Guinea Insurance Plc

...exceeding your expectations

Connect with us on: | Guinea Insurance House: 33 Ikorodu Road, Jibowu, Lagos
Customer Service: +234-1-2934575 | Call Center: +234-1-2934577 | Email: info@guineainsurance.com
LAGOS | ABUJA | PORT HARCOURT | BENIN | ONITSHA | KANO | KADUNA

General Accident | Motor Insurance | Fire Insurance | Special Risks | Retail & Microinsurance

Guinea Insurance Plc - 2015 - Annual Report & Accounts

Guinea Insurance Plc

...exceeding your expectations

Deeply Invested in Growth & Partnership

Annual Report

PRODUCTS AND SERVICES

Guinea Insurance (GI) is a notable name in General Insurance underwriting. We are pleased to introduce the following range and classes of products/services with the aim of providing VALUE to: you, your business, family and loved ones. Our product and service offerings include:

- Personal Accident Insurance (Micro)
- Fire Insurance (Micro)
- Motor Insurance (Micro)
- Fidelity Guarantee
- Fire and Special Perils [Assets]
- Burglary/Theft Insurance [Assets]
- All Risk Insurance
- Workmen's Compensation Insurance
- Group Personal Accident Insurance
- Motor Insurance
- Public Liability
- Bonds
- Contractors All Risk Insurance
- Erection All Risk Insurance
- Machinery Breakdown Insurance
- Marine (Hull and Cargo)
- Professional Indemnity

MOTOR THIRD PARTY INSURANCE (MICRO)

Premium Payable:- N5,000.00

The Motor Third Party Insurance is sold via a scratch card which provides standard third party compensation with ease and comfort of purchase & activation of the insurance cover. The insured also enjoys instant registration to the NIID online platform on activation of the insurance policy.

PERSONAL ACCIDENT INSURANCE (MICRO)

Premium Payable N500.00

This product is an annual policy which provides compensation in the event of bodily injury to the Insured requiring medical or first aid treatment in a recognized hospital as well as death of the insured resulting from accident. The product is targeted at the vast majority of low-income earners.

FIRE INSURANCE (MICRO)

Premium Payable:- N2,000.00

The Fire Insurance Micro policy is largely targeted at the low income earners, especially traders with lockup shops and occupiers of other people's property. The product is affordable and available for all. The policy provides cover [i.e. financial compensation] to the insured in the event of damage or destruction of property to the limit specified in the Policy, as a result of:

- Fire outbreak, lightning, and explosion. Fire in this instance refers to such as may result from any source.
- The policy further covers other risks usually referred to as special perils: storm & tempest, flood, wind & hailstorm.
- Earthquake, subterranean fire, land subsidence and tornado.
- Aircraft and other aerial devices or articles dropped therefrom.
- Bursting or overflowing of water tanks, apparatus or pipes causing water damage to the property.
- Impact damage to the buildings by any road vehicle, horse or cattle (except those owned by the insured).

ALL RISKS POLICY

This policy has a very wide scope of cover and it is specifically tailored to suit protection of portable and valuable items such as laptop computers, cameras, etc that the company may acquire for use by management staff. A major attraction of the policy stems from the fact that cover will operate wherever (any where in Nigeria) the item is lost or damaged. The policy covers practically all risks with certain exclusions such as electrical or mechanical derangement or defect. To quote for the premium payable, we require the following information for this aspect of insurance: Make and type of the item to be covered and Value of the item.

MARINE

The policy automatically covers goods shipped by water or air, depending on the terms of sale, from the warehouse at the point of shipment to the warehouse at the point of destination, including all intermediate transit.

FIDELITY GUARANTEE

This policy protects the insured against financial loss as a result of fraud, stealing, misappropriation, embezzlement or the dishonesty of any employee directly named or otherwise described.

BURGLARY/THEFT INSURANCE (ASSETS)

This policy covers risks occasioned by or arising from break-in, burglary, and theft and related acts of thievery or stealing provided that proof of forcible and violent entry can be established.

FIRE AND SPECIAL PERILS (ASSETS)

- Fire outbreak, lightning, and explosion. Fire in this instance refers to such as may result from any source.
- The policy further covers other risks usually referred to as special perils: storm & tempest, flood, wind & hailstorm.
- Earthquake, subterranean fire, land subsidence and tornado
- Aircraft and other aerial devices or articles dropped therefrom. Bursting or overflowing of water tanks, apparatus or pipes causing water damage to the property.
- Impact damage to the buildings by any road vehicle, horse or cattle (except those owned by the insured)

WORKMEN'S COMPENSATION INSURANCE

The Workmen's Compensation Decree No. 17 of 1987 requires that every employer of labour takes out Workmen's Compensation Insurance, to cover their Legal Liability for the death or injury sustained by employees while in the course of their employment. Apart from being compulsory, the benefits offered are very reasonable.

The Guinea Insurance Culture

...the wealth creation culture

...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 maximise returns to share holders

BRAND VALUES

Integrity | Professionalism | Service | Teamwork | Commitment

BRAND PERSONALITY

Caring | Contemporary | Competent | Dependable | Confident | Ethical

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

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.

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)

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 Grandball Room, Hawthorn Suites Hotel, No. 1, Uke Street, Wuse 2, Area 11, Abuja, on Thursday 16th March, 2017

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 - Okokuku
Company Secretary/Legal Adviser
Guinea Insurance Plc

Annual General Meeting at Grandball Room, Hawthorn Suites Hotel, No. 1, Uke Street, Wuse 2, Area 11, Abuja, on Thursday 16th March, 2017.

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)

NOTICE OF 58TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 58th Annual General Meeting of GUINEA INSURANCE PLC will be held at Hawthorn Suites by Wyndham, Grand Ball Hall, 1, Uke Street, Area 11, Garki, Abuja on Thursday 16th day of March, 2017 at 11.00am 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, 2015.
2. To ratify the appointments of Non- Executive Directors.
3. To ratify the appointment of Mrs. Isioma Omoshie – Okokuku as Executive Director
4. To ratify the appointment of Mr. Pius Edobor as Executive Director.
5. 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.
6. To authorize the Board to fix the remuneration of the Auditors.

NOTES:

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, CardinalStone (Registrars) Limited, 358, Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time for holding the meeting.

RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the Meeting but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Wednesday 15th of March 2017.

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 or call at the office of the Registrars of the Company, CardinalStone Registrars Limited, 358, Herbert Macaulay Way, Yaba, Lagos.

In compliance with directives issued out by the Securities and Exchange Commission, the issuance of dividend warrants to shareholders will stop on the 31st of July, 2016. It therefore implies that effective August 1, 2017 dividends shall be paid electronically to only shareholders with bank details record.

A mandate form is enclosed for this purpose.

CLOSURE OF REGISTER OF MEMBERS AND TRANSFER BOOKS

The register of members and transfer books will be closed from Thursday 9th of March to Wednesday 15th of March 2017, both days inclusive.

APPOINTMENT OF MEMBERS OF THE STATUTORY 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.

BY ORDER OF THE BOARD

ISIOMA OMOSHIE- OKOKUKU
FRC/2013/NBA00000000928
Company Secretary

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

CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTOR	CAPACITY		
Sir Emeka Offor	Chairman	Resigned	23 March 2016
Mr. Polycarp Didam	Managing Director/CEO	Resigned	23 March 2016
Mr. Fred Udechukwu	Non-Executive Director	Resigned	23 March 2016
HRH. Eze Smart Nze	Non-Executive Director	Resigned	23 March 2016
Engr. Emeka Agusiobo	Non-Executive Director	Resigned	23 March 2016
Prof. Elias Lovette Chukwunonso Nnabuife	Non-Executive Director	Resigned	23 March 2016
Alhaji Abdulkerim Oshioke Kadiri	Independent Director	Returned	23 March 2016
Mr. Ugochukwu Godson	Chairman	Appointed	23 March 2016
Mr. Simon Oladayo Bolaji	Non-Executive Director	Appointed	23 March 2016
Mr. Anthony Achebe	Non-Executive Director	Appointed	23 March 2016
Alhaji Hassan Dantata	Non-Executive Director	Appointed	23 March 2016
Mr. Chukwuemeka Uzoukwu	Non-Executive Director	Appointed	23 March 2016
Mr. Osita Chidoka	Non-Executive Director	Appointed	23 March 2016
Dr. Mohammed Attahir	Non-Executive Director	Appointed	23 March 2016
Mrs Isioma Omoshie Okokuku	Executive Director	Appointed	1 June 201
Mr. Pius Edobor	Executive Director	Appointed	19 January 2017

COMPANY SECRETARY:
Isioma Omoshie Okokuku

REGISTERED OFFICE:
Guinea House, 33, Ikorodu Road, Jibowu - Lagos State

CONTACT DETAILS:
01-2934575/01-2934577,
info@guineainsurance.com
www.guineainsurance.com

AUDITORS:
Ernst & Young, 10th & 13thFloors, UBA House, 57, Marina, Lagos State

REGISTRAR:
Cardinal Stone (Registrars) Limited, (Formerly City Securities Limited), 358, Herbert Macaulay Way, Yaba, Lagos State

BANKERS:
Access Bank Plc
First Bank Plc
GTBank Plc
UBA Plc
Zenith Bank Plc
Skye Bank Plc

CORPORATE DIRECTORY

HEAD OFFICE

Guinea Insurance House
33, Ikorodu Road Jibowu
Lagos

BENIN

EDO HOUSE (2ND FLOOR)

Akpapava Road
P.O. Box 1847, Benin
Contact: Abraham Ehibor
Tel: 052-240035, 08036666599

PORT HARCOURT
125, Stadium Road,
Indigo Mall,
Port Harcourt
Contact: Joseph Nwokolo
Tel:08033364973

ONITSHA
4, Ridge Road,
G.R.A Stock Exchange Building
Onitsha
Contact: Ijeoma Okafor
Tel:08037508525

ABUJA
UPDC , 2ND Floor
Plot 272 UAC Complex
Beside SEC & Opp. Arewa Suites
Central Business District, Abuja.
Contact: Rabiu Aminu / Adaku Ossai

KADUNA
P. O. BOX 108 Kaduna
Contact: Jafaar Babasaleh
Tel: 08033359797

KANO
2nd Floor, 22 Zaria Road
Opposite Umar Ibnkhatabu Mosque
Kano
Contact: Jafaar Babasaleh
Tel: 08033359797

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 (formerly City Securities) (Registrars) Limited
358, Herbert Macaulay Way Yaba Lagos

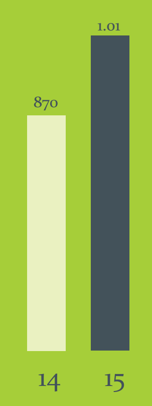
Yours faithfully,

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

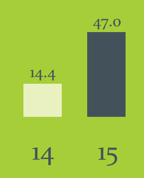
FINANCIAL HIGHLIGHTS

	2015 N'000	2014 N'000
Key Statement of Financial Position items as at 31 December 2015		
Total assets	4,116,103	4,564,728
Total equity	2,899,952	2,896,428
Insurance contract liabilities	798,260	758,956
Key Statement of Profit or Loss and Other Comprehensive Income items for the year ended 31 December 2015		
Gross premium written	870,287	1,093,413
Gross premium income	1,011,901	867,997
Net premium income	759,131	625,187
Claims expenses	(269,135)	(243,517)
Profit/(loss)beforeincome tax expense	46,906	(14,372)
Income tax expense	(54,133)	(67,526)
Loss for the year	(7,227)	(81,898)
Per 50kobo Share Data		
Basic and diluted (loss) per share (Kobo)	(0.1)	(1.4)
Net asset per share (Kobo)	47	47
Nigerian Stock Exchange quotation (Kobo) as at 31 December	50	50

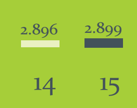
GROSS PREMIUM INCOME (N'000)



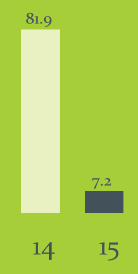
PROFIT BEFORE TAX (N'000)



SHAREHOLDERS' FUNDS (N'000)



LOSS FOR THE YEAR (N'000)



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, 2015, 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, 2015 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
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 2015 financial year are hereby attached.

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,	-
2013	-	0.50	-	3,200,000	740,000	0.50	2,700,000	3,070,000	cash
2014	-	-	-	3,200,000	-		-	3,070,000	

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

BOARD MEETING ATTENDANCE 2015

S/N	NAMES OF DIRECTORS	APR 08	MAY 21	JUL 01	SEP 22	NOV 27	DEC 09	DEC 10	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	6
6	Engr. Emeka Agusiobo	-	-	-	1	1	1	1	4
7	Alhaji A.O Kadiri	1	-	1	1	1	1	1	5

AUDIT COMMITTEE MEETINGS 2015

S/N	NAMES OF DIRECTORS	MAY 20	JUL 01	SEP 22	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	-	2

FINANCE & GENERAL PURPOSE COMMITTEE MEETING 2015

S/N	NAMES OF DIRECTORS	MAR 19	MAY 20	SEP 22	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

INVESTMENT COMMITTEE MEETINGS 2015

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

ESTABLISHMENT AND GOVERNANCE COMMITTEE MEETINGS 2015

S/N	NAMES OF DIRECTORS	MAY 19	-	NOV 26	TOTAL
1	Fred Udechukwu	1	-	1	2
2	HRH Eze Smart Nze	1	-	1	2
3	Engr. Emeka Agusiobo	1	-	1	2
4	Polycarp Didam	1	-	1	2

AUDIT AND COMPLIANCE COMMITTEE MEETINGS 2015

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-Okokuku
Company Secretary
FRC/2013/NBA00000000928

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

FIVE - YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 DECEMBER 2015

	IFRS				
	2015	2014	2013	2012	2011
	₦'000	₦'000	₦'000	₦'000	₦'000
TURNOVER AND PROFIT					
Gross premium written	870,287	1,093,413	1,088,340	1,138,741	1,105,889
Premium earned	1,011,901	867,997	1,081,185	1,237,920	888,518
Profit/(Loss) before income tax expense	46,906	(14,372)	300,282	(179,752)	(192,391)
(Loss)/profit for the year	(7,227)	(81,898)	39,835	52,763	(465,507)
Per 50k share data (kobo):					
Basic (losses)/earnings per share	(0.1)	(1.4)	0.65	1.0	(8.10)
Net assets	42	47	51	41	46
	===	===	===	===	===

SIR EMEKA OFFOR (KSC)
Chairman

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 Companies under the Chrome Group.

FRED UDECHUKWU
Non Executive Director

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.

POLYCARP DIDAM
Managing Director

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.

H.R.H. EZE SMART NZE
Non Executive Director

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 Human itarian 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.

ALH. A.O. KADIRI
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).

EMEKA AGUISIOBO
Non Executive Director

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.

PROF. E.L.C. NNABUIFE
Non Executive Director

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.

CEO'S REPORT

Distinguished Ladies and Gentlemen, it is my great pleasure to welcome you to the 58th Annual General Meeting of your Company and to present to you, the financial results for the year ended December 31, 2015. Permit me, before I proceed with my report, to briefly bring to bear, the socio-economic environment that influenced the operations and performance of your Company within the period under review.

NIGERIAN ECONOMY

Nigeria's economy continued to weaken as it fell by nearly 55%, from 6.2% in 2014, down to 2.8% in 2015. GDP contracted by 2.2% annually, marking a sharper drop than the 2.1% decline observed in the previous quarter. Q3's reading, which marks the third consecutive contraction, surprised market expectations of a softer 2.0% drop. The print suggests that the economic headwinds the country is facing show no sign of abating and prospects of an economic recovery remain dim.

