



VERITAS KAPITAL ASSURANCE PLC

**UNAUDITED FINANCIAL STATEMENT FOR THE PERIOD ENDED
30 JUNE 2023**

Report and Unaudited Financial Statements for the Period ended June 30, 2023

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CORPORATE INFORMATION

Membership of the Board of Directors during the period ended 30 June, 2023.

1	Mr. Nahim Abe Ibraheem	Non-Executive Director	Chairman
2	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	
3	Mr. Aminu Babangida	Non-Executive Director	
4	Hajia Yabawa Lawan Wabi (mni)	Non-Executive Director	
5	Mrs Priya Heal	Non-Executive Director	
6	Emmanuel Etuh	Non-Executive Director	
7	Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director	
8	Mr. Kenneth Egbaran	Managing Director/CEO	
10	Mr. Paul Oki	Independent Non-Executive Director	

COMPANY SECRETARY

Ms. Saratu Umar Garba
FRC/2019/NBA/00000019159

REGISTERED OFFICE

Plot 497, Abogo Largema Street,
Off Constitution Avenue,
Central Business District
Abuja.

RE-INSURERS

African Reinsurance Corporation
Continental Reinsurance Corporation
WAICA Reinsurance Corporation
Nigerian Reinsurance Corporation
Alwen Hough Johnson (AHJ) Limited
CK Reinsurance Limited
Meridian Risk Solutions Ltd, London
Score Re.
CICA Re.

ACTUARIES

O & A Hedge Actuarial Consulting
(Consulting Actuaries & Chartered Insurers)
Suite 28, Motorways Centre
(Opposite 7UP Bottling Plant)
1 Motorways Avenue
Alausa Ikeja – Lagos, Nigeria

www.veritaskapital.com

RC NO: 11785

FRC REGISTRATION NO:

FRC/2013/0000000000717

BANKERS

Unity Bank Plc
Guaranty Trust Bank Plc.
First Bank Limited
Fidelity Bank Plc
Keystone Bank Limited
Sterling Bank Plc
Access Bank Plc

REGISTRARS

Unity Registrars Limited
25 Ogunlana Drive
Surulere Lagos.

AUDITORS

Deloitte & Touche
(Chartered Accountants)
Civic Center Towers
Ozumba Mbadiwe Avenue,
Victoria Island, Lagos.

Tax Consultants

Pedabo Professional Services
Lagos

REGULATORY AUTHORITY

National Insurance Commission

MISSION

To help our Stakeholders have peace of mind

VISION

To be one of the top Insurance Companies of choice in Africa

PRINCIPLES**Integrity**

We will act with openness, fairness, integrity and diligence. We will always adhere to the applicable laws, regulations and standards of doing business.

Performance

We will promote a positive and challenging high performance culture. We will do this by encouraging personal accountability, development and measuring, reward and recognizing success.

Responsibility

We will act responsibly as individuals and as a Company. This applies to the management of our business, our approach to corporate interaction with key external stakeholders.

Values

- Working in teams
- Servicing our Customers
- Respecting each other
- Being proactive
- Growing our people
- Delivering to our Shareholders
- Guarding against arrogance
- Upholding the highest levels of integrity

OUR COMMITMENTS

Customers

A satisfied and loyal customer base is core to our business.

We are committed to:

- Delivering the consistent and reliable levels of customer service.
- Acting with integrity, due care and diligence.
- Communicating openly, honestly and with sensitivity and understanding.
- Listening to our customers.
- Handling complaints fairly and promptly.
- Respecting our customers' rights to privacy and confidentiality.
- Protecting our customers and our business from fraud.

Business Partners

We demand high standards from the companies we work with and believe that they should expect the same from us.

We are committed to:

- Carrying out our business with fairness and integrity.
- Being reliable and quick to respond.
- Awarding contracts and selecting business partners solely on the basis of fair and objective business criteria and having regards to high ethical standards.
- Respecting all obligations and confidentiality.
- Protecting our customers and our business from fraud.

Employees

Motivated and skilled employees are critical to our success.

We are committed to:

- Fostering a positive and challenging high performance culture.
- Rewarding superior performance.
- Encouraging personal development.
- Encouraging a culture of frank and honest communication.
- Encouraging teamwork and strong leadership.
- Providing a safe and secure working environment.
- Encouraging diversity and equal opportunities.
- Ensuring that grievances and unethical behaviour can be raised without fear of discrimination.

In return we expect our employees to:

- Act with integrity.
- Take responsibility and accountability for their own actions.
- Show support and commitment for change.
- Focus their energy in getting the best from themselves and others.
- Have the confidence and courage to act with conviction.
- Show understanding for and meet external and internal customers needs.
- Show a relentless desire for success.
- Create positive and effective working relationships.

