810)	(103,158)
Net insurance premium revenue	140,626	96,128	352,404	36,029	625,187	978,027
Fees and Commission income	2,058	20,035	11,268	13,868	47,229	14,558
Net underwriting income	142,684	116,163	363,672	49,897	672,416	992,585
Expense						
Gross claims paid	12,407	45,734	207,393	48,870	314,404	341,932
Adjustment for movement in outstanding claims	32,581	11,917	(38,594)	(5,383)	521	(29,569)
Gross claims incurred	44,988	57,651	168,799	43,487	314,925	312,363
Change in insurance contract liabilities ceded to reinsurers	4,758	(75)	9,035	(15,192)	(1,474)	28,844
Reinsurance recoveries	(7,260)	(15,476)	(41,227)	(5,971)	(69,934)	(16,926)
Claims expense	42,486	42,100	136,607	22,324	243,517	324,281
Acquisition expenses	25,742	17,920	67,528	19,398	130,588	174,505
Maintenance Expenses	1,981	6,176	10,938	1,301	20,396	92,499
Total expenses	70,209	66,196	215,073	43,023	394,501	591,285
Underwriting result						
Transfer to profit and loss account	72,475	49,967	148,559	6,874	277,915	401,300
	=======	=======	=======	======	=======	=======

GUINEA INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS – Continued

Non-life revenue account for the year ended 31 December 2013

	Fire Business ₦'000	Motor Business ₦'000	Individual General Accident ₦'000	Marine and Aviation ₦'000	2013 ₦'000	2012 ₦'000
Income						
Gross premium written	97,542	177,427	725,871	87,500	1,088,340	1,138,741
(Increase)/decrease in reserve						
for unexpired risks	(29,396)	50,589	(60,098)	31,750	(7,155)	99,179
Gross premium income	68,146	228,016	665,773	119,250	1,081,185	1,237,920
Reinsurance expense	(1,086)	(19,914)	(10,727)	(71,431)	(103,158)	(108,347)
Net insurance premium revenue	67,060	208,102	655,046	47,819	978,027	1,129,573
Fees and Commission income	566	7,752	283	5,957	14,558	31,611
Net underwriting income	67,626	215,854	655,329	53,776	992,585	1,161,184
Expense						
Gross claims paid	51,407	22,264	244,992	23,269	341,932	151,498
Adjustment for movement						
in outstanding claims	5,513	22,319	(34,279)	(23,121)	(29,569)	165,858
Gross claims incurred	56,920	44,583	210,713	148	312,363	317,356
Change in insurance contract liabilities ceded to reinsurers	3,684	(8,238)	22,764	10,634	28,844	(23,351)
Reinsurance recoveries	(7,018)	(5,178)	(3,085)	(1,645)	(16,926)	(12,735)
Claims expense	53,586	31,167	230,392	9,137	324,281	281,270
Acquisition expenses	15,407	22,253	109,693	27,152	174,505	213,073
Maintenance expenses	7,790	15,893	67,310	1,507	92,499	88,273
Total expenses	76,783	69,313	407,395	37,796	591,285	582,616
Underwriting result						
Transfer to profit and loss account	(9,157)	146,541	247,934	15,980	401,300	578,568

GUINEA INSURANCE PLC

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 N'000	%	2013 N'000	%
Gross premium written	1,093,413		1,088,340	
Claims expenses	(243, 517)		(324,281)	
Reinsurances expenses	(242,810)		(103,158)	
Other charges and expenses	(321, 539)		(146,378)	
Fees and commission	47,229		14,558	
Investment and other income	248,291		414,113	
Value added	581, 067	100	943,194	100
Applied as follows:				
Salaries, wages and other benefits	349,836	60	265,510	28
In payment to Government:				
Taxation	67,526	12	260,447	28
In payment to s hareholders:				
Payment of dividends			-	-
Retained in the business:				
Depreciation and amortization	149,942	26	73,748	8
Contingency reserve	32,802	(6)	32,650	3
Available for sale reserve	(4,667)	(1)	10,557	1
Transfer to general reserve	(14,372)	(2)	300,282	32
	581, 067	100	943,194	100

Value added is the wealth created by the efforts of the company and its employees. This statement shows the allocation of that wealth among the employees, shareholder s, government and amount re - invested for future creation of further wealth.