The third quarter reading was underpinned by a contraction in the oil sector, largely due to militant attacks on oil infrastructure. Oil output in Q3 slid from 1.69 million barrels per day (mbpd) in Q2 to 1.63 mbpd, which marks the fourth quarterly decline. Compared to the same quarter of the previous year, oil output declined 24.9% (Q3 2015: 2.17 mbpd) and the oil industry has contracted by 22.01%.

On the political front, 2015 witnessed myriads of problems, the notable ones being a protracted discord between the federal executive and federal legislature, pockets of extremist insurgencies in the North. The spate of insurgent extremist attacks showed only little signs of abating and tacit efforts to frustrate the anti–corruption drive of the new government. Moreover, the new administration was unable to constitute a ministerial cabinet for nearly six months. Businesses equally suffered from some structural problems caused by very low power supply and disordered fuel products distribution arrangements. Essentially, the year 2015 was made much more difficult in equal proportions by both domestic and external conditions, and these forced on the economy the sharp collapse in real growth, from 6.2% to 2.8%.

The non-oil sector posted flat growth in Q3, reverting a trend of two consecutive declines. A contraction in manufacturing, construction, mining and quarrying and trade offset growth in information and communication and agriculture. The non-oil sector has been hampered by a crunch in foreign currency, the depreciation of the naira and ongoing foreign-exchange volatility.

Although the non-oil sector constitutes over 90% of the economy, there is little evidence to suggest that it could support an economic recovery. Experts are of the opinion that the country is under pressure from various sources and that a recovery still remains elusive; while the flat non-oil GDP data marks some improvement versus previous quarters, there is little to suggest meaningfully improved economic momentum. Economic analysts posit that with no evidence of improved FX liquidity and the FX shortage still largely one of the key constraints on business activity in Nigeria, important reforms, not the least, those centered on Nigeria's FX market, are required to unlock faster and more sustained economic growth.

INSURANCE INDUSTRY

Data released by the National Bureau of Statistics indicates that during the year 2015, Nigerian insurance industry posted sector real GDP growth of 5.1%, which fell short of the 7.2% growth recorded in 2014, a profile that mirrors largely the petroleum and public sector underwritings of the Nigerian insurance business. Nominal industry gross premium income is being estimated to grow at about 10% in 2015, compared to an average growth rate of 11% over the prior five–year period.

Based on premium income, insurance penetration for 2015 is being estimated by analysts at approximately 0.2%, while sector GDP is at about 0.4% of the national economy. These latest penetration numbers, when compared to continental peers such as South Africa (14%), Namibia (7%) or Mauritius (6%), point to huge potentials that are embedded in the Nigerian insurance markets. Among others, an escalation of enforcement, a widening of compulsory requirements, an active regulatory stance, and targeted marketing will be required for the industry to be able to tap into those potentials.

2015 BUSINESS DEVELOPMENT DRIVE

As with many other businesses elsewhere in the world, Nigeria endured a challenging 2015 as falling oil prices impacted the country's exports and exchange earnings. This was further compounded by a range of broader macroeconomic pressures, paucity of foreign exchange, a strengthening US dollar and insecurity in the north of the country. According to the IMF, these headwinds slowed Nigeria's GDP growth to an estimated 3.2% in 2015, the lowest rate since 1999.

FIVE - YEAR FINANCIAL SUMMARY AS AT 31 DECEMBER 2015

	IFRS				
	2015	2014	2013	2012	2011
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets					
Cash and cash equivalents	886,970	1,048,755	1,471,323	1,288,245	698,206
Available-for-sale financial assets	143,462	132,812	140,504	129,947	70,340
Trade receivables	3,331	10,575	4,053	215,304	200,071
Reinsurance assets	190,297	135,265	103,811	127,589	82,191
Deferred acquisition costs	42,341	65,860	27,729	25,384	45,293
Other receivables and prepayments	325,438	624,859	52,003	774,617	1,302,755
Investment properties	1,420,500	1,310,000	1,050,000	1,030,000	970,000
Intangible assets	8,439	36,149	64,021	-	-
Property, plant and equipment	780,325	885,453	985,515	52,068	54,831
Statutory deposit	315,000	315,000	315,000	315,000	315,000
Total assets	**4,116,103**	**4,564,728**	**4,213,959**	**3,958,154**	**3,738,687**
Liabilities					
Insurance contract liabilities	798,260	758,956	533,020	555,434	488,755
Finance lease obligation	15,556	27,126	-	-	-
Trade payables	14,334	113,189	57,278	86,301	68,338
Other payables and accruals	177,098	276,686	244,938	247,342	267,345
Employee benefit obligations	17,052	16,570	16,118	18,096	25,694
Current income tax payable	103,768	297,699	301,217	104,964	25,944
Deferred tax liabilities	90,083	78,074	78,435	14,005	26,315
Advance for increase in share capital	-	100,000	-	370,000	370,000
Total liabilities	**1,216,151**	**1,668,300**	**1,231,006**	**1,396,142**	**1,272,391**
Equity					
Issued and paid-up share capital	3,070,000	3,070,000	3,070,000	2,700,000	2,700,000
Share premium	337,545	337,545	337,545	337,545	337,545
Contingency reserve	365,300	339,191	306,389	273,739	239,577
Accumulated losses	(918,995)	(884,988))	(770,328)	(778,062)	(819,933)
Available-for-sale-reserve	46,102	34,680	39,347	28,790	9,107
Total equity	**2,899,952**	**2,896,428**	**2,982,953**	**2,562,012**	**2,466,296**
Total liabilities and equity	4,116,103	**4,564,728**	**4,213,959**	**3,958,154**	**3,738,687**

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 N'000	%	2014 N'000	%
Gross premium written	870,287		1,093,413	
Claims expenses	(269,135)		(243,517)	
Reinsurances expenses	(252,770)		(242,810)	
Other charges and expenses	(109,947)		(321,539)	
Fees and commission	54,085		47,229	
Investment and other income	332,006		248,291	
Value added	624,526	100	581,067	100
Applied as follows:				
Salaries, wages and other benefits	330,344	53	349,836	60
In payment to Government:				
Taxation	54,133	9	67,526	12
In payment to shareholders:				
Payment of dividends				
Retained in the business:				
Depreciation and amortization	155,612	25	149,942	26
Contingency reserve	26,109	4	32,802	(6)
Available for sale reserve	11,422	2	(4,667)	(1)
Transfer to general reserve	46,906	8	(14,372)	(2)
	624,526	100	581,067	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, shareholders, government and amount re-invested for future creation of further wealth.

CEO'S REPORT CONT'D

The insurance industry operations in Nigeria in the year under review shared in the above challenges to the extent that growth was hindered and market penetration that has been the bane of the industry further deteriorated even as the insurance industry in Nigeria presents a lot of growth opportunities due to the low insurance penetration in the country (0.37% as at Q4'13).

Ladies and gentlemen, despite the above challenges, we will continue to invest time and efforts in our business especially, as we believe that the road to success is worth every step of the way. I firmly believe that now is the time for us to commence a step-by-step progression towards survival and success for obvious reasons that make good business sense: Increasing market share, better brand recognition, building value in the business for employees, customers and shareholders etc., offering a wider range of products and services to a larger geographical market thereby, taking advantage of "economies of scale" while also making business more competitive, reducing cost of acquisition and ultimately make an epoch in the return to enduring profitability. We have sought and shall continue to seek profitable ways of creating unparallel customer experiences and engagements through our Strategic Business Units (SBUs) such that will herald an era of increased profitability for your Company. To drive home and give relevant insights into this devotion of ours; I like to review the activities of the various business units of your Company.

CORPORATE COMMUNICATION

As the voice of an organization responsible for speaking internally, to employees, as well as externally, to suppliers, vendors, media, investors and other stakeholders, we have been able to engage the publics largely through Below-the-Line campaigns which seek to reach out to our existing and potential consumers directly rather than engaging an intermediary medium. The current economic slump has engendered several changes in the industry, media and advertising spend. A gradual shift is beginning to emerge from Above-the-Line (ATL – use of mass media) to Below-the-Line (BTL – use of direct marketing) advertising activities.

We have deployed this advertising strategy because it is in part aimed at: Efficiently reducing the excruciating financial hit the pocketbook would take; creating interaction between brand and market; Building brand via BTL/directmarketing activations; Strategically increasing TOMR, SOM and SOV through highly targeted direct marketing approaches thereby creating a platform for more sophisticated consumers who now demand relevant messaging that engages them in a dialog with the marketers.

Our 'street presence' CSR initiative tagged 'Guinea Insurance Outdoor Landscaping/Beautification CSR Project, was commissioned in year 2014. In 2015, a unanimously agreed maintenance regime was drawn between Guinea Insurance Plc and vendor – Wealthplus Resources; consequently a Service Level Agreement (SLA) was instituted. This has led to more effective representation of the GI brand in its outdoor CSR/publicity campaign which was brought to bear through a project partnership arrangement with the Lagos State Government tagged "Green Initiative."

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

Information Communication Technology (ICT) is emerging as a phenomenon with its own attractions and has an important role in insurance market. Development of e-trade makes insurers more than product orientation to customer orientation. Since search costs for policy holders is less, transparency in pricing, products quality and insurance services increases. Our business processes have therefore been improved through the:

1. Implementation of various online portals for the sales of our products.
2. Implementation of state-of-the-art Call Centre solution for improved customer relationship and engagement for business growth and retention.
3. Implementation of Enterprise Application that supports efficient workflow for improved productivity and timely response to both customer and regulatory demands.

RETAIL/MARKETING

Over the review period, retailing in Nigeria had steadily become more organized with Nigerian consumers fielding amongst the most optimistic in sub-Saharan Africa. As we continue to witness an expanding middle-income client base and a positive consumer sentiment underpinned by the expansion of Nigeria's retail sector; we have taken proactive steps as a forward-thinking Company, to distilled suitable conventional products to pocket friendly sizes in order to adequately provide for the insurance needs of the emerging market. These products which are sold via the use of scratch cards are available online real-time and our cell office services have been extended nationwide to allow for first-rate customer experience.

Distilled Insurance Products and Cell Offices:

1. Personal Accident Insurance Policy for workers
2. Personal Accident Insurance Policy for schools and colleges
3. Fire Insurance Policy for low income earners
4. Third Party Motor Insurance
5. Introduction of Cell Offices nationwide where products are sold 24 hours, weekdays and even weekends when our main shops are open for business.

UNDERWRITING

Nigeria's insurance sector no doubt is a critical part of the economy and has the capacity to boost economic development through risk transfer mechanism. Harnessing the sector would be critical as it widely witnessed that some global underwriters are taking strategic positions through the acquisition of local insurance companies. We feel this is a testament to the opportunities in the sector and we intend to step to the fore, so we have therefore:

1. Consolidated our footings in the oil and Gas sector and obtained a Multi-Line Energy Package Reinsurance Facility to take care of the company's risk exposure in the sector.
2. Instituted operation 'No Loss of Transaction' for both new and renewal businesses. This drive has boosted our premium generation capacity.

CLAIMS

Underwriting and claims settlement are the two most important aspects in the functioning of an insurance company. In the present highly competitive and economically challenging environment, claims settlement can serve as a market differentiator that puts an insurance company at the forefront of industry leadership and innovation. Major components of the claims handling process include developing strategies to cut costs and reduce fraud while keeping customers satisfied. Our company's capacity to settle genuine claims of the insuring publics, is underscored by its increasing premium yielding policies and capital generating ventures. We have therefore reinforced our Rapid Claims Payment System (RCPS) to ensure that our response time for claims settlement is within 72 hours upon receipt of a duly Executed Discharge Voucher (EDV) from the insured.

Within the period under review, a total of N213,736,010.00 genuine claims were settled on various classes of insurance as follows: The sum of N3,111,470.00 was paid on Aviation insurance representing 1.5% of total claims paid; N3,911,920.00 was paid on Engineering insurance representing1.8% of total claims paid, Fire insurance accounted for 15.5% amounting to N33,121,610.00 of claims paid; N78,876,010.00 was paid on General Accident insurance representing 36.9% of total claims paid; N2,937,140.00 was paid on Marine insurance representing 1.4% of total claims paid. Motor insurance accounted for 31.7% amounting to N67,824,390.00 of claims paid while Oil & Gas insurance accounted for 11.2% amounting to N23,953,470.00.

HUMAN CAPITAL MANAGEMENT (HCM)

The underlying success factor of your business is the people who work for you. Happy employees lead to success in business and a great work culture is often inculcated. We perceive our employees as assets (i.e. human capital) and we continually seek better ways of measuring their current value while also putting modalities in place to measure their future value because, we believe human resources should not be a cost of doing business, it should be a revenue producer. During the course of the year under review, we had restructured our processes and procedures to focus more on the organizational needs of providing for specific competencies through: workforce acquisition, workforce management and workforce optimization. Our human capital investment has helped to: improve our employees' retention rates; increase customer satisfaction and creativity for new product ideas, save labour by reducing time spent on problem-solving.

OUTLOOK FOR 2016

The insurance industry in Nigeria had largely remained underpenetrated with insurance density (insurance premium as a percentage of GDP) at 0.225%. The industry recorded an estimated growth rate of 10% in 2015 and insurance gross premium written rose to N300 billion (estimated) in 2015. Contrary to fears that the decline in national revenue occasioned by fall in oil price and depreciation in the naira value would spell hardship for insurance industry as expressed recently by insurance chieftains, Industry analysts are of the opinion that the insurance sector has the potential to grow volumes and enhance shareholders' value but it requires insurance companies to device means of taking advantage of growth opportunities around them because doing so, would not only increase its penetration but also enhance awareness and its contribution to GDP.

I believe that positive projections for the Nigerian Insurance Industry in 2016 is very feasible, if the federal government fulfills its promise of paying all its outstanding premium in 2016 (which worth N10b), insurance companies might have a better Gross Premium Income (GPI) in 2016. In addition to government's announcement of plans for infrastructure spending in 2016 fiscal year, especially on major highways, and the establishment of a development commission to oversee the rehabilitation of the North East zone, we foresee improved opportunities for insurance businesses in the public sector markets. But if some state governments go ahead with planned retrenchment exercises in 2016, then Non-life Premium (especially 3rd party motor insurance) may drop.

As a company destined for greatness and propelled by a people with insatiable thirst for success, we keep the faith that there are no limits, there are only plateaus; we must go beyond them and return your Company to profitability, 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 understanding support and commitment; as well as our employees for their hard work and dedication.