Regulators

We have an open, cooperative and transparent relationship with our regulators.

We are committed to:

- Dealing with our regulators in an open, cooperative and transparent manner.
- Managing our business with appropriate standards of risk management and controls.
- Preventing and reporting any instances of significant financial crime.
- Preventing breaches of relevant regulatory requirements.
- Complying with all set standards.

Community & Environment

We believe in continuous improvement of our environmental performance and in taking action around emerging environmental issues. Whenever we operate, we will seek positive engagement with local communities.

We are committed to:

- As a business, we have a responsibility to manage our impacts on the environment through appropriate use of resources such as energy, paper and water and the investment of our assets.
- We also have a responsibility to take proactive action on environmental issues that are likely to affect our business and community at large.
- In each of these areas, we will look to make continuous improvement and actively monitor our performance.

Shareholders

We are committed to fulfilling the aspirations of our shareholders through a commitment to business performance, and high standards of transparency, communication and corporate governance.

We are committed to:

- A culture of business performance, focused on delivering returns to shareholders.
- Comprehensive and transparent disclosure.
- Aiding Shareholder's understanding through the disclosure of relevant financial and non-financial information.
- Listening to the views of our shareholders.
- Managing our business with appropriate standards of risk and control.
- Ensuring due care in the selection of our third party advisers, including our auditors.
- Preventing and reporting any market abuse.
- Acting with due sense of responsibility on confidence entrusted to us.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Veritas Kapital Assurance Plc ("the group") was initially incorporated under the name of Kapital Insurance group Limited as a private limited liability group on the 8 August, 1973. on 14 March 2007, it acquired and merged with two other insurance companies became a public limited liability group. its shares are quoted on the Nigerian Stock Exchange.

Its Head Office is located at 497 Abogo Largema Street, Off constitution Avenue, Central Business District, Abuja Nigeria.

The group has 93.5% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent group.

1.2 Principal Activities

The principal business of the group is underwriting of non-life insurance risks.

The subsidiaries activities are:

Veritas Glanvills Pensions Limited, the administration and management of pension fund assets.

Veritas Health Care Limited provision of health insurance.

1.3 Components of Financial Statements

The Consolidated Financial statements comprise the Statements of Comprehensive income, statements of Financial Position, Statement of Changes in Equity, Statements of Cash Flows, and the acgrouping Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment of comprehensive income to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised in the statment of profit or loss as required or permitted by IFRS.

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

Reclassification adjustments are amounts reclassified to statement of comprehensive income in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the group in their capacity as owners are recognised in the statement of changes in equity.

1.4 Basis of preparation and measurement

The Consolidated and separate financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM). Historical cost basis was used in preparation of the financial statements as modified by the certain items of:

- Property plant and equipment at valuation
- investment property at fair value
- investment at fair value
- impaired assets at their recoverable amounts

1.5 Compliance with IFRS

These Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate

1.6 Going Concern status

The consolidated financial statements have been prepared on the going concern basis. The group has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group and group due to sufficient liquidity and based on historical experience that shortterm obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the group is carried out to ensure that there are no going concern threats to the operation of the group.

1.7 Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the group, the Directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors should include:

The judgements made by the directors in the process of applying the group's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- **Claims arising from insurance contracts**

Liabilities for unpaid claims are estimated on a case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the group deems liabilities reported as adequate.

- **Deferred acquisition costs (DAC)**

Commissions that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset under Deferred Acquisition Costs (DAC). The amount of commission to be deferred is directly proportional to the time apportionment basis of the underlying premium income to which the acquisition cost is directly related.

- **Fair value of unquoted equity financial instruments**

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models.

- **Property, Plant and equipment**

Property, Plant and equipment represent one of the most significant proportion of the asset base of the group, accounting for about 26% of the group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

- **Goodwill**

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment is recognized.

- **Deferred Tax Assets**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which temporary differences can be utilised. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and other factors

1.8 Functional and presentation currency

The consolidated financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the group.

Changes in accounting policy and disclosures**New and amended standards and interpretations**

The group applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to IFRS 3 Reference to the Conceptual Framework	The group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use	The group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	The group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle	The group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards. IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements. IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

1.10 Summary of significant accounting policies

1.10.1 Introduction to summary of accounting policies

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

(a) New and revised IFRS Accounting Standards in issue but not yet effective

The following new and amended standards have been issued but are yet to become effective as at December 31, 2022.

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	IFRS 17 Insurance Contracts IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023. In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent	The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies	The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments. The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: – Right-of-use assets and lease liabilities – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset. • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The directors of the group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.
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1.11 Presentation of financial statements

The group presents its statements 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 12 months after the reporting date (non-current) is presented in the Notes.

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the income statements in the year in which they arise, except for difference arising on translation of non-monetary available-for-sale financial assets, which are recognised in other comprehensive income.