GUINEA INSURANCE PLC

5-YEAR FINANCIAL SUMMARY

AS AT 31 DECEMEBR

	IFRS				
	2014	2013	2012	2011	2010
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets					
Cash and cash equivalents	1,048,755	1,471,323	1,288,245	698,206	530,668
Available-for-sale financial assets	132,812	140,504	129,947	70,340	63,334
Trade receivables	10,575	4,053	215,304	200,071	74,864
Reinsurance assets	135,265	103,811	127,589	82,191	46,362
Deferred acquisition costs	65,860	27,729	25,384	45,293	34,953
Other receivables and prepayments	624,859	52,003	774,617	1,302,755	1,821,413
Investment properties	1,310,000	1,050,000	1,030,000	970,000	860,000
Intangible assets	36,149	64,021	-	-	-
Property , plant and equipment	885,453	985,515	52,068	54,831	77,115
Deferred tax asset	-	-	-	-	18,204
Statutory deposit	315,000	315,000	315,000	315,000	300,000
Total assets	4,564,728	4,213,959	3,958,154	3,738,687	3,826,913
Liabilities					
Insurance contract liabilities	758,956	533,020	555,434	488,755	179,185
Finance lease obligation	27,126	-	-	-	-
Trade payables	113,189	57,278	86,301	68,338	47,986
Other payables and accruals	276,686	244,938	247,342	267,345	328,569
Employee benefit obligations	16,570	16,118	18,096	25,694	65,145
Current income tax payable	297,699	301,217	104,964	25,944	72,074
Deferred tax liabilities	78,074	78,435	14,005	26,315	-
Advance for increase in share capital	100,000	-	370,000	370,000	370,000
Total liabilities	1,668,300	1,231,006	1,396,142	1,272,391	3,826,913
Equity					
Issued and paid-up share capital	3,070,000	3,070,000	2,700,000	2,700,000	2,550,000
Share premium	337,545	337,545	337,545	337,545	317,981
Contingency reserve	339,191	306,389	273,739	239,577	206,401
Accumulated losses	(884,988))	(770,328)	(778,062)	(819,933)	(322,222)
Available-for-sale-reserve	34,680	39,347	28,790	9,107	11,794
Total equity	2,896,428	2,982,953	2,562,012	2,466,296	2,763,954
Total liabilities and equity	4,564,728	4,213,959	3,958,154	3,738,687	3,826,913

GUINEA INSURANCE PLC

FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER

	IFRS				NGAAP
	2014	2013	2012	2011	2010
	₦'000	₦'000	₦'000	₦'000	₦'000
TURNOVER AND PROFIT					
Gross premium written	1,093,413	1,088,340	1,138,741	1,105,889	1,012,623
Premium earned	867,997	1,081,185	1,237,920	888,518	1,418,620
(Loss)/ profit before income tax	(14,372)	300,282	(179,752)	(192,391)	(94,420)
(Loss)/ profit for the year	(81,898)	39,835	52,763	(465,507)	(106,002)
Per 50k share data (kobo):					
Basic (losses)/earnings	(1.4)	0.65	1.0	(8.10)	(2.70)
Net assets	47	51	41	46	62

BONUS HISTORY

S/N	YEAR	BONUS
1.	1973	500
2.	1974	38,250
3.	1977	57,375
4.	1981	481,950
5.	1985	688,500
6.	1986	1,009,800
7.	1989	631,125
8.	1997	9,304,227

DIVIDEND HISTORY

S/N	YEAR	DIVIDEND PAID
1.	2004	3 KOBO
2.	2005	NIL
3.	2006	5 KOBO
4.	2010	1 KOBO

INCORPORATION AND SHARE CAPITAL HISTORY

The Company was incorporated on December 3, 1958 with a nominal Share Capital of N200, 000 divided into 100,000 Ordinary Shares of N2 each. The changes in the share capital of the Company since incorporation are summarized below:

Authorized Share Capital Increase | Issued & Fully Paid Capital Increase

DATE	UNITS	PRICE	FROM	TO	UNITS	PRICE	FROM	TO	
			AMOUNT	AMOUNT			AMOUNT	AMOUNT	CONSIDERATION
	"000"	N	N(000)	N(000)	"000"	N	N(000)	N(000)	
1959	100	2.00	-	200	76	2.00	-	152	Cash
1973	-	2.00	-	200	0.5	2.00	1	153	Bonus
1974	50	2.00	100	300	38.25	2.00	76.5	229.5	Bonus
1977	100	2.00	200	500	57.375	2.00	114.75	344.25	Bonus
1981	250	2.00	500	1,000	240.975	2.00	481.95	826.2	Bonus
1985	500	2.00	1,000	2,000	344.25	2.00	688.5	1,514.7	Bonus
1986	500	2.00	1,000	3,000	504.9	2.00	1,009.8	2,524.5	Bonus
1989	6,000	0.50	3,000	6,000	2,524.5	0.50	1,262.25	3,786.75	Bonus
1991	18,000	0.50	9,000	15,000	-	0.50	-	3,786.75	Bonus
1992	30,000	0.50	15,000	30,000	15,147	0.50	7,573.5	11,360.25	Rights
1993	40,000	0.50	20,000	50,000	14,496.408	0.50	7,248.204	18,608.454	Rights
1997	140,000	0.50	70,000	120,000	37,016.908	0.50	18,508.454	37,216.908	Bonus
2001	-	0.50	-	120,000	165,566.184	0.50	82,783.092	120,000	Rights
2002	260,000	0.50	130,000	250,000	-	0.50	-	120,000	-
2003	500,000	0.50	250,000	500,000	-	0.50	-	120,000	-
2004	-	0.50	250,000	500,000	480,000	0.50	240,000	360,000	Rights
2005	-	0.50	-	500,000	-	0.50	-	360,000	Nil
2006	-	0.50	-	500,000	-	0.50	-	360,000	Nil
2007	5,000,000	0.50	500,000	3,000,000	-	0.50	-	360,000	Nil
2008	-	0.50	-	3,000,000		0.50		2,550,000	Nil
2011	-	0.50	-	3,000,000	300,000	0.50	2,550,000	2,700,000	Absorption of Life business
2012	400,000	0.50	3,000,000	3,200,000,	-	0.50	-	2,700,000,	-

On 30 December 2014 and 18 March 2015, a major shareholder made an advance for increase in share capital in the sum of N100 Million and N400 million respectively in order to remedy the deficiency in solvency margin and share capital of the Company.

E – DIVIDEND AND E – BONUS

Dear Shareholder,

E-Dividend and E-Bonus

Experience has shown that many Shareholders do not receive their dividend warrants weeks and in some cases even months after the dividend warrants were dispatched.

To prevent this and facilitate the prompt receipt of your future dividends and bonus Certificates, we will be introducing the e-dividend and e-bonus which is a fast, reliable and efficient way of receiving dividends and bonus directly into your bank and personal accounts with the Central Securities Clearing System (CSCS).

To benefit from the e-dividend and e-bonus system, you need to have a bank account as well as a CSCS account to be opened with the assistance of a Stock Broker of your choice. The mandate form on the next page has been designed in this regard. Please fill it as appropriate and forward it to our Registrars for necessary action.

For further information, we advise that you get in touch with either of the following:

The Company Secretary
Guinea Insurance Plc
Guinea Insurance House 33, Ikorodu Road Jibowu Lagos
Email: iomoshie@guineainsurance.com
Website: www.guineainsurance.com
Tel: 08138308178

The Registrars
Cardinal Stone (formally City Securities) (Registrars) Limited
358, Herbert Macaulay Way Yaba Lagos

Yours faithfully,

Isioma Omoshie
Company Secretary/ Legal Adviser
FRC/2013/NBA00000000928

CORPORATE DIRECTORY

HEAD OFFICE
Guinea Insurance House,
33, Ikorodu Road, Jibowu,
P.O. Box 1136, Marina, Lagos
Tel: +234709 821 2408, 0709 821 1386
E-Mail: info@guineainsurance.com
Website: www.guineainsurance.com

ONITSHA OFFICE
4, Ridge Road,
G.R.A. Stock Exchange Building
Onitsha (Business Village)
Contact: Aloysius Chukwueze
Tel: 0805 401 3962, 0703 653 6343
Email: achukwueze@guineainsurance.com

ABUJA OFFICE:
UPDC, 2nd Floor
Plot 272 UAC Complex (Beside SEC & Opp. Arewa Suites)
Central Business District, Abuja
Contact: Shehu Mustapha
Tel: 0803 451 1223
Email: mshehu@guineainsurance.com

KANO OFFICE
2nd Floor, 22 Zaria Road
Opposite Umar Ibnkhatabu Mosque
Kano
Contact: Baba Saleh Ja'afar
Tel: 0803 335 9797
Email: jbabasaleh@guineainsurance.com