I am certain that our Company will continue to grow and achieve greater heights than it has. I wish you all every success for the future. Thank you all and God bless

POLYCARP DIDAM
MD/CEO

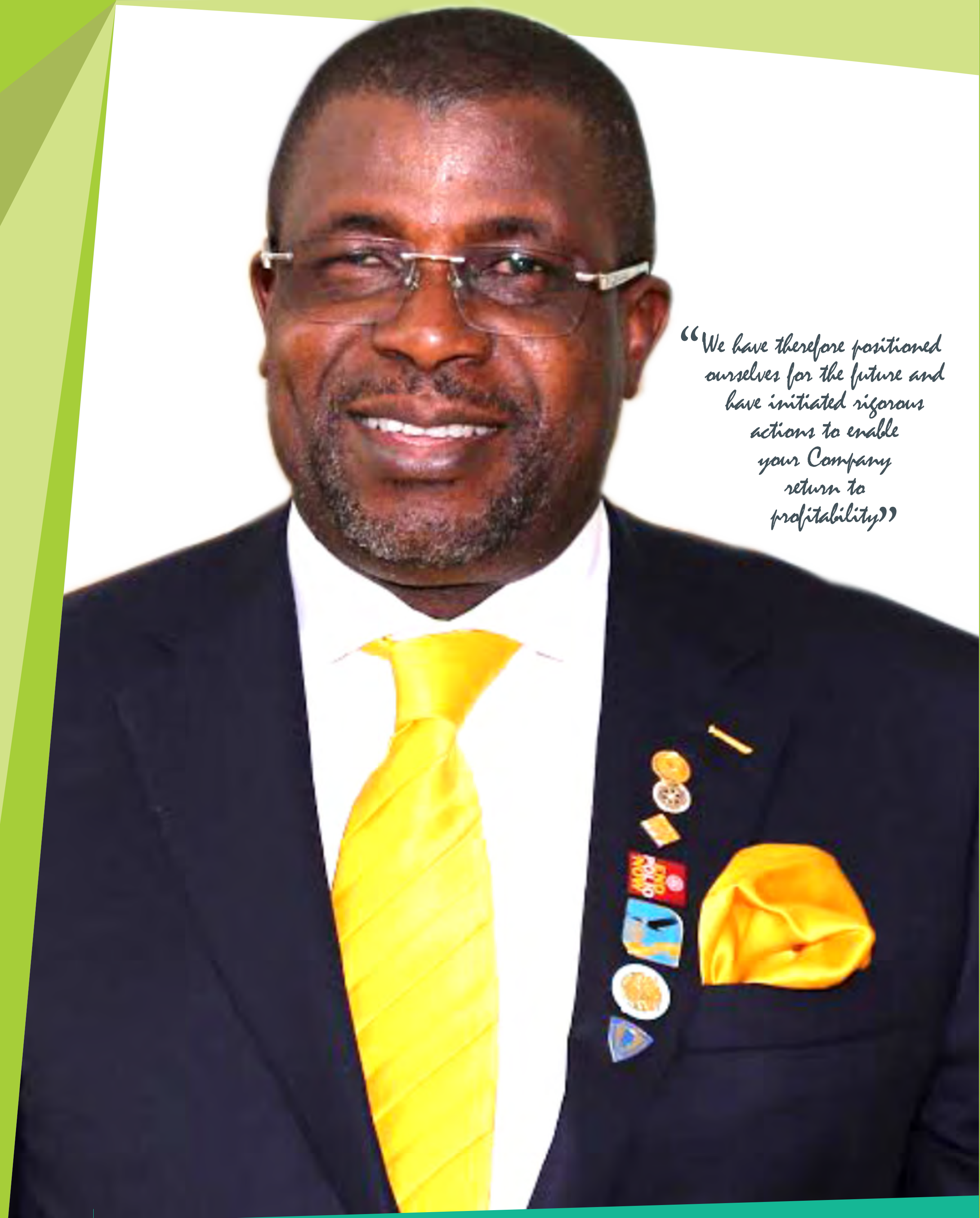
Non-life revenue account for the year ended 31 December 2014

	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**

NOTES TO THE FINANCIAL STATEMENTS - Continued

Non-life revenue account for the year ended 31 December 2015

	Fire Business ₦'000	Motor Business ₦'000	Individual General Accident ₦'000	Marine and Aviation ₦'000	2015 ₦'000	2014 ₦'000
Income						
Gross premium written	205,280	196,757	421,886	46,364	870,287	1,093,413
(Increase)/decrease in reserve for unexpired risks	1,508	9,598	72,079	58,429	141,614	(225,416)
Gross premium income	206,788	206,355	493,965	104,793	1,011,901	867,997
Reinsurance expense	(84,100)	(3,218)	(101,486)	(63,965)	(252,770)	(242,810)
Net insurance premium revenue	122,688	203,137	392,479	40,827	759,131	625,187
Fees and Commission income	17,850	683	21,975	13,577	54,085	47,229
Net underwriting income	140,538	203,820	414,454	54,404	813,216	672,416
Expense						
Gross claims paid	(28,928)	(65,255)	(114,487)	(6,066)	(214,735)	314,404
Adjustment for movement in outstanding claims	(144,484)	(27,369)	(41,932)	32,867	(180,917)	521
Gross claims incurred	(173,411)	(92,623)	(156,419)	26,801	(395,652)	314,925
Change in insurance contract liabilities ceded to reinsurers	68,271	153	1,608	1,974	72,007	(1,474)
Reinsurance recoveries	7,606	18,188	16,660	12,057	54,511	(69,934)
Claims expense	(97,534)	(74,282)	(138,151)	40,832	(269,134)	243,517
Acquisition expenses	(43,596)	(21,169)	(73,961)	(20,659)	(159,385)	130,588
Maintenance Expenses	(1,839)	(37,937)	(25,715)	(3,962)	(69,453)	20,396
Total expenses	(45,435)	(59,106)	(99,676)	(24,621)	(228,838)	150,984
Total Underwriting	**(142,969)**	**(133,388)**	**(237,827)**	**16,211**	**(497,972)**	394,501
Transfer to profit and loss account	**(2,432)**	**70,432**	**176,628**	**70,616**	**315,244**	**277,915**



SIR EMEKA OFFOR (KSC)
Chairman

CHAIRMAN'S STATEMENT

Our distinguished shareholders, ladies and gentlemen, on behalf of the Board of Directors, I welcome you to the 58th Annual General Meeting (AGM) of your Company. Before I present to you the Annual Report and Financial Statements for the financial year ended 31st December 2015, I wish to briefly review the business environment under which your Company operated within the period under review.

BUSINESS ENVIRONMENT

World crude oil prices declined by more than 50% during the year, this headwind had a huge impact on the Nigerian economy which, as you know, is largely dependent on crude oil. Nigeria's foreign reserves also experienced a steady decline during the year relative to accumulated levels over the previous years. The downward trend in reserves was largely due to declining oil revenue which was brought about by lower oil prices and stagnant /declining oil production.

On the back of the decline in crude oil prices, the supply gap in the foreign exchange market increased as demand for dollars outpaced supply thereby putting immense pressure on the Naira and resulting in volatility and uncertainty in the foreign exchange market.

The Central Bank of Nigeria devalued the currency by 8% in November 2014 and announced a series of regulatory measures aimed at tightening the guidelines for foreign exchange transactions and arresting the depletion of the country's foreign reserves. Nigeria's public debt was on the rise and as at the end of December 2014, total public debt amounted to about $67.7billion, a 5% increase from December 2013. This upsurge was driven largely by the 10% growth in the domestic debts of the Federal and State governments. The peaceful and transparent conduct of the general elections held in March and April 2015 was a positive highlight of the year as the change in Government at the Federal level from the ruling political party to the leading opposition party provided a positive impetus for economic activities, albeit momentarily. While the military has stepped up operations against the activities of the Boko Haram sect, insurgency still poses a serious security threat especially in the North-East. The National Emergency Management Agency (NEMA) estimates that there are about 1.5 million Internally Displaced Persons in North-Eastern Nigeria alone. There was also a continued rise in the number of refugees in the neighbouring countries of Cameroon, Chad and Niger. It is hoped that the renewed military offensive and the recent change of guard in the hierarchy of the military command in the country will provide the necessary drive to contain the spread of the insurgency and gradually restore normalcy to the region.

The acute fuel shortage experienced from April 2015 led to disruption of business activities, a reduction in banks' opening hours, regular flight cancellations, threatened restriction of services by telecommunications companies, increase in the price of food commodities, transportation costs and general cost of living. This situation however eased off towards the end of the financial year.

The inability of government, especially at the States' level to pay workers' salaries, service their debt obligations to banks and pay local contractors has put severe pressure on consumer spending. This has manifested in weaker aggregate demand and compounded the issues facing FMCG companies. These, together with higher logistics and operational costs, impacted negatively on our net revenues during the year.

FINANCIAL RESULTS

In 2015, our business Gross Premium Income stood at N1.01 billion, 16.6% higher than our 2014 figure which was N867.99 million. Profit Before Tax was N47.0 million in 2015 representing an increase of 226% from N14.4 million Loss recorded in 2014. In 2015, Loss for the year was N7.2 million as against N81.9 million recorded in 2014 representing a significant reduction of 91.2% within period under review. Shareholders' Funds in 2015 was N2.899 billion representing a marginally increase of 0.12% as compared to N2.896 billion recorded in 2014. These results are pedestrian and unrepresentative of our projections for 2015. Although the positive rebasing of Nigeria's Gross Domestic Product (GDP) in 2014 highlighted areas of significant growth, the gradual decline noticed in the last half of 2014, brought its full weight to bear on business operations in 2015. We have therefore positioned ourselves for the future and have initiated rigorous actions to enable your Company return to profitability.

BOARD OF DIRECTORS AND STAFF

There were no changes in the Board of your Company in the year under review and I wish to take this opportunity to thank the members of the Board for their unwavering commitment and dedication to the continued success of this Company. We appreciate our Management and Staff for their steadfast dedication, loyalty and focus in driving the progress of this Company. We believe strongly that our employees are our most valued asset and we are committed to recruiting, developing and retaining the best talents for the success of our business.

2016 DEVELOPMENTS AND FUTURE OUTLOOK

The 2016 outlook is one of slow economic recovery as some of the reforms begin to take effect and measures to boost the economy, such as, increased spending on infrastructure are implemented. Some specific reforms pursued by the new administration to lay a foundation for renewed growth are commendable.

The key reforms include the rationalisation of the public sector in order to cut the cost of governance; enforcement of the single treasury account to block financial leakages; renewed efforts at enforcement of tax compliance; preparation for zero-budgeting starting in 2016 and increasing the ratio of capital to recurrent expenditure to 30:70.

Security remains a major challenge, in the northeast in particular. While the military has stepped up the fight against the Boko Haram insurgency the humanitarian situation has continued to deteriorate. The number of internally displaced persons is estimated at over 2 million, located mainly in the cities where conditions are safer. Both the government and development partners continue to explore additional ways of improving the situation.

Sustainable cities can only be driven by structural transformation if there is an integrated approach to urban planning. It is expected that the Federal Ministry of Power, Works and Housing will review the urban development policy and work with other line ministries to improve service delivery and chart a way forward for tapping into the opportunities provided by the growth of cities in Nigeria. Lagos is one of the seven mega-cities in Africa and has a high potential for innovation and job creation opportunities in sectors such as construction, insurance, retail trade, information communications and technology (ICT).

It is expected that the Nigerian Insurance Industry might begin to have a positive outlook if the federal government fulfills its promise of paying its entire outstanding premium in 2016 (which is worth N10b). Insurance companies might have a better Gross Premium Income (GPI) in 2016. But if some state governments go ahead with planned retrenchment exercises in 2016, Non-life Premium (especially 3rd party motor insurance) may drop and the unhealthy scramble for customers in the industry may further force the pricing in the industry to go down (rate cutting) except NAICOM intervenes with minimum threshold for all classes of businesses.

We have guided our efforts by the three ingredients of our mission as set out in 2014:

1. To maximise customer satisfaction
2. Focus on increasing market share; and
3. Create wealth for national development and all stakeholders

As we reposition to take up opportunities in 2016, we are also strengthening our risk management capabilities to ensure effectiveness, efficiency and profitability.

CONCLUSION

We enter 2016 with a clear strategy and with much of the Company's required reshaping either completed or underway. Our staff, like their predecessors, went the extra mile consistently throughout 2015 to meet the demands placed on them by our customers, regulators and the public. I want to place on record, the Board's appreciation of that commitment and our gratitude for what they have helped the Company to achieve despite stiff headwinds encountered in 2015.

Lastly, let me thank everyone of you, our valued and esteemed shareholders, for entrusting the Board of Directors with the affairs of your Company. As always, I like to end my note thus - together, we are able to be the company we are today and remain the company of tomorrow.

I look forward to seeing you at the 58th Annual General Meeting of Guinea Insurance Plc.

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Thank you all and God bless.

Sir Emeka Offor
Chairman

NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

43. Admissible assets

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

31 December 2015

Total assets representing Insurance funds	₦'000	₦'000
Cash and cash equivalents:		
Cash	136,828	
Short-term deposits	750,141	

Total cash and cash equivalents		**886,969**
Available-for-sale financial assets:		
Quoted equities		105,658
Investment properties:		***400,000***
No. 21 Nnamdi Azikiwe Road, Lagos Island, Lagos State		

Total assets representing insurance funds		**1,392,627**
Total insurance funds		(798,260)

Balance due to shareholders' funds		**594,367**
		=======

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
		=======

. 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 December2014 is as follows: - continued

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%

Equity price risk

At the reporting date, the exposure to listed equity securities at fair value was ₦105, 658,632 . A n increase of 5 % on the NSE market index could have an impact of approximately ₦110, 941,564 and a 5% decrease N100 , 375,701 on the income or equity attributable to the Company, depending on whether the decline is significant or prolonged.

	2015 Increase by 5%	**2015 decrease by5%**	**2014 Increase by 5%**	**2014 Decrease by 5%**
	₦'000	₦'000	₦'000	₦'000
Impact on profit before tax	(110,942)	100,376	(99,759)	90,258

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 re putation, 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 and 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 envir onment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

42. Contingencies and commitments

(a). **Legal proceedings and regulations**

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.

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

BOARD DECLARATION ON SECURITIES TRADING POLICY

Pursuant to and in accordance to the listing rules of the Nigerian Stock Exchange of section 14 as amended, the Board hereby declares stating that, to the best of its knowledge and belief, having made appropriate enquiries:

The company has 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 a securities trading policy which shall apply to all employees and Directors and shall be circulated to all employees that may at any time possess any inside or material information about the Company.

b. That the Company publicizes its securities trading policy in its internal communications, on a regular basis, and places it on its website.

c. That all directors, persons discharging managerial responsibility and persons closely connected to them as well as all insiders of the Company should notify the Company in writing through the Company Secretary of the occurrence of all transactions conducted on their own account in the shares of the Company on the day on which the transaction occurred and the Company should maintain a record of such transactions which shall be provided to The Exchange within two business days of The Exchange making a request in that regard.

d. That in relation to securities transactions by directors, the Company should disclose such in its interim reports (and summary interim reports, if any) and the Corporate Governance Report contained in its annual reports (and summary financial reports, if any)

e. That the Board is satisfied with the efficiency of the processes and systems surrounding the production of financial information of the company.

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

g. 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

NOTES TO THE FINANCIAL STATEMENTS - Continued

. 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 asat 31 December 2015 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	146%	25%
Banking	105	98	C	- 30%	25%
Insurance	5	1	C	-75%	20%
Conglomerate	11	110	A	900%	25%

Stock to total limit on Company's portfolio

Sector of stock	Market price	%
Breweries	256	32%
Petroleum (Marketing)	361	45%
Banking	73	9%
Insurance	1	0%
Conglomerate	110	14%

A summary of the Company's Stop Loss Limit position on trading equities as at 31 December2014 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%

. 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, principally investment securities. The risks arising from change in price of our investment securities is managed through our 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

nvestment quality and limit analysis
he Board through its Board nvestment Committee set approval limits for taking investment decision approval limits are illustrated using an approval hierarchy that establishes ifferent levels of authority necessary o approve investment decisions of different naira amounts. The pproval limits system: ets a personal discretionary limit for Chief Executive Officer requires that investment decisions above this personal discretionary limit requires approval by the Board of Directors and; sets out lower limits for Chief Finance Officer (CFO) and, or provides the CFO with the authority to assign limits to subordinates.

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:

1.1 INTRODUCTION AND SCOPE OF THE POLICY

This Complaints Policy **(the "Policy")** is pursuant of Investments and Securities Act, 2007 (ISA), the Rules and Regulations made pursuant to the ISA, the rules and regulations of Securities Exchanges and guidelines of recognized trade associations **to guide the company procedures to effectively manage and resolve complaints from clients and members of the general public.**

Our management and staff are duly trained to respect the right of members of the public to complain about the standard of services provided by the company. Our core values of teamwork, service, commitment, integrity and professionalism speaks of our dealings with our insured and general public.