2.2 Segment reporting

A segment is a distinguishable component of the group 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.

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance of the same entity)

-For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues for example startup operations may be operating segments before earning revenues.

The company group operates insurance and pension lines of business and entirely within a geographical region.

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents have a maturity period of less than or equal to three months.

2.4 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instrument. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

The group classifies financial instruments or their components parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the group commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. These transaction costs are expensed in the income statement.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this shall be an estimate of the exposure at a future default date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial instruments

Previously recognised financial assets are derecognised when either the contractual rights to receive the cash flows from these assets have ceased to exist or the assets expire or the group transfers the assets such that the transfer qualifies for derecognition. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks, rewards and control tests.

Collateral (shares and bonds) furnished by the group under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or repledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial assets

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. The classification is based on the results of the group's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the group as at 31 December 2019 are fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. At initial recognition all assets are measured at Fair Value.

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and those designated by the group as at fair value through profit or loss upon initial recognition. Financial assets classified as held through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/(losses) on financial assets classified as held for trading'. Interest income and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating income', respectively. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains from financial assets held for trading'.

ii) Amortised Cost

Except for financial assets that are designated at initial recognition as at fair value through profit or loss a financial asset is measured at amortised cost only if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition

iii) Fair Value through other comprehensive income (FVTOCI)

Except for financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, a group always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The group recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

Financial assets that are debt instruments, Lease receivables, Loan and receivables, Financial guarantee contracts issued; and Loan commitments issued. The group measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the group recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the group measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross carrying amount.

Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment.

The group's process to assess changes in credit risk is multi-factor and has three main elements;

- I. Quantitative element , a quantitative comparison of PD at the reporting date and PD at initial recognition
- II. Qualitative elements
- III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).

For other exposures, significant increases in credit risk is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the group groups its exposures on the basis of shared credit risk characteristics.

Significant increase in credit risk

The group decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

The group applies qualitative and quantitative criteria for stage classification and for its forward and backward migration

i) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to staff are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/(losses) on investment securities'.

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 recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

ii) Assets classified as fair value through other comprehensive income

The group can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.

Reclassification of amounts recognised in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements.

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

- a. the group's right to receive payment of the dividend is established;
- b. it is probable that the economic benefits associated with the dividend will flow to the group; and
- c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value is recognised in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and; impairment gains or losses until the financial asset is derecognised or reclassified.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Also, when a debt instrument asset is measured at fair value through other comprehensive income, the amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the financial asset had been measured at amortised cost.

c) Reclassification of financial assets

Reclassification of financial assets is determined by the group's senior management, and is done as a result of external or internal changes which are significant to the group's operations and demonstrable to external parties.

Reclassification of financial assets occurs when the group changes its business model for managing financial assets.

Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Classification and subsequent measurement

The Company's holding in financial liabilities represents mainly Insurance Contract Liabilities, 'trade payables' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

The classification of the Company's financial instruments have been summarised in the table below:

Category		Classes as determined by The Group		Subclasses
Financial assets	Financial assets at fair value through profit or loss	Listed Securities		Quoted Equities
	Amortized cost	Cash and balances with Central bank of Nigeria		Cash
				Statutory deposit with CBN
				Current account balances
				Placements
		Loans and advances		FGN Treasury Bills
				Staff loans
		Investment securities	Listed debt	Corporate bonds
		Other assets		Fees receivable
				Intercompany receivable
				Other receivables
	Fair value through other comprehensive income	Listed Securities		Quoted Equities
				Unquoted Equities
		Unlisted securities		
Financial liabilities	Financial liabilities at amortised cost	Insurance contract liabilities		Accruals
				Payables
		Trade payables		Other creditors
				Outstanding claims
				Unearned premiums
		Other liabilities		

Measurement

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

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

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange (NSE) and Financial Markets Dealers Quotation (FMDQ)).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Forward-Looking Information

In the context of IFRS 9, is an enhanced information set that includes credit information pertaining to future developments (including for example macroeconomic developments). The inclusion of forward-looking information along with traditional past due (realized, historical) information is considered to produce comprehensive credit risk information.

The inclusion of forward-looking information is a distinctive feature of an IFRS 9 ECL model. Incorporating economically stressed states of the world and their potential impact on credit performance is critical for the timely recognition of credit losses.

2.5 Trade receivables

Trade receivables are recognized when due. They premium receivables arising from insurance contracts issued and include amounts due from agents, brokers and insurance contract holders. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the "NO PREMIUM NO COVER" NAICOM policy.

2.6 Reinsurance

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks on the bases of treaty and facultative agreements. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. In the course of ceding out business to reinsurers, the Company incurs expenses. This is recognized as reinsurance expense in the statement of profit or loss.