PORT HARCOURT OFFICE:
125, Stadium Road
Indigo Mall
Port Harcourt
Contact: Adisa Abiodun
Tel: 0803 276 6290
Email: aadisa@guineainsurance.com

BENIN OFFICE
Edo House
2nd Floor Akpapava Rd
Benin
Contact: Ehibor Abraham
Tel: 0803 666 6599
Email: aehibor@guineainsurance.com

KADUNA OFFICE
Nnil Building (2 Floor)
4, Waff Road
Kaduna.
Contact: Jacob Johnson
Tel: 0802 659 7460
Email: jjacob@guineainsurance.com

ADMISSION FORM

Please admit

Shareholder's Full Name ....

To be completed in advance by Shareholders or his duly appointed proxy to the Annual General Meeting Guinea Insurance Plc which will take place at Daaty Hotel D- Line, Plot4, Ewet Housing Estate Uyo, Akwa Ibom State Nigeria, on Thursday 10th December, 2015

1. The admission card must be produced by the Shareholder or his proxy to obtain entrance to the meeting.

2. Shareholders or proxies are requested to sign the admission card before the meeting.
   Number of Shares held (to be completed by the Company's Officials)

Number of Shares held ....

Isioma Omoshie
Company Secretary/Legal Adviser
Guinea Insurance Plc

Annual General Meeting at Daaty Hotel D- Line, Plot4, Ewet Housing Estate Uyo, Akwa Ibom State Nigeria, on Thursday 10th December, 2015

Number of Shares (to be completed by the Company's Officials)

Number of Share Held .... (To be completed by the Company's Officials)

Shareholder's full name ....
To be completed in advance Shareholders).

....
Signature of person attending
(To be signed in the presence of the Company's Official at the entrance of the Hall)

MANDATE FORM

Date

The Registrars Cardinal Stone (Registrars) Ltd.
358, Herbert Macaulay Way Yaba Lagos

Dear Sir,

Mandate Form for E-Bonus and E-Dividend,

I/We hereby mandate you to include my/our shareholding in Guinea Insurance Plc among the e-bonus beneficiaries for future bonus issues. My/Our Shareholding particulars are:

Surname ....Other Names ....

Address .... Signature ....

Telephone ....Account Number ....

Note: please ensure that names are identical with those on your Share certificates

CSCS Clearing House No. ....

I/We will also like to receive my/our future dividends directly into my/our bank account electronically through e-dividend. My/Our bank account are as stated below:

Bank ... . Branch ....

Account Number...................................... Bank Sort

Code...............................

....
Signature (s) of Shareholder(s)

PROXY FORM

Annual General Meeting to be held by11.00 am at Daaty Hotel D- Line, Plot4, Ewet Housing Estate Uyo, Akwa Ibom State Nigeria, on Thursday 10th December, 2015
2015

I /We .... being

a member/members of Guinea Insurance Plc hereby appoint

.... or

Failing him, the Chairman of the Meeting as my/our proxy to

act and vote for me/us on my behalf at the Annual General

Meeting of the Company to be held on Thursday 10th December
2015.

Dated this .... day of 2015

Shareholder's Signature

Resolution	For	Against

Please indicate "X" in the appropriate square how you wish your vote to be cast on the resolution set out above unless otherwise instructed, the proxy will vote or abstain from the voting at his discretion

DESCRIPTION OF SERVICE:

By enrolling in electronic delivery service, you have agreed to receive future announcements/shareholder communication materials stated above by E- mail/Compact Disc (CD) /Internet Address (URL). These materials can be made available to you electronically either semi annually or annually. Annual Report, Proxy Form, Prospectus and Newsletter are examples of shareholder communications that can be made to you electronically. The subscription enrolment will be effective for all your holdings in GUINEA INSURANCE PLC on an ongoing basis unless you change or cancel your enrolment. This initiative is in line with our determination to help protect and sustain our planet's environment and the consolidated SEC Rule 128 (6) of September 2011 which states that ' A Registrar of a public Company may dispatch Annual Reports and notices of General Meetings to shareholders by electronic means'

....
Name (surname first)

....
Signature and Date

Affix N50.00
Postage Stamp Here

The Registrar
Cardinal Stone (Registrars) ltd
358, Herbert Macaulay Way
Yaba Lagos

Note

Note