The company strives for fairness, equitable and timely resolution of complaints is described in this Policy.

1.2 **PURPOSE**

The purpose of the Complaints Handling Policy is to:

- Recognise customers' rights to complain.
- Provide an efficient, fair and accessible mechanism for resolving customer's complaints.
- Provide information to customers on the company's (Guinea) and the National Insurance Commission's (NAICOM) complaints handling process.
- Demonstrate Guinea's commitment to continual improvement on Its services

1.3 **DEFINITIONS**

Claimant: means a person or a legal representative of a claimant who has a claim with the company

Complaint: means a genuine expression of concern or dissatisfaction regarding the rendered services, or the complaints handling process itself, made to the company by the claimant or on behalf of:

- a claimant;
- an individual client - including government agencies;
- a group or member of the public.

Complaint: does not necessarily mean a dispute with a decision or policy of Guinea. In particular, a complaint does not mean a dispute with:

- Guinea's assessment of liability with respect to a claim;
- Guinea's settlement offer on a claim;
- Guinea's assessment of, and payments for;
  - Special Damages, being reasonable expenses related to the treatment of injuries received in a crash, together with compensation for any loss of earning capacity sustained.
  - General Damages (Non Pecuniary Loss), being damages awarded for pain, suffering and inconvenience experienced as a result of injuries, together with any disability.

1.4 MODE OF COMPLAINT

A complaint may be made in person, by phone, fax, via email or company's website, in writing or verbally. However verbal complaints is documented immediately by the employee who receives the complaint.

Complainant means the person, group, organization or general public making the complaint.

Client/Customer means a person, group, organisation receiving advice, a service, using the facilities, or engaged in a business relationship, or any other person or organisation having an interest in the functions or activities of the company.

Dispute means a customer's formal disagreement with the services of Guinea Insurance Plc which leads to some type of internal or external review or determination.

Organisation means a company, firm, enterprise or association, or part thereof, whether incorporated or not, public or private, that has its own function(s) and administration.

2.1 COMMITMENT

We are committed to efficient and effective complaints management. Our commitment involves:

- An organisational culture that welcomes complaints as an opportunity to continually improve on our services
- the development and maintenance of a computerised Complaints System to manage complaints;
- the adoption and dissemination of this policy Complaints Handling Policy'; and
- reporting information about complaints management in executive and Board meetings and reports.

. 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. M arket 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 risk**

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 to 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 currencies.

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

2015	**Cash & cash equivalents** **₦'000**	**Available-for-sale** **₦'000**	**Total** **₦'000**
Dollars	123,867	-	123,876
2014			
Dollars	53,627	-	53,627

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 foreign 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 2015 from a ₦199.05/$ closing rate favorable/ unfavorable change in US dollars against the naira with all other variables held constant.

	2015 Increase by 1%	**2015 decrease by1%**	**2014 Increase by 1%**	**2014 Decrease by 1%**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Impact on profit /(loss) before tax	(464)	464	(258)	258

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

31 December 2015	**Current**	**Non- Current**	**Total**
Assets	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	886,970	-	886,970
Trade receivables	3,331	-	3,331
Reinsurance assets	190,297	-	190,297
Financial assets:			
Available-for-sale financial assets	-	143,462	143,462
Investment properties	-	1,420,500	1,420,500
Property, plant and equipment	-	780,325	780,325
Intangible assets	-	8,439	8,439
Other receivables and prepayments	325,438	-	325,438
Deferred acquisition costs	41,312	1,029	42,341
Statutory deposit	-	315,000	315,000
Total assets	1,447,348	2,668,755	4,116,103
Liabilities			
Other payables and accruals	143,323	33,775	177,098
Trade payables	14,334	-	14,334
Current tax payable	103,768	-	103,768
Deferred tax liability	-	90,083	90,083
Employee benefit obligations	17,052	-	17,052
Finance Lease obligations	15,556	-	15,556
Insurance contract liabilities	783,854	14,405	798,259
Total liabilities	1,077,887	138,263	1,216,151

31 December 2014			
Assets			
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 prepayments	624,859	-	624,859
Deferred acquisition costs	65,860	-	65,860
Statutory deposit	-	315,000	315,000
Total Assets	1,885,314	2,679,414	4,564,728
Liabilities			
Deposit for shares	100,000	-	100,000
Other payables and accruals	78,125	198,561	276,686
Trade payables	113,189	-	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

3.1 FAIRNESS

We recognise the need to be fair to both the complainant and the company or employee against whom the complaint is made.

If a customer complains, we will:

- treat the complainant with tact, courtesy and fairness at all times;
- maintain appropriate confidentiality of the complaint at all times;
- not victimise or harass the complainant as a result of any complaint he/she makes against us;
- not discriminate against the complainant because of any disability, his/her tribe, religion, age or sex.

4.1 COMPLAINTS ABOUT EMPLOYEES

Complaints against employees should be referred directly to the relevant Team Lead and a determination will be made whether the complaint is an alleged breach of our Code of Conduct as defined by NAICOM Act 1997, the Team Lead should obtain further information and guidance on this from the Team Lead, Human Capital and Management on how to handle the complaint.

Where and when appropriate, and in consideration our obligation for fairness to the complainant and employee, the employee will be given the opportunity to defend his stand.

The party concerned will be informed of the final resolution/decision and the reason for arriving at that decision, a copy of the final resolution will be sent to both parties.

5.1 RESOURCES

The company's call centre is equip with the resources to handle complaints by way of a customised computerised Complaints System that is available to complainant, employees and management for the recording complaints.
In addition, our customer call centre personnels are trained in the skills of listening, problem solving, and conflict resolution. Complaints beyond their control are reported to the appropriate quarters for resolution and feedback.

Our customer Complaint Policy is covered during the induction program for all new employees.

Employees who demonstrate our core Values in the resolution of customer complaints are recognised and rewarded through our Hall of Fame. Whilst those that goes otherwise are disciplined approptiately.

GUINEA INSURANCE COMPLAINTS POLICY AND PROCEDURE CONT'D

6.1 VISIBILITY OF THE COMPLAINTS PROCESS

We promote the existence of our Complaints Policy and Complaints System through:

(i) A direct link to 'Complaints' on the front page of our website.

(ii) 'Availability of How to make a complaint brochure in the Insurance Commission reception area'.

(iii) A brochure titled How to make a complaint which is available on Insurance Commission website or upon request.

(iv) Publishing the numbers and categories of complaints we receive and the resulting improvements we have made in executive and Board reports.

7.1 ACCESS TO THE COMPLAINTS PROCESS

A person wishing to make a complaint may do so in person, by telephone, by letter, by fax, by email or via our website.

All complaints made with us will be lodged via a 'Complaint Form', and recorded on to our Complaints System.

A person may lodge a complaint by filling out and completing a 'Complaint Form' at any of our branches or through a drop a message on our website.

For complaints made in person or by telephone, letter, fax, or email, one of our staff members will complete a Complaint Form on behalf of the complainant and attach any associated correspondence that has been received via letter, fax, email.

8.1 ASSISTANCE WITH LODGING COMPLAINTS

Our staff will assist people who may have difficulty making a complaint. For example, interpreters can be provided to assist people with limited English who would prefer an interpreter.

In addition, staff will complete a Complaints Form on behalf of anyone making a complaint over the phone or in person. They will also assist those with limited literacy skills by confirming the details of the complaint verbally.

NOTES TO THE FINANCIAL STATEMENTS - Continued

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 N'000	Over 5 years N'000	No maturity date N'000	Total N'000
Financial assets							
Other receivables	598,687	598,687	-	-	-	-	598,687
Reinsurance assets	28,946	12,943	10,068	5,935	-	-	28,946
Cash and cash equivalents	1,048,755	1,048,755	-	-	-	-	1,048,755
Trade receivables	10,575	10,575	-	-	-		10,575
Total assets	1,686,963	1,670,960	10,068	5,935	-	-	1,686,962
Financial liabilities							
Insurance contract liabilities	338,953	338,953	-	-	-	-	338,953
Trade payables	113,189	113,189	-	-	-	-	113,189
Finance lease obligation	27,126	-	27,126	-	-	-	27,126
Other payables and accruals	242,068	242,068	-	-	-	-	242,068
Total liabilities	721,336	694,211	27,126	-	-	-	721,336
Total liquidity gap	965,627	976,748	(17,058)	5,935	-	-	965,627

NOTES TO THE FINANCIAL STATEMENTS - Continued

Insurance and financial risk – continued

b. Financial risks - continued

(ii). Liquidity risk - continued

Maturity analysis (contractual undiscounted cash flow basis)

31 December 2015	Carrying amount ₦'000	Up to 1 year ₦'000	1-3 years ₦'000	3-5 years N'000	Over 5 years N'000	No maturity date N'000	Total N'000
Financial assets							
Other receivables	294,810	294,810	-	-	-	-	294,810
Reinsurance assets	100,952	100,952	-	-	-	-	100,952
Trade receivables	3,331	3,331	-	-	-	-	3,331
Cash and cash equivalents	886,970	886,970	-	-	-	-	886,970
Total assets	1,286,063	1,286,063	-	-	-	-	1,286,063
Financial liabilities							
Insurance contract liabilities	519,871	519,871	-	-	-	-	519,871
Trade payables	14,334	14,334	-	-	-	-	14,334
Finance lease obligation	17,052	-	17,052	-	-	-	17,052
Other payables and accruals	152,371	152,371	-	-	-	-	152,371
Total liabilities	703,628	686,576	17,052	-	-	-	703,628
Total liquidity gap	582,435	599,487	(17,052)	-	-	-	582,435

9.1 COMPLAINTS MADE ON BEHALF OF ANOTHER PERSON

If it is difficult for a customer to personally make a complaint, a complaint may be made on his/her behalf by another person or legal practitioner.

10.1 RESPONDING TO COMPLAINTS

If a customer complains, we will:

- attempt to resolve the complaint at the first point of contact, where possible;
- acknowledge receipt of the complaint not later than two working days;
- where a complaint is not fully understood, telephone the person who lodged the complaint to ensure we understand the issues correctly; and
- for complaints not resolved "on the spot", aim to resolve the complaint and issue a response within 5 working days.

If these time frames cannot be met, we will tell the complainant why and give some idea of when we will reply in full.

We may, at any time after receiving a complaint, decide not to deal with the complaint, or to stop dealing with the complaint, because:

11.1 CHARGES

No fee is charged for any complaint lodged.

12.1 COMPLAINTS BUREAU SYSTEM

We have a specialised Complaints System for recording, managing and reporting of complaints. This system enables complaints to be managed at various stages by various staff.

12.2 FIRST STAGE: Recording and acknowledgment of the complaint and attempted resolution by front line staff.

12.3 SECOND STAGE: If the complainant is still not satisfied, a more senior staff member such as a Team Lead will review the person's complaint and the results of the review will be reported to the complainant and management.

If the complainant remains dissatisfied, we will consider other options that may be available to achieve a resolution.

12.4 THIRD STAGE: If the complaint cannot be resolved by the Guinea Insurance Plc, the complainant will be referred to an outside agency, such as the Ombudsman.

13.1 REMEDIES

We will endeavour to resolve all complaints received as fairly as possible and in a timely manner. Some of the remedies that we may use to help resolve complaints include:

13.2 RECTIFY MISTAKES

Where we have made a mistake, taken too long to follow up a matter, or simply overlooked a matter, we will take immediate action to rectify the mistake or situation.

13.3 EMPLOYEE TRAINING AND COUNSELING

Where a complaint is made about an employee, whether it is about the employee's general manner or about the employee providing wrong information, and after investigation if we consider the complaint is justified, the employee will be provided with training and/or counseling.

13.4 REFERRAL

As outlined in this Complaints Policy, if a complaint cannot be resolved by us, the complainant may be referred to the Ombudsman for insurance matters, The National Insurance Commission.

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, maturity 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 obligations.

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.

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 2015	**N'000**	**N'000**	**N'000**	**N'000**
Reinsurance assets	-	-	-	-
Trade receivables	3,331	-	-	3,331
Total	3,331	-	-	3,331
31 December 2014				
Reinsurance assets	-	-	-	-
Trade receivables	10,575	-	-	10,575
Total	10,575	-	-	**10,575**

At 31 December 2015, there are no impaired reinsurance assets (2014: Nil), impaired other receivables of N93,290,000 (2014: N93,290,000) and trade receivable 2015 Nil (2014: N671,000).

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 and maturity profiles 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 clauses permitting the immediate draw down of funds to meet claim 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.

14. COLLECTING AND RECORDING INFORMATION ABOUT COMPLAINTS

Complaint data will be recorded using the Complaint Form. Complaint data will be collected, analysed and reported using our Complaints System. Complaint data, enquiry outcomes and service improvements will be reported regularly to our management and Board Committee on Compliances.

15. STORAGE OF COMPLAINT RECORDS

Records of all complaints will be retained in our Complaints System, for confidentiality, monitoring and evaluation purposes. Access to the complaints records will be restricted to authorised staff.

16. CATEGORISING COMPLAINTS

Complaint data is collected, collated and reported in categories to enable us identify policies, practices, facilities, etc. that are in need of review and that also contribute to improved customer focus and business outcomes.

17. REVIEW

The Complaints Policy will be reviewed at regular intervals to ensure it meets regulation and statue.

18. ENQUIRIES

Direct enquiries about the Complaints Policy to:
The Managing Director
Guinea Insurance Plc
Guinea Insurance House
33, Ikorodu Road, Jibowu
Lagos State

Postal Address:
P.O. Box 1136, Lagos
Lagos State
Telephone: +234-1-2934575

Email: info@guineainsurance.com
Website : www.guineainsurance.com

Name & Signature	Signature	Date
Head, Technical		30/09/15
Head, Underwriting		30/09/15
Head, Claims Management		30/09/15
Head, Reinsurance		30/09/15

Document Review

Name & Signature	Signature	Date
Compliance Unit		30/09/15

Document Approval

Name & Signature	Signature	Date
Managing Director		30/09/15
Chairman, Board of Director	For	30/09/15

NOTES TO THE FINANCIAL STATEMENTS - Continued

Insurance and financial risk – continued

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

Credit exposure – continued
No internal and external credit rating for neither past due nor impaired has been done.
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 2015	**Investment Grade ₦'000**	**Non-investment grades satisfactory ₦'000**	**Non-investment grades unsatisfactory N'000**	**Past-due but not impaired N'000**	**Total N'000**
Other receivables				309,038	309,038
Statutory deposit	315,000				315,000
Reinsurance assets		100,952			100,952
Trade receivables				3,331	3,331
Cash and cash equivalents	886,970				886,970
	---------------	------------	-------------	-------------	----------------
Total	1,201,970	409,990		3,331	1,615,291
	========	=======	=======	=======	========
31 December 2014					
Other receivables	-	613,977	-	-	613,977
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
	---------------	------------	-------------	-------------	----------------
Total	1,363,755	749,242	-	10,575	2,123,572
	========	=======	=======	=======	========

Insurance and financial risk – continued

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.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2015

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 2015.

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company is a public limited liability company incorporated as a private limited liability company on3 December 1958 in accordance with the provisions of the Companies and Allied Matters Act, transacting primarily General Insurance business. On 17 January 1991 it was listed on the Nigerian Stock Exchange.

2. RESULTS

	2015 N'000	2014 N'000
Gross premium written	870,287	1,093,413
Net premium income	759,131	625,187
Claims expenses	(269,135)	(243,517)
Loss for the year	(7,227)	(81,898)

3. DIVIDEND

No dividend was proposed in respect of the current year (2014: 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:

DIRECTOR	CAPACITY
Mr. Ugochukwu Godson	Chairman, Appointed 23 March 2016
Mr. Simon Oladayo Bolaji	Non-Executive Director, Appointed 23 March 2016
Mr. Anthony Achebe	Non-Executive Director Appointed 23 March 2016
Alhaji Hassan Dantata	Non-Executive Director Appointed 23 March 2016
Mr. Emeka Uzoukwu	Non-Executive Director Appointed 23 March 2016
Mr. Osita Chidoka	Non-Executive Director Appointed 23 March 2016
Dr. Mohammed Attahir	Non-Executive Director Appointed 23 March 2016
Isioma Omoshie Okokuku	Executive Director, Appointed 1 June 2016
Alhaji Abdulkerim Oshioke Kadiri	Independent Director

On 23 March 2016, in line with NAICOM guidelines of 2009 on Corporate Governance Code, board members who had spent nine (9) years and above resigned from the board.

6. DIRECTORS AND THEIR INTERESTS

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 2015 are as follows:

S/N	NAMES OF DIRECTORS	NUMBER OF ORDINARY SHARES HELD (2015)	NUMBER OF ORDINARY SHARES HELD (2014)
1.	Sir Emeka Offor (Resigned March 23, 2016)	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)
2.	Mr. Fred Udechukwu (Resigned March 23, 2016)	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 (Resigned March 23, 2016)	Indirect - 2,545,454 (Edysmart Nigeria Limited)	Indirect - 2,545,454 (Edysmart Nigeria Limited)
4.	Engr. Emeka Agusiobo (Resigned March 23, 2016)	Indirect - 15,181,818 (Valanz Holdings)	Indirect - 15,181,818 (Valanz Holdings)
5.	Prof Elias Lovette Chukwunonso Nnabuife (Resigned March 23, 2016)	Direct - 100,000	Direct - 100,000
6.	Alhaji Abdulkerim Oshioke Kadiri	Direct - 50,000	Direct - 50,000

None o f the Directors has notified the Company for the purposes of Section 277 of the Companies and Allied Matters Act CAPC20 Laws of the Federation of Nigeria 2004 of any disclosable interests in contracts in which the Company was involved as at 31 December 2015.

7. 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 2015, 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.

. Insurance and financial risk – continued

a.Insurance risk - continued

Claims development table - continued

Claims Paid Triangulations as at 31 December 2015
Development Years
Motor

Table 2 — Cumulative table for Attritional loses

Accident year	1	2	3	4	5	6	7	8	9
2007	-	2,333	3,928	4,658	4,681	4,681	4,681	4,681	4,681
2008	15,816	32,505	34,151	35,753	35,753	35,753	35,753	35,753	36,161
2009	19,518	37,913	39,830	39,830	39,830	39,841	39,841	39,841	39,841
2010	12,429	23,516	28,537	28,956	30,143	30,368	30,368	30,368	30,368
2011	9,652	30,748	33,251	33,943	34,845	34,890	34,890	34,890	34,890
2012	8,492	15,355	16,265	16,265	21,837	21,893	21,893	21,893	21,893
2013*	8,626	17,394	17,394	17,839	18,098	18,144	18,144	18,144	18,144
2014	24,727	39,455	43,170	43,882	44,518	44,633	44,633	44,633	44,633
2015	32,140	66,556	71,608	72,788	73,844	74,034	74,034	74,034	74,034

Fire

Table 2 — Cumulative table for Attritional loses

Accident year	1	2	3	4	5	6	7	8	9
2007	-	3,047	3,069	3,469	3,469	3,469	3,502	3,511	3,511
2008	467	1,497	1,527	1,555	1,555	1,555	1,605	1,605	1,605
2009	155	708	2,075	4,315	4,315	4,315	4,408	4,408	4,408
2010	-	2,781	3,291	3,453	3,453	3,453	3,453	3,453	3,453
2011	167	271	1,546	1,546	1,600	1,600	1,600	1,600	1,600
2012	90	2,602	4,704	5,410	7,610	7,610	7,610	7,610	7,610
2013*	527	5,933	6,999	8,850	8,928	8,928	8,928	8,928	8,928
2014	2,387	7,111	11,550	14,546	14,673	14,673	14,673	14,673	14,673
2015*	3,884	18,354	29,811	37,544	37,872	37,872	37,872	37,872	37,872

General **Accident**

Accidentyear	1	2	3	4	5
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**

Accident year	1	2	3	4	5	6	7	8	9
2007	-	3,122	10,324	11,428	11,441	11,478	13,039	13,049	13,049
2008	3,867	9,749	22,629	30,308	33,416	36,493	36,752	36,752	36,766
2009	4,589	30,550	35,251	37,382	45,380	58,858	60,847	60,897	60,897
2010	27,848	56,477	58,302	74,631	75,018	75,018	79,205	79,235	79,235
2011	14,855	34,541	60,115	71,676	75,539	79,017	80,632	80,663	80,663
2012	7,500	43,742	53,246	64,536	72,980	77,387	78,969	78,999	78,999
2013	11,869	54,865	90,097	108,913	116,339	121,695	124,183	124,230	124,230
2014	17,462	32,336	45,784	55,346	59,119	61,841	63,105	63,129	63,129
2015	15,190	39,098	55,358	66,919	71,481	74,772	76,301	76,330	76,330

Marine

Table 2 — **Cumulative table for Attritional loses**

Accident year	1	2	3	4	5	6	7	8	9
2007	-	83	83	83	83	83	83	83	83
2008	782	4,846	7,846	7,846	9,175	9,175	9,175	9,175	9,175
2009	-	4,416	4,416	4,669	4,669	4,669	4,669	4,669	4,669
2010	335	1,601	1,601	4,026	4,026	4,026	4,026	4,026	4,026
2011	220	3,267	5,179	5,325	5,325	5,325	5,325	5,325	5,325
2012	4,871	8,473	8,487	8,487	9,087	9,087	9,087	9,087	9,087
2013*	1,938	2,151	2,151	3,012	3,114	3,114	3,114	3,114	3,114
2014	-	2,854	4,524	6,335	6,549	6,549	6,549	6,549	6,549
2015	258	1,448	2,296	3,215	3,324	3,324	3,324	3,324	3,324

NOTES TO THE FINANCIAL STATEMENTS - Continued

. 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 inflation 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 assumptions 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 changes in assumptions, assumptions had to be changed on an individual basis.

31 Decemeber 2015

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1%Inflation Rate	(-1)%Inflation Rate	1%Discount Rate	(-1)%Discount Rate
General Accident	214,972,517	255,853,825	188,819,746	217,507,929	212,474,309	212,801,652	217,204,037
Fire	227,490,125	277,052,185	192,603,674	228,036,208	226,950,491	225,203,263	229,832,196
Marine and Aviation	14,928,635	16,956,875	13,407,888	15,055,443	14,802,961	14,787,242	15,073,279
Motor	62,479,309	71,864,679	43,796,870	63,035,854	61,925,407	62,082,449	62,884,164
Total	**519,870,586**	**621,727,562**	**438,628,178**	**523,635,434**	**516,153,168**	**514,874,606**	**524,993,676**
Account Outstanding	414,016,934	414,016,934	105,853,652	105,853,652	105,853,652	105,853,652	105,853,652
IBNR	105,853,652	207,710,628	332,774,526	417,781,782	410,299,516	409,020,954	419,140,025
Percentage Change		**19.6%**	**-15.6%**	**0.7%**	**-0.7%**	**-1.0%**	**1.0%**

31 Decemeber 2014

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1%Inflation Rate	(-1)%Inflation Rate	1%Discount Rate	(-1)%Discount Rate
Accident	173,040,421	209,409,266	149,435,587	175,226,943	170,882,972	171,072,948	175,063,481
Fire	83,006,227	99,572,574	69,221,774	84,025,091	82,000,595	82,005,178	84,034,565
Marine	22,521,869	25,846,884	19,903,020	22,820,670	22,225,294	22,333,700	22,714,221
Motor	60,384,586	71,776,563	41,903,144	61,042,145	59,729,743	60,015,578	60,760,552
Total	**338,953,104**	**406,605,287**	**280,463,524**	**343,114,849**	**334,838,603**	**335,427,404**	**342,572,819**
Account Outstanding	170,053,311	170,053,311	170,053,311	170,053,311	170,053,311	170,053,311	170,053,311
IBNR	168,899,793	236,551,977	110,410,214	173,061,539	164,785,293	165,374,093	172,519,508
Percentage Change		**-21.8%**	**-46.1%**	**-34.0%**	**-35.6%**	**-35.5%**	**-34.1%**

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 with 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.

REPORT OF THE DIRECTORS CONT'D

8. EVENTS AFTER REPORTING DATE

There are no events after the reporting date which could have had material effect on the state of financial affairs of the Company as at 31 December 2015 and the loss for the year then ended which have not been adequately provided for or disclosed in the financial statements.

9. EQUITY RANGE ANALYSIS

The range of shareholding as at 31 December 2014 and 2015 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
	======	======	===========	=====

10. SHAREHOLDERS WITH 5% UNITS AND ABOVE

S/N	SHAREHOLDERS	2015	2014
1.	Chrome Oil Services Limited	45.58%	45.58%
2.	Nimek Investments Limited	20.98%	20.98%

11. 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	-
2015	-	0.50	-	3,200,000	-	-	-	3,070,000	-

* Absorption of Life Business (ALB).

12. DONATIONS AND SPONSORSHIP

There were no donations and sponsorship to charitable organizations during the year (2014: Nil).

13. 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.

14. 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/00000000928

COMPANYSECRETARY/LEGALADVISER
Guinea House
33, Ikorodu Road
Jibowu, Lagos

25 July 2016

. 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 costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess 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 claims 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 ensure that risk, are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Further morestrict claim review policies to access 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 enforced a policy of actively managing and promptly 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 2015			31 December 2014		
	Grossliabilities	Reinsurance of liabilities	Net liabilities	Gross liabilities	Reinsurance of liabilities	Net liabilities
	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000
MISC GENERAL ACCIDENT	214,973	8,053	206,920	173,040	12,315	160,725
FIRE	227,490	85,248	142,242	83,006	7,447	75,560
MARINE	14,929	3,228	11,701	22,522	1,021	21,500
MOTOR	62,479	4,423	58,056	60,385	8,163	52,222
	519,871	100,952	418,918	338,953	28,946	310,008

NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION OF THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for 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 that 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 issued 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 of the financial affairs of the Company 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 Oshioke Kadiri	Mr. Simon Oladayo Bolaji
Director	Director
FRC/2013/ICAN/00000004049	FRC/2016/ICAN/00000015126

July 25,2016

REPORT OF THE STATUTORY AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 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
25 July 2016

Members of the Audit Committee are:

Mr .Peter Mgbeahuru	Shareholder Representative - Chairman
Mr. Sonibare Waheed Akani	Shareholder Representative
Alhaji Abdulkerim OshiokeKadiri	Independent Director
Prof. Elias Lovette Chukwunonso Nnabuife	Non-Executive Director, Resigned, 23 March 2016

Secretary to the Committee
Isioma Omoshie Okokuku

Insurance and financial risk - continued

Capital management objectives, policies and approach - continued

Solvency margin for the non-life business as at 31 December 2015 - continued

Admissible liabilities	**2015 N'000**	**2014 N'000**
Insurance contract liabilities	798,260	758,956
Finance lease obligation	15,556	27,126
Trade payable	14,334	113,189
Other payables and accruals	177,098	276,686
Employee benefit obligations	17,052	16,570
Current tax payable	103,768	297,699
	1,126,068	1,490,226
Solvency margin	2,981,596	2,035,875
Required solvency	3,000,000	3,000,000
Shortfall	18,404	964,125

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

1. Raising additional capital of N1billion

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.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Insurance and financial risk - continued

Capital management objectives, policies and approach - continued

Available capital resources as at 31 December 2015

	2015		2014	
	₦'000	₦'000	₦'000	₦'000
Total shareholders' funds per financial statements		2,899,952		2,896,428
Regulatory adjustments- Other receivables and prepayment	(325,438)		(624,859)	
- Accrued interest on statutory deposit	14,227		15,290	
-Staff upfront and advance	7,171		13,925	
- Received from global scan after year end	65,864		300,000	
- Intangible assets	(8,439)		(36,149)	
- Deposit for shares	-		100,000	
		(246,615)		(231,793)
		----------------		----------------
Available capital resources		2,653,337		2,664,635
Minimum capital base required by regulator		3,000,000		3,000,000
		---------------		---------------
Shortfall in capital		346,663		335,365
		========		========

The shortfall in current year shall be addressed by way of raising fresh capital of ₦1billion.

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 regulator 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, 2015. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company 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 2015 is as follows:-

	2015	2014
Admissible assets	**₦'000**	**₦'000**
Cash and cash equivalents	886,970	341,921
Available for sale	143,462	132,812
Trade receivables	3,331	10,575
Reinsurance assets	190,297	135,265
Deferred acquisition costs	42,341	65,860
Other receivables and prepayments	325,438	329,215
Investment properties	1,420,500	1,310,000
Property, plant and equipment (Others)	780,325	885,453
Statutory deposit	315,000	315,000
	-----------------	------------------
	4,107,664	3,526,101
	=========	=========

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 AUDITORS' REPORT
TO THE MEMBERS OF GUINEA INSURANCE PLC

EY
Building a better working world

Ernst & Young
2A Bayo Kuku Road,
Ikoyi, Lagos

Tel: +234 (01) 46 30479 80
Fax: +234 (01) 46 30481
E-mail: services@ng_ey.com
www.ey.com

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 2015, 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 2015 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.

NOTES TO THE FINANCIAL STATEMENTS - Continued

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 requirements 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 additional 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 and 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 position 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.

39. Going Concern

The Company's shareholders funds as at 31 December 2015 is **N**2.9billion (2014: **N**2.896billion) and the solvency margin as at 31 December 2015 is N2.982billion (2014:N2.036billion), are less than the minimum regulatory requirement. The board has approved issue of fresh capital of 1billion to remedy the solvency margin gap.

40. Segment reporting

Segment reporting
A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company's activities are concentrated in one geographic region. The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	2015 N'000	2014 N'000
Revenue from internal customers in Lagos	691,286 =======	855,643 =======

The company has a major customer that amount to 10% or more of the revenue, NNPC N165,080,121 which amounts to 18.59% of its total revenue.

Non- current operating assets in Nigeria	2,209,604	2,231,602

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets

41. 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.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 39 of the financial statements which indicatesthat the Company's shareholders funds of **N2.9** billion (2014: **N2.896**billion) and the solvency margin of **N**2.982billion (2014: **N**2.036billion) as at 31December 2015,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 and 40 of the financial statements.

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

19 September 2016

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 2015 were authorised for issue in accordance with the resolution of the Directors on 1 June2016.

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), Companies and Allied Matters Act of Nigeria (CAMA),** CAP C20 Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act, No.6 2011 (FRCN) **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) ***Significant judgements, estimates and assumption***

Judgement

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.

i. 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 Solvency margin are continuously reviewed and appropriate action taken to ensure that there are no going concern threats to the operations of the Company.

Reconciliation of (loss)/profit before income tax expense to cash used in by operating activities – continued	2015 N'000	2014 N'000
35.1 Other operating cash (payment)/receipt		
Auditors' remuneration	(9,000)	(9,000)
Other expenses	(231,858)	(187,969)
Decrease /increasein other receivables and prepayment	313,648	(518,128)
(Decrease)/increase in other payables	(109,188)	42,181
(Decrease)/increase in trade and other payables	(99,588)	31,748
	(135,986)	**(641,168)**

36 Related party disclosures
36.1 Investment with related parties

Cash and cash equivalents		
- Global Scansystems Technology commercial paper	**131,046**	**706,834**

Outstanding balances as at reporting date are unsecured. Settlement will be made in cash. However, principal and accrued interest of N134, 136m has been received as at 13 April 2016 from Global Scan Systems Technology Limited liquidating this investment.

- Zenith bank guarantee by Global Scan	283,307	583,307
- Ethanig Nigeria Limited –Shareholder	93,291	93,291

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, N65.9m has been received as at 13 April 2016 from Global Scan Systems Technology Limited and the balance receivable as at 31 December 2016 is N283.3m,

36.2 Compensation of key management personnel:	2015 N'000	2014 N'000
Salaries	60,959	60,909
Post-employment pension benefits	3,182	2,907
Total compensation of key management personnel	64,141	63,816

37 Contraventions: ***Nature of contravention***	***Number of Infractions***	***Penalty*** **N'000**
2015		
Late submission of audited financial statements to Nigerian Stock Exchange	1	
Late submission of audited financial statements to Securities Exchange Commission	1	
Late submission of audited financial statements to NAICOM	1	
2014		
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

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.

Share premium	2015	2014
	N'000	N'000
At 31 December	337,545	337,545
	=======	=======

32 **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.

33 **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.

34 **Reconciliation of loss/(profit)before income tax expense to cash used in operating activities**

	2015	2014
	N'000	N'000
Profit/(loss)before income tax expense	46,906	(14,372)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	107,257	122,070
Amortization of intangible assets	28,497	27,872
Amortisation cost	159,385	130,588
Profit from sale of property, plant and equipment	(259)	(810)
Exchange differentials on transactions	(17,621)	(663)
Investment income	(200,720)	(244,066)
Revaluation decrease on building		40,538
Fair value gains	(110,500)	(260,000)
Impairment loss on insurance receivables	(914)	671
Provision no longer required	(81,040)	-
Recoveries on other receivables	(32,496)	(4,216)
Interest costs on employee benefit obligation	1,499	1,595
Impairment loss on available-for-sale financial assets	772	3,025
Finance costs	5,290	7,011
Changes in working capital:		
Decrease /(increase) in trade receivables	8,158	(7,193)
Increase in reinsurance assets	(55,032)	(31,454)
Increase in deferred expenses	(135,866)	(168,719)
Decrease /(increase) in other receivables and prepayment	330,853	(568,640)
Increasein provision for outstanding claims	180,918	520
(Decrease)/Increase in provision for unearned premium	(141,614)	225,416
Increase in deposit for shares	-	100,000
(Decrease)/increase in trade payables	(98,855)	55,911
(Decrease)/increase in other payables and accruals	(97,565)	29,087
Benefit paid	-	(3,424)
Income tax paid	(235,767)	(71,422)
	----------------	----------------
Net cash used in operating activities	(338,714)	(630,675)
	========	========

3. **Basis of preparation - continued**

(c) ***Use of estimates and judgements – continued***

ii .Impairment of available-for-sale equity financial assets

The Company determined that available-for-sale equity financial 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 Note16.2"

iii. 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 incurred 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"

iv. Valuation of employee benefit obligations

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 assumptions used in the estimates are contained in Note 29to the financial statements.

Estimates and assumption

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. **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 on the amounts recognised in the financial statements are described below:

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 ofvaluation is used; this reflects existing use with recourse to comparison approach 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."Further details can be found in Note 21."

3. **Basis of preparation - continued**

(c) ***Use of estimates and judgements – continued***

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 reporting 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 a significant part of the liability in the statement of financial position.

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 perclaim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development 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 adjust erestimates 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 historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which pasttrends 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 uncertain ties involved."Further details can be found in Note 25."

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 presented 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 other beneficiary if a specified uncertain future event (the insured event) adversely affects the policy holder or other beneficiary are classified as insurance contracts. Insurance risk 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 change 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 specific to **a** party to the contract. Insurance contracts may also transfer some financial risk.

Employee benefit obligations - continued

29.2 ***Defined benefit gratuity payables – continued***

The sensitivity analyses below 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.

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

	2015	**2014**
	%	%
Discount rate:	***11***	***15***
Average pay increase	0	0
Average rate of inflation rate	n/a	9

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

	Discount rate	**Assumptions**
	1%	1%
Sensitivity Level	Increase	Decrease
	₦'000	**₦'000**
Impact on the net defined benefit obligation	12,766	13,876
	=====	=====

Life Expectancy of staff (Mortality rate)	**Discount rate**	**Assumptions**
	1%	1%
	Increase	Decrease
	₦'000	**₦'000**
Impact on the net defined benefit obligation	13,316	13,277

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

	2015	**2014**
	₦'000	**₦'000**
Less than 4 years	-	-
Between 4 and 10 years	2,846	2,899
Between 10 and 15 years	10,450	7,939
	-----------	-----------
Total expected payments	13,296	10,838
	======	======

30 Share capital	**2015**	**2014**
	₦'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 (2014: 6.14 billion) Ordinary shares of 50 kobo each	3,070,000	3,070,000
	========	========

Employee benefit obligations – continued

29.1 ***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 2015. 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.

The amounts recognised in profit or loss is as follows:	2015	2014
	N'000	N'000
Interest cost	1,499	1,595
	=====	=====
The amounts recognised in other comprehensive income:		
Re-measurementloss on defined benefit plans	(959)	(57)
	=====	=====

The movement in the defined benefit obligation is as follows:

At 1 January	10,838	12,724
Service cost		
Interest cost	1,499	1,595
Actuarial losses/(gains) - Assumption	1,876	(650)
Actuarial (gains)/losses - Experience	(917)	593
Benefit paid by the fund	-	(3,424)
	-----------	-----------
At 31 December	13,296	10,838
	======	======

Demographic Assumption

Mortality in service

The rates of mortality assumed for employees are the rates published 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 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

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.

Other payables and accruals	**2015 N '000**	**2014 N '000**
Accrued expenses	81,371	79,238
Rent received in advance (Note 28.1)	10,333	13,730
Statutory payables	31,049	28,085
Other payables	39,951	134,745
Deferred commission income(Note 28.2)	14,394	20,888
	177,098	276,686

Other payable is made up of creditors.

28.1 Rent received in advance		
At beginning of the year	13,730	11,600
Deferred rent	10,773	12,398
Released to profit or loss	(14,170)	(10,268)
At end of the year	10,333	13,730

28.2 Deferred commission income		
At beginning of the year	20,888	10,094
Addition	47,591	58,023
Released to profit or loss	(54,085)	(47,229)
At end of the year	14,394	20,888

28.3 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 2015, 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 Employee benefit obligations

Defined contribution payables	3,756	5,732
Defined benefit gratuity payables (Note 29.1)	13,296	10,838
	17,052	16,570

29.1 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 benefits. The Company meets benefits on a pay-as-you-go-basis.

Insurance contract liabilities - continued

		2015	2014
25.1	*Outstanding claims provision*	N '000	N '000
	At 1 January	338,953	338,433
	Claims incurred in the current accident period year	395,654	314,924
	Claims paid during the year (Note 3)	(214,736)	(314,404)
	At 31 December	519,871	338,953
25.2	*Provision for unearned premium*		
	At 1 January	420,003	194,587
	Premium written in the year (Note 1)	870,287	1,093,413
	Premium earned during the year (Note 1)	(1,011,901)	(867,997)
	At 31 December	278,389	420,003
26	**Finance lease by maturity**		
	Within one year	14,672	11,755
	After one year but not more than five years	884	15,371
		15,556	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:

	2015		2014	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	₦'000	₦'000	₦'000	₦'000
Within one year	14,759	14,672	17,045	11,755
After one year but not more than five years	797	884	17,576	15,371
More than five years	-	-	-	-
Total minimum lease payments	15,556	15,556	34,621	27,126
Less amounts representing finance charges	(-)	(-)	(7,495)	-
Present value of minimum lease payments	15,556	15,556	27,126	27,126

		2015	2014
27	**Trade payables**	₦ '000	₦ '000
	This represents the amount payable to insuranceand reinsurance companies on facultative and treaty placements.	14,334	113,189

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. Accounts are to be rendered within six weeks from the end of each quarter and settlement of balance to accompany quarterly/yearly account. Gross retention is protected by working excess of loss reinsurance. The period of cancellation is subject to period agreed to prior to the next reporting period. Commission rate is subject to the class of business rate defined by NIA minimum rate and the loss participation is defined by both parties.

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 expense

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.

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 incomenet 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 ordin**ary 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) ***Initial** 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.

25	**Insurance contract liabilities**	**2015**	**2014**
		₦ '000	**₦ '000**
	Insurance contract liabilities consist of the following:		
	Provision for reported claims by policyholders	414,017	171,853
	Provision for claims incurred but not reported (IBNR)	105,854	167,100
	Outstanding claims provisions (Note 25 .1)	519,871	338,953
	Provision for unearned premium (Note 25 .2)	278,389	420,003
	Total insurance contract liabilities	798,260	758,956
	Represented by the following assets/investments:		
	Cash and cash equivalent s	755,923	341,921
	Available-for-sale financial assets	105,658	95,008
	Investment properties	400,000	400,000
		861,581	836,929

Fair value of the properties was determined using the market comparable method. This means tha valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property. As at the date of revaluation on 31 January 2015, the properties'fair values are based on valuations performed by accredited independent valuer Yinka Kayode &Co. (FRCN/2014/00000000001197).

23 Property, plant and eq uipment

If land and buildings were measured using the cost model, the carrying amounts would be, as follows:

	2015 ₦000
Cost	550,000
Accumulated depreciation and impairment	(6,920)

Net carrying amount	543,080
	======

23.1 Qualitative disclosure of fair value measurement hierarchy of asset as at 31st December 2015

Reconciliation of fair value

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 2015	***₦ '000***	***₦ '000***	***₦ '000***	***₦ '000***
Cost			700,000	700,000
			=======	=======
At 1 January 2015	-	-	700,000	700,000
Addition	-	-	-	-
	-----	--------	--------------	---------------
As at 31 December 2015	-	-	700,000	700,000
Depreciation and Impairment				
At 1 January 2015	-	-	30,556	30,556
Addition	-	-		
	-----	--------	------------	--------------
As at 31 December 2015	-	-	669,444	669,444
	'===	'===	=======	========

24 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2015 and 31 December 2014: ₦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 (2014: 12.39%) and this has been included within investment income.

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.

  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. Staff 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.

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. 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.

23 Property, plant and equipment

	Land and building ₦ '000	Motor vehicles ₦ '000	Computer Equipment ₦ '000	Household equipment, office furniture and fittings ₦ '000	Total ₦ '000
Cost/revaluation:					
At 1 January 2014	**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)
Revaluation adjustment	(49,501)	-	-	-	(49,501)
Decrease on revaluation (Note 9)	(40,538)	-	-	-	(40,538)
At 31 December 2014	**700,000**	**226,355**	**122,878**	**112,515**	**1,161,748**
Additions	-	-	1,163	965	2,128
Disposals	-	-	(3,547)	(869)	(4,416)
Write off	-	(14,962)	(17,877)	(22,895)	(55,734)
At 31 December 2015	**700,000**	**211,393**	**102,617**	**89,716**	**1,103,726**
Accumulated depreciation:					
At 1 January 2014	**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)
Revaluation adjustment	(49,501)				(49,501)
At 31 December 2014	**-**	**151,646**	**72,036**	**52,612**	**276,294**
Charge for the year	30,556	27,858	31,047	17,796	107,257
Disposals	-	-	(3,547)	(869)	(4,416)
Write off	-	(14,962)	(17,721)	(23,051)	(55,734)
At 31 December 2015	**30,556**	**164,543**	**81,815**	**46,488**	**323,401**
Net book value:					
At 31 December 2015	**669,444**	**46,850**	**20,802**	**43,228**	**780,325**
At 31 December 2014	**700,000**	**74,709**	**50,842**	**59,902**	**885,453**

Included in the movement schedule are motor vehicles purchased under finance lease. The carrying amount of the vehicles under finance lease is.₦24,165,835

Revaluation of land and buildings
The revalued land and buildings consist of office properties in Ikorodu road Jibowu. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property.

Investment properties – continued

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

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.

22 Intangible assets	Computer software	Total
Cost:	N '000	N '000
At 1 January 2014	84,504	84,504
Addition	-	-
	----------	-----------
At 31 December 2014	84,504	84,504
Additions	787	787
	----------	-----------
At 31 December 2015	85,291	85,291
	======	=====
Accumulated amortisation and impairment:		
At 1 January 2014	-	-
Amortisation	48,355	48,355
	-----------	-----------
At 31 December 2014	48,355	48,355
Amortisation	28,497	28,497
	-----------	-----------
At 31 December 2015	76,852	76,852
	======	======
Carrying amount:		
At 31 December 2015	8,439	8,439
	======	======
At 31 December 2014	36,149	36,149
	======	=====

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.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. 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.

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.The Company first considers the financial assets individually for impairment or collectively impairment for those that are not individually impaired. Allowances are made based on an impairment model which consider the loss given default for eachcustomer, probability of default for the sectors in which the customer belongs and emergenceperiod which serves as an impairment trigger based on the age of the debt.

21 **Investment properties - continued**

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.

	2015 ₦'000	2014 ₦'000
Rental income derived from investment properties	2,900	8,700
Direct operating expenses (including repairs & maintenance)	-	-
	-----------	-----------
Profit arising from investment properties carried at fair value	2,900	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 2015	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**
Investment property	-	-	1,420,500	1,420,500
Date of valuation - 31 December 2014				
Investment property	-	-	1,310,000	1,310,000
	'===	'===	===========	==========

During the reporting period ended 31 December 2015, there were no transfers between level 1 and 2 and in and out of level 3.

Investment properties - continued

Details of the Valuer

The investment properties were independently valued as at 31 December 2015 by Yinka Kayode & Co (an estate surveyor & valuer) duly registered with the Financial Reporting Council of Nigeria. The valuer, which is located at Block B, Suite 345/333 Sura Complex, Simpson Street Lagos Island. Yinka Kayode& Co is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers with FRC No. FRC/2013/00000000001197

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)

S/NO	Location of Investment property	Valuation technique	Significant unobservable input
1	Guinea Insurance House, 33, Ikorodu, Jibowu, Lagos	Investment approach was used in arriving at the Fair value of the property using the rent currently generated by the property and rent generated by similar properties in the same neighbourhood in recent time.	Area of the land is 1,167.923m^2. The neighbourhood is of high density area predominantly with both commercial and residential structures. Commercial properties such as block of office, eateries, banks, filling station. Motor park among others. The neighbourhood is a high density area.
2	230, Idowu Martins Street off Adeola Odeku, V.I., Lagos	Investment approach was adopted in arriving at the Fair value through the analysis of comparable of recent rental value of similar properties within the neighbourhood.	The size of the land is about 2,983.513m^2. The neighbourhood is business area with commercial structures like banking hal l, high rise office complex. The neighbourhood house head office of various multinational companies.The area is fully developed and complement with residential properties. The neighbourhood is a low density area.
3	21, Nnamdi Azikwe Road, Lagos Island, Lagos	The Fair value w as arrived at by adopting Investment approach which is the analysis of current rental value generated by the property in relation with evidence of rent from comparable properties in the same neighbourhood.	Area of the Land is 269.36m^2. The property is located in central business area fully d eveloped with retail & whole sale market. The neighbourhood is a high density area.
4	5, Primate Adejobi Crescent, Anthony Village, Lagos	Investment approach was adopted in arriving at the fair value through the analysis of comparable of recent rental values of similar properties within the neighbourhood.	The land area is 611.62m^2. The neighbourhood is predominant with residential properties and estate.
5	33, Amaigbo Road, Mile II, Diobu, Port Harcourt, Rivers State	Investment approach was adopted in arriving at the fair value through the analysis of comparable of recent rental values of similar properties within the neighbourhood.	Area of the land covers 1,190m^2. The property is located in a high density neighbourhood and predominant with commercial structures and market such as Banks, Shopping Complex and Spare Parts market.

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 its investment properties at 21, Nnamdi Azikiwe Lagos Island,,Lagos. The rental income arising during the year amounted to ₦2,900,000 (year ended 31 December 2014: ₦8,700,000) and which is included in investment income.

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 2014, 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) De-recognition of financial instruments

De-recognition of financial assets

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.

4. **Significant accounting policies – continued**

Derecognitionoffinancial 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.

(q) 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.

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

(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.

Other receivables and prepayments

	2015 N'000	2014 N'000
Deposit for computerization	93,291	93,291
Accrued interest	14,227	15,290
Due from Global Scan systems (Note 36)	283,307	583,307
Staff upfront and advances	7,171	13,925
Prepayments	16,400	10,882
Others	4,332	1,454
	418,728	718,149
Impairment chargeon other receivables (Note 20.1)	(93,290)	(93,290)
	325,438	624,859

20.1 *Movement in impairment on other receivables:*

	2015	2014
At beginning of the year	93,290	93,290
At end of the year	93,290	93,290

The carrying amounts disclosed above reasonably 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

	2015 N'000	2014 N'000
At beginning of the year	1,310,000	1,050,000
Fair value adjustments (Note 7)	110,500	260,000
At end of the year	1,420,500	1,310,000

Investment properties are stated at fair value, which has been determined based on valuations performed by Yinka Kayode&Co.(FRCN/2014/00000000001197), accredited independent valuers, as at 31 December 2015. The valuer is a specialist in valuing these types of investment properties. The determination of fair value ofthe investment property was supported by market evidence. The modalities and process of valuationutilized extensive analysis of market data and other sectors specific peculiarities corroborated withavailable data derived from previous experiences.

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

Representing:	2015 N'000	2014 N'000
Policyholders' funds	400,000	400,000
Shareholders' funds	1,020,500	910,000
	1,420,500	1,310,000

Reinsurance assets - continued

At 31 December 2015, the Company conducted an impairment review of the reinsurance assets but no impairment loss resulted from the exercise.

Reinsurance assets are not impaired as balance s 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 2014	**7,062**	**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**	**5,917**	**29,591**	**-**	**14,016**	**65,860**
Commission incurred during the year	43,530	25,764	60,580		5,992	135,866
Amortisation (Note 4)	(45,053)	(24,477)	(72,366)	-	(17,489)	(159,385)
At 31 December 2015	**14,813**	**7,204**	**17,805**	**-**	**2,519**	**42,341**
2015						
Current	**14,813**	**7,204**	**17,805**	**-**	**2,519**	**42,341**
Non-current	-	-	-	-	-	-
	14,813	**7,204**	**17,805**	**-**	**2,435**	**42,341**
2014						
Current	7,063	6,202	7,535	-	6,930	27,729
Non-current	-	-	-	-	-	-
	7,063	6,202	7,535	-	6,930	27,729

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 statement of profit or loss.

(t) Investment properties

investment 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.

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 and 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 than land and building 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.

Financial assets – continued

16.3 Determination of fair value and fair value hierarchy – continued

31 December 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Available-for-sale financial assets:				
Equity securities	105,658			105,658
	=======	====	====	=======

During the reporting period ended 31 December 2015, there were no transfers between level 1 and 2 and in and out of level 3.

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

17 Trade receivables

	2015	**2014**
	N'000	**N'000**
Gross insurance receivables	13,229	21,387
Impairment allowance	(9,898)	(10,812)
	------------	------------
	3,331	10,575
	======	======

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

17.1 Movement in impairment allowance:

	2015	**2014**
	N'000	**N'000**
At beginning of the year	10,812	10,445
Additions	-	671
Impairment write off	-	(304)
Reversal	(914)	
	-----------	------------
At end of the year	9,898	10,812
	======	======

18 Reinsurance assets

Reinsurers's share of reserve for outstanding claims	100,952	28,946
Prepaid reinsurance	89,345	106,319
	-------------	------------
Total reinsurance assets	190,297	135,265
	=======	======
At 1 January	135,265	103,811
Additions during the year	235,796	275,738
Less reinsurance expense (Note 1.3)	(252,770)	(242,810)
Share of outstanding claims (Note 3)	72,007	(1,474)
	-------------	-------------
At 31 December	190,297	135,265
	========	=======

Financial assets - continued

16.2 *Carrying value of financial instruments*

	Available-for-sale N'000	Total N'000
At 1 January 2014	140,504	140,504
Fair value loss	(7,692)	(7,692)
At 31 December 2014	132,812	132,812
Fair value gain	10,650	10,650
At 31 December 2015	143,462	143,462

Representing:	2015	2014
Policyholders' funds	105,658	95,008
Shareholders' funds	37,804	37,804
	143,462	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.

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.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

(w) Leased assets

Company as lessee- Finance lease
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.

4. **Significant accounting policies – continued**

(w) ***Leased assets - continued***

Company as lessor operating lessee

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.

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.

(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 catastrophereserves 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 premiumin come 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.

13 Loss per share (LPS)

Basic LPS amounts are calculated by dividing the loss 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 computations:

	2015	2014
Loss attributable to ordinary shareholders (N'000)	(7,227)	(81,898)
Weighted average number of ordinary shares for basic LPS ('000)6,140,0006,140,000		
Basic and diluted loss per ordinary share (kobo)	(0.1)	(1.4)
	====	====

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 are the same as there are no potential ordinary shares.

14 Net unrealised (loss)/gains on available-for-sale financial assets	2015 N'000	2014 N'000
Unrealised gain/(loss) on available-for-sale financial assets (Note 16.2)	10,650	(7,692)
Reclassification adjustments included in profit or loss (Note 9)*	772	3,025
	-----------	------------
Total net unrealised gains/(loss) on available-for-sale financial assets	11,422	(4,667)
	======	======

***This amount represents impairment loss on specific equity.**

15 Cash and cash equivalents

Cash in banks and on hand	136,829	161,770
Short-term deposits (including demand and time deposits)	750,141	886,985
	----------------	----------------
Total cash and cash equivalents	886,970	1,048,755
	========	========
Representing:		
Policyholder's fund	755,923	341,921
Shareholder's fund	131,046	706,834
	---------------	----------------
	886,970	1,048,755
	========	========

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:	2015 N'000	2014 N'000
Listed equity securities at fair value	105,658	95,008
Unlisted equities at cost	37,804	37,804
	------------	-------------
1	43,462	132,812
	======	=======

Income tax - continued

Reconciliation to tax expense and the accounting (loss)/profit multiplied by Guinea's domestic tax rate for 2015 and 2014:

	2015 ₦'000	2014 ₦'000
Profit/(loss) before income tax expense	46,906	(14,372)
At statutory income tax rate of 30% (2014: 30%)	14,072	(4,312)
Non-deductible expense for tax purposes	305,497	370,094
Income not subject to tax	(248,337)	(253,581)
Education tax	5,001	7,325
Tax rate differential on fair value gains	(22,100)	(52,000)
At effective income tax rate of 115% (2014: 570%)	54,133	67,526

12.2 Current income tax payable

At 1 January	297,699	301,217
Based on profit for the year (Note 12.1)	41,836	67,904
Payments made during the year	(235,767)	(71,422)
At 31 December	103,768	297,699

12.3 Deferred taxation

	Statement of financial position		Statement of profit or loss	
	2015 ₦'000	2014 ₦'000	2015 ₦'000	2014 ₦'000
Accelerated depreciation for tax purposes	(64,896)	(63,199)	(1,697)	(14,766)
Revaluation loss on building	12,161	12,161	-	(12,161)
Fair values on investment properties	(41,337)	(30,287)	11,050	26,000
Employee benefits obligation	3,989	3,251	(450)	549
Deferred tax (credit)/expense			**(12,297)**	**(378)**
Net deferred tax liabilities	**(90,083)**	**(78,074)**		

Reconciliation of deferred tax liabilities, net

	2015 ₦'000	2014 ₦'000
Opening balance as of 1 January	(78,074)	(78,435)
Tax credit/(expense) during the year recognised in profit or loss	(12,297)	378
Tax benefit/(expense) during the year recognised in OCI	288	(17)
Closing balance as at 31 December	**(90,083)**	(78,074)

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.

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 and reinsurance contract holders. Trade payables are measured on initial recognition at the fair value of the consideration received and subsequently measured at amortized cost.

The company has the right to set-off reinsurance payables against the amount due from reinsures and brokers in line with the agreement between both parties. Trade payables includes reinsurance liabilities which are primarily premiums payable on reinsurance contracts entered into by the company and are recognised as at when incurred .Commissions payables to the brokers also form part of trade payables.

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.

4. **Significant accounting policies – continued**

(ab) *Employee benefits – continued*

(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 reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

(ii) *Defined benefit (staff gratuity) payables*

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:
- The date of the plan amendment or curtailment, and
- The 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' 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 andnon-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. This will be recognised in the statement profit or loss.

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:

	Management expense - continued	**2015 N'000**	**2014 N'000**
10.1	***Employee benefits expense***		
	Wages and salaries	316,608	337,514
	Defined benefit plan cost	1,499	1,595
	Pension costs	12,237	10,727
		------------	------------
	Total employee benefits expense	330,344	349,836
		=======	=======
10.2	**Administrative expense**		
	AGM Expenses	10,911	14,745
	Consultancy fees	6,500	6,680
	Directors expenses	14,099	19,412
	Fuel	20,694	15,456
	Miscellaneous	31,155	30,084
	NAICOM dues	8,822	7,529
	Office running expenses	79,019	73,721
	Statutory Levy	22,184	12,585
	Subscription	5,132	5,187
	Tour and travel	13,308	17,797
		------------	------------
	Total Administrative expenses	211,824	212,195
		=======	=======

11 **Finance costs**

This represents interest charged on motor vehicles purchased on finance lease 2015:N5,289,767 (2014: N7,071,332).

12 **Income tax**
The major components of income tax expense for the year are:

		2015 N'000	**2014 N'000**
12.1	***Income tax expense*** **Per profit or loss**		
	Current income tax:		
	Company income tax	36,835	60,579
	Education tax	5,001	7,325
		------------	------------
		41,836	67,904
		------------	------------
	Deferred tax:		
	Fair value gains on investment properties	11,050	26,000
	Employee benefits	(450)	549
	Property, plant and equipment	1,697	(14,766)
	Revaluation loss on building	-	(12,161)
		------------	------------
		12,297	(378)
		------------	------------
	Income tax expense reported in profit or loss	54,133	67,526
		======	=======
	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	(288)	17
		------	--------
	Income tax expense charged to OCI	(288)	17
		===	====

		2015 N'000	2014 N'000
5.1	*Interest income on cash and cash equivalents:*		
	Due to Policy holders	114,708	142,717
	Due to shareholders	19,885	34,486
		------------	--------------
		134,593	177,203
		=======	=======
6	Gain on sale of property, plant and equipment		
	Property, plant and equipment:		
	Realized gains on disposals	259	810
		=====	=====
7	Net fair value gains on investment properties		
	Fair value gains on investment properties (Note 21)	110,500	260,000
		=======	======
8	Other income		
	Recoveries from trade payables (Note 8.1)	30,887	4,216
	Recovery from other receivables	1,661	
	Provision no longer required	81,040	-
	Sundry income	76	9
	Exchange gains	17,621	663
		------------	-------------
		131,285	4,888
		======	=======

8.1 Recoveries from trade payables

Included in trade payables from prior year (2012) is a liability of N40, 887,455 being legal cession due to Nigeria Reinsurance Corporation (Nig. Re.). On reconciliation in 2015,N10, 000,000 was finally agreed and paid as full and final settlement thereby resulting in N30, 887,455 write back from trade payables.

9	Impairment charge		
	Decrease in valuation on building (Note 23)	-	40,538
	Trade receivables	(914)	671
	Available-for-sale financial assets:		
	Impairment (Note 14)	772	3,025
		------------	----------
		(142)	44,234
		======	=====
10	Management expenses		
	Depreciation on PPE (Note 23)	107,279	122,070
	Amortization of intangible assets (Note 22)	28,497	27,872
	Auditors' remuneration	9,000	9,000
	Employee benefits expense (10.1)	330,344	349,836
	Legal and professional fees	9,305	20,221
	Rents and rates	9,705	9,612
	Administrative (Note 10.2)	211,824	212,195
		-------------	-------------
	Total management expenses	705,954	750,806
		=======	=======

4. Significant accounting policies – continued

(ac) Income tax continued

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.

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.

4. **Significant accounting policies – continued**

(ae) ***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.

(af) ***Share premium***

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.

(ag) ***Contingency reserve***

The Company maintains Contingency for non-life business in accordance with the provisions of Section 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.

(ah) ***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 Corporation intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
Effective for annual periods beginning on or after 1 January 2018.

Key requirements
Classification and measurement of financial assets
All financial assets are measured at fair value on initial recognition, adjusted for transaction costs, if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTP if that eliminates or significantly reduces an accounting mismatch.

		2015	2014
1.2	**Gross premium income on insurance contracts**	**N'000**	**N'000**
	Gross premium written in the year	870,287	1,093,413
	Change in unearned premium	141,614	(225,416)
	Total gross premium income	1,011,901	867,997
1.3	**Reinsurance expenses**		
	Premium ceded to reinsurers	(235,796)	(275,738)
	Change in unearned premiums ceded to reinsurers	(16,974)	32,928
	Total reinsurance expense	(252,770)	(242,810)
	Total net insurance premium income	759,131	625,187
2	**Fees and commission income**		
	Reinsurance commission income	54,085	47,229
	Total fees and commission income	54,085	47,229
	This is commission received from reinsurance		
3	**Claims expenses**		
	Gross claims paid (Note 25.1)	214,736	314,404
	Claims ceded to reinsurers	(54,511)	(69,934)
	Gross change in outstanding claims	180,917	521
	Change in outstanding claims ceded to reinsurers	(72,007)	(1,474)
		269,135	243,517
4	**Underwriting expenses**		
	Amortized acquisition costs (Note 19)	159,385	130,588
	Maintenance costs	69,453	20,396
		228,838	150,984
5	**Investment income**		
	Rental income from:		
	Investment properties (Note 21)	2,900	8,700
	Land and building	11,270	1,568
	Available-for-sale financial assets:		
	Dividend income	14,503	17,578
	Interest income on statutory deposits	37,455	39,017
	Interest income on cash and cash equivalents (Note 5.1)	134,593	177,203
		200,721	244,066

1.1 Gross Premium Income

	Gross premium written 2015 N '000	Decrease in unearned premium 2015 N '000	Gross premium income 2015 N '000
Motor	196,757	9,599	206,356
Fire	205,280	1,507	206,787
Marine and aviation	46,364	58,429	104,793
General accident	421,886	72,079	493,965
	870,287	141,614	1,011,901

Changes in unearned premium per class of insurance business

	Unearned premium 2014 N'000	Decrease in unearned premium in 2015 N'000	Unearned premium 2015 N'000
Motor	74,657	(9,599)	65,058
Fire	75,326	(1,507)	73,819
Marine andaviation	70,430	(58,429)	12,001
General accident	199,590	(72,079)	127,511
	420,003	(141,614)	278,389

	Gross premium written 2013 N'000	Increase in Unearned premium 2014 N'000	Gross premium income 2014 N'000
Motor	172,824	(24,633)	148,191
Fire	176,720	(39,885)	136,835
Marine & Aviation	135,532	(35,549)	99,983
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 N '000	Increase in unearned premium in 2014 N '000	Unearned premium 2014 N '000
Motor	50,024	24,633	74,657
Fire	35,441	39,885	75,326
Marine andaviation	34,881	35,549	70,430
General accident	74,241	125,349	199,590
	194,587	225,416	420,003

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

IFRS 9 Financial Instruments - continued

Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI
of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.

All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IAS 17 Leases.

In determining the appropriate period to measure ELCs, entities are generally required to assess based on either 12-months or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, a simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

Hedge accounting

Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, will often be qualitative. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread can be excluded from the hedging instrument designation and can be accounted for as costs of hedging. More designations of groups of items as
i the hedged item are possible, including layer designations and some net positions

Transition

Early application is permitted for reporting periods beginning after the issue of IFRS 9 on 24 July 2014 by applying all of the requirements in this standard at the same time. Alternatively, entities may elect to early apply only the requirements for the presentation of gains and losses on financialliabilities designated as FVTPL without applying the other requirements in the standard.

Impact

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and the business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses based on simplified approach.

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

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28

Effective for annual periods beginning on or after 1 January 2016.

Key requirements
The amendments address three issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption in paragraph 4 of IFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

Transition
The amendments must be applied retrospectively. Early application is permitted and must be disclosed.

Impact
The amendments to IFRS 10 and IAS 28 provide is not relevant to the Company.

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

In August 2015, the IASB issued Exposure Draft ED/2015/7 Effective Date of Amendments to IFRS 10 and IAS 28 proposing to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method.

Key requirements
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 a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

Transition
The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Impact
The amendments are not relevant to the Company.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 N '000	2014 N '000
Operating activities:			
Premium received		877,531	1,086,220
Commission received		54,085	47,229
Commission paid		(205,319)	(189,115)
Reinsurance premium paid		(307,802)	(272,790)
Gross claims paid net of recoveries		(88,218)	(244,470)
Payments to employees		(329,862)	(349,384)
Net other operating (payments)	35.1	(135,986)	(641,168)
Other income received		32,624	4,225
Cash used in operating activities		(102,947)	**(559,253)**
Income tax paid	12.2	(235,767)	(71,422)
Net cash used in operating activities	34	(338,714)	**(630,675)**
Investing activities:			
Investment income received		179,011	248,340
Purchase of property, plant and equipment	23	(2,128)	(26,251)
Purchase of intangible assets	22	(787)	-
Proceeds from sale of property, plant and equipment		259	810
Net cash provided by investing activities		176,354	**222,899**
Financing activities:			
Interest repayment on finance lease		**(5,290)**	**(6,557)**
Principal repayment on finance lease		**(11,755)**	**(8,898)**
Net cashused in financing activities		**(17,045)**	**(15,455)**
Net decrease in cash and cash equivalents		**(179,406)**	**(423,231)**
Effect of exchange rate changes on cash and cash equivalents		17,621	663
Cash and cash equivalents at 1 January		**1,048,755**	1,471,323
Cash and cash equivalents at 31 December	15	**886,970**	**1,048,755**

See accompanying summary of significant accounting policies and notes to the financial statements which forms an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	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 2014	2,700,000	337,545	306,389	(770,328)	39,347	2,612,953
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)	-	-
Issue of share capital	370,000	-	-	-	-	370,000
At 31 December 2014	3,070,000	337,545	339,191	(884,988)	34,680	2,896,428
Loss for the year		-	-	(7,227)		(7,227)
Other comprehensive income/(loss)	-	-	-	(671)	11,422	10,751
Total comprehensive (loss)/income	-	-	-	(7,898)	11,422	3,524
Transfer between reserves	-	-	26,109	(26,109)	-	-
At 31 December 2015	3,070,000	337,545	365,300	(918,995)	46,102	2,899,952

See accompanying summary of significant accounting policies and notes to the financial statements which forms an integral par t of the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11

Effective for annual periods beginning on or after 1 January 2016.

Key requirements

The amendments require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in IFRS 3 and other IFRSs that do not conflict with the requirements of IFRS 11 Joint Arrangements. Furthermore, entities are required to disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by one of the parties to the joint operation on its formation. Furthermore, the amendments clarify that, for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

Transition

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Impact

The amendments is not relevant to the Company

IFRS 14 Regulatory Deferral Accounts

Effective for annual periods beginning on or after 1 January 2016.

Key requirements

IFRS 14 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. The standard does not apply to existing IFRS preparers. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognise them on first-time application 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 disclosure of the nature of, and risks associated with, the entity's rate regulation and the effects of that rate regulation on its financial statements.

Transition

Early application is permitted and must be disclosed.

Impact

The amendments are not relevant to the Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

IFRS 15 Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2018.

Key requirements

IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as IAS 17. Its requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets, including property, equipment and intangible assets. The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 will be applied using a five-step model:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. Application guidance is provided in IFRS 15 to assist entities in applying its requirements to certain common arrangements, including licences of intellectual property, warranties, rights of return, principal-versus-agent considerations, options for additional goods or services and breakage.

Transition

Entities can choose to apply the standard using either a full retrospective approach, with some limited relief provided, or a modified retrospective approach. Early application is permitted and must be disclosed.

Impact

IFRS 15 is more prescriptive than current IFRS requirements for revenue recognition and provides more application guidance. Meanwhile, the Company is still assessing its impact.

IAS 1 Disclosure Initiative – Amendments to IAS 1

Effective for annual periods beginning on or after 1 January 2016.

Key requirements

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS1requirements. The amendments clarify:

The materiality requirements in IAS 1

That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated

That entities have flexibility as to the order in which they present the notes to financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 N'000	2014 N'000
Assets			
Cash and cash equivalents	15	886,970	1,048,755
Available-for-sale financial assets	16	143,462	132,812
Trade receivables	17	3,331	10,575
Reinsurance assets	18	190,297	135,265
Deferred acquisition costs	19	42,341	65,860
Other receivables and prepayments	20	325,438	624,859
Investment properties	21	1,420,500	1,310,000
Intangible assets	22	8,439	36,149
Property, plant and equipment	23	780,325	885,453
Statutory deposit	24	315,000	315,000
Total assets		**4,116,103**	**4,564,728**
Liabilities and Equity			
Liabilities			
Insurance contract liabilities	25	798,260	758,956
Finance lease obligations	26	15,556	27,126
Trade payables	27	14,334	113,189
Other payables and accruals	28	177,098	276,686
Employee benefit obligations	29	17,052	16,570
Current income tax payable	12.2	103,768	297,699
Deferred tax liabilities	12.3	90,083	78,074
Advances for increase in share capital		-	100,000
Total liabilities		**1,216,151**	**1,668,300**
Equity			
Issued and paid-up share capital	30	3,070,000	3,070,000
Share premium	31	337,545	337,545
Contingency reserve	32	365,300	339,191
Accumulated losses		(918,995)	(884,988)
Available-for-sale reserve	33	46,102	34,680
Total equity		**2,899,952**	**2,896,428**
Total liabilities and equity		**4,116,103**	**4,564,728**

The financial statements were approved by the Board of Directors on 25th July 2016 and signed on its behalf by:

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

Mr. Simon Oladayo Bolaji
Director
FRC/2016/ICAN/00000015126

Mr. Pius Edobor
Chief Financial Officer
FRC/2013/ICAN/000000004638

See accompanying summary of significant accounting policies and notes to the financial statements which forms an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 N'000	2014 N'000
Gross premium written	1.1	870,287	1,093,413
Change in unearned premium	1.1	141,614	(225,416)
Gross premium income	1.2	1,011,901	867,997
Reinsurance expenses	1.3	(252,770)	(242,810)
Net premium income		759,131	625,187
Fees and commission income	2	54,085	47,229
Net underwriting Income		**813,216**	**672,416**
Claims expenses	3	(269,135)	(243,517)
Underwriting expenses	4	(228,838)	(150,984)
Underwriting results		**315,243**	**277,915**
Investment income	5	200,721	244,066
Net realized gains on sale of property, plant and equipment	6	259	810
Net fair value gainson investment properties	7	110,500	260,000
Other income	8	131,285	4,888
Impairment reversal/(charge)	9	142	(44,234)
Management expenses	10	(705,954)	(750,806)
Finance costs	11	(5,290)	(7,011)
Profit/(loss) before income tax expense		**46,906**	**(14,372)**
Income tax expense	12.1	(54,133)	(67,526)
(Loss) for the year		**(7,227)**	**(81,898)**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Fair value gain/(loss)on available-for-sale financial assets	**14	11,422	(4,667)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (loss)/gains on defined benefit plans	29.1	(959)	57
Income tax relating to the components of OCI	12.1	288	(17)
Other comprehensiveincome/ (loss)for the year, net of tax		10,751	**(4,627)**
Total comprehensive income/(loss)for the year		**3,524**	**(86,525)**
Loss per share - Basic and diluted (kobo)	13	(0.1)	(1.4)

***Income from these instruments is exempted from tax.*

See accompanyingsummary of significant accounting policies andnotes to the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

IAS 1 Disclosure Initiative – Amendments to IAS 1 - continued

Key requirements - continued

That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

Transition

Early application is permitted and entities do not need to disclose that fact because the Board considers these amendments to be clarifications that do not affect an entity's accounting policies or accounting estimates.

Impact

The Company does not have complex items that require judgments in terms of presentations. Therefore, it will have very limited impact on the Company.

IAS 16 and IAS 38 Clarification of Acceptable

Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38
Effective for annual periods beginning on or after 1 January 2016.

Key requirements

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets 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, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

Transition

The amendments are effective prospectively. Early application is permitted and must be disclosed.

Impact

The Company is not using revenue-based amortisation methods for property, plant and equipment currently, thus, it will have no impact.

IAS 16 and IAS 41 Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41

Effective for annual periods beginning on or after 1 January 2016.

Key requirements

The amendments to IAS 16 and IAS 41 Agriculture change the scope of IAS 16 to include biological assets that meet the definition of bearer plants (e.g., fruit trees). Agricultural produce growing on bearer plants (e.g., fruit growing on a tree) will remain within the scope of IAS 41. As a result of the amendments, bearer plants will be subject to all the recognition and measurement requirements in IAS 16, including the choice between the cost model and revaluation model for subsequent measurement. In addition, government grants relating to bearer plants will be accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, instead of IAS 41.

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

IAS 16 and IAS 41 Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41 - contined

Transition
Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may choose to measure a bearer plant at its fair value at the beginning of the earliest period presented. Earlier application is permitted and must be disclosed.

Impact
The amendments is not relevant to the Company.

IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27
Effective for annual periods beginning on or after 1 January 2016.

Key requirements
The amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:
At cost
In accordance with IFRS 9 (or IAS 39)
Or
Using the equity method
The entity must apply the same accounting for each category of investment. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

Transition
The amendments must be applied retrospectively. Early application is permitted and must be disclosed.

Impact
The amendments is not relevant to the Company

2012-2014 cycle (issued in September 2014)
Following is a summary of the amendments (other than those affecting only the standards' Basis for Conclusions) from the 2012-2014 annual improvements cycle. The changes summarised below are effective for annual reporting periods beginning on or after 1 January 2016. Earlier application is permitted and must be disclosed. However, none of these amendments are relevant to the Company.

- **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**
  Changes in methods of disposal
  Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5.
  The amendment must be applied prospectively.

6.iii ***New standards and improvements adopted during the year - continued***

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
Revaluation method – proportionate restatement of accumulated depreciation/amortisation
The amendments to IAS 16 and IAS 38 clarify that the revaluation can be performed, as follows:
Adjust the gross carrying amount of the asset to market value
Or
Determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value.
The amendments also clarify that accumulated depreciation/amortisation is the difference between the gross and carrying amounts of the asset.

Transition
The amendments must be applied retrospectively.

Impact
The amendments are relevant to the Company

6.ii ***New standards and improvements adopted during the year - continued***

2011-2013 cycle (issued in December 2013)
Following is a summary of the amendments (other than those affecting only the standards' Basis for Conclusions) from the 2011-2013 annual improvements cycle. The changes summarised below are effective for annual reporting periods beginning on or after 1 July 2014. Earlier application is permitted and must be disclosed. However, these amendments that became effective for periods beginning 1 January, 2015 are not relevant to the Company.

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

IFRS 13 Fair Value Measurement
Scope of paragraph 52 (portfolio exception)
The amendment 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).
The amendment must be applied prospectively.
IAS 40 Investment Property Interrelationship between IFRS 3 and IAS 40 (ancillary services)
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment clarifies that IFRS 3, not the description of ancillary services in IAS 40, is used to determine whether the transaction is the purchase of an asset or business combination.
The amendment must be applied prospectively

IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19
Effective for annual periods beginning on or after 1 July 2014.

Key requirements
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. The 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.

Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age.

Transition
The amendments must be applied retrospectively.

Impact
The amendments is not relevant to the Company

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

- **IFRS 7 Financial Instruments: Disclosures**
  Servicing contracts
  The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.
  The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendment.

- Applicability of the offsetting disclosures to condensed interim financial statements
  The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.
  The amendment must be applied retrospectively.

- **IAS 19 Employee Benefits Discount rate: regional market issue**
  The amendment 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. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
  The amendment must be applied prospectively.

- **IAS 34 Interim Financial Reporting**
  Disclosure of information 'elsewhere in the interim financial report'
  The amendment clarifies that the required interim disclosures must be either in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report).
  The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.
  The amendment must be applied retrospectively.

IFRS 16 Leases
Effective for annual periods beginning on or after 1 January 2019.

Key requirements
The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

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

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments).

The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

Transition
A lessee can choose to apply the standard using either a full retrospective or a modified retrospective transition approach. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies IFRS 15.

Impact
The amendments are not relevant to the Company.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
Effective for annual periods beginning on or after 1 January 2017.
Key requirements
The IASB issued the amendments to IAS 12 Income Taxes to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount.

Transition
Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application is permitted. If an entity applies the amendments for an earlier period, it must disclose that fact.

Impact
The Company currently does not have deferred tax assets arising from un utilised losses. Thus, this is not relevant.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

6.I New standards and improvements adopted during the year

2010 - 2012 cycle (issued in December 2013)
Following is a summary of the amendments (other than those affecting only the standards' Basis for Conclusions) from the 2010 – 2012 annual improvements cycle. With the exception of the amendment relating to IFRS 2 Share-based Payment, the changes summarised below are effective for annual reporting periods beginning on or after 1 July 2014. Earlier application is permitted and must be disclosed. However, these amendments that became effective for periods beginning 1 January 2015 are not relevant to the Company.

IFRS 2 Share-based Payment Definitions of vesting conditions
- The amendment defines 'performance condition' and 'service condition' to clarify various issues, including the following:
- 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.
- The amendment is applicable for share-based payments for which the grant date is on or after 1 July 2014 and must be applied prospectively.

IFRS 3 Business Combinations Accounting for contingent consideration in a business combination
- The amendment clarifies that all contingent consideration arrangements classified as liabilities or assets arising from a business combination must 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).
- The amendment must be applied prospectively.

IFRS 8 Operating Segments Aggregation of operating segments
- The amendment clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8.12, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g. sales and gross mar margins) used to assess whether the segments are similar.
- The amendment must be applied retrospectively.

Reconciliation of the total of the reportable segments' assets to the entity's assets
- The amendment clarifies that the reconciliation of segment assets to total assets is required to be disclosed only if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.
- The amendment must be applied retrospectively.

IAS 24 Related Party Disclosures
Key management personnel
- The amendment 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.
- The amendment must be applied retrospectively.