2.6.1 Reinsurance assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

2.6.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. 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.

2.7 Deferred Policy Acquisition Costs (DAC)

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

2.8 Prepayment

Prepayments include amounts paid in advance by the Company on rent, staff benefits, vehicle repairs etc. Expenses paid in advance are amortized on a straight line basis to the profit and loss account.

2.9 Consolidation

2.9.1 Subsidiaries

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

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

Inter-company transactions, balances and unrealised gains on transactions between companies within the company are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the company. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

2.9.1a Disposal of Subsidiaries

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

2.9.2 Investment in Associates

As associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognize the company's share of the profit or loss and other comprehensive income of the associate. When the company's share of losses of an associate exceeds the company's interest in that associate (which includes any long-term interest that, in substance, form part of the company's net investment in the associate), the company discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the company's consolidated financial statements only to the extent of interests in the associate that are not related to the company.

2.10 Investment Properties

Investment property is property held to earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is accried at fair value representing the open market value at the statement of financial position date determined by annual valuation carried out by external registered valuers. gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

Transfers are made to or from investment property only when there is a change in use. 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 and equipment up to the date of the change in use

When the company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

2.11 Intangible Assets

Software license costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the company are recognised as intangible assets.

Amortization is calculated using the straight line method to write down the cost of each license or item of software to its residual value over its estimated useful life.

Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

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 recognised in the income statement when the asset is derecognized.

Intangibles recognised as assets are amortized over their useful lives, which does not exceed five years.

2.12 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the company's cash generating units (or companies of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated (statement of comprehensive income/income statement). An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.13 Property, Plant and Equipment

a. Recognition and measurement

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet decommissioned as the asset has not been put into use.

b. Subsequent cost

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of profit or loss.

c. Depreciation

Depreciation is calculated using the straight line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

Leasehold land	0%	Over the lease period
Buildings	2%	2%
Furniture & Fittings	20%	20%
Office Equipment	20%	20%
Computer Equipment	20%	20%
Plant & Equipment	20%	20%
Motor Vehicles	25%	25%

Freehold land is not depreciated. Depreciation on an item of property, plant and equipment commences when it is available for use and continues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal.

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

d. Revaluation of land and building.

land and building initially recorded at cost are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When land and building are revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the profit or loss. When the value of a land or building is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that land or building. However, to the extent that it exceeds any surplus, it is recognised as an expense in profit or loss. When revalued land and building are being depreciated, part of the surplus is being realized as the asset is used. The amount of the surplus realized is the difference between the depreciation charged on the revalued amount and the lower depreciation which would be charged to revaluation reserve and accumulated losses but not through profit or loss. The revaluation of land and building is carried out every year.

e. Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

2.14 Statutory Deposits

Statutory Deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003.

Statutory deposit is measured at cost.

2.15 Insurance Contract Liabilities

Contract that are classified as insurance contracts are those under which the company underwrites significant insurance risk from another party (the broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

2.15.1 Types of Insurance Contracts

Insurance contract may be non-life or life. The company issues only non-life insurance contracts. Non-life insurance contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the company's customers against the risk of causing harm to third parties as result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non-life insurance contracts protect the company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. there are no maturity or surrender benefits.

2.15.2 Recognition and measurement of non-life insurance contracts

a. For all non-life insurance contract, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the company. The company does not discount its liabilities for unpaid claims.

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

b. Salvages

Some non-life insurance contracts permit the company to sell (usually damaged) property acquired in the process of settling a claim. The company may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right).

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

c. Subrogation

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the company has the right to receive future cash flow from the third party.

d. Deferred Income

Deferred Income represents a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

e. Reinsurance Contracts held

Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

f. Technical Reserves

These are computed in accordance with the provisions of section 22 of the Insurance Act 2003 as follows:

* Reserve 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.

* Reserve 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 balance sheet date. The IBNR is based on the liability adequacy test.

g. Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act 2003 require an actuarial valuation for life insurance reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the company's prudential concerns well.

2.16 Trade and other Payables

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

2.17 Retirement Benefit Obligations Pension Cost

The company operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

2.18 Provisions

General Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Current Income Tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.19.1 Deferred Income Tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 recognised 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 recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised 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 such:

- * Current tax assets against current income tax liabilities and
- * The deferred taxes relate to the same taxable entity and
- * The same taxation authority

2.20 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' inequity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

2.21 Statutory Contingency Reserve

The company maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profits

2.22 Retained Earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

2.23 Assets Revaluation Reserve

This represents the company's revaluation reserve emanating from revaluation of certain assets

2.24 Income Recognition

2.24.1 Gross Premiums

Gross premiums on insurance contract are recognized as revenue when payable by the policy holder.

For single premium business revenue is recognised on the date on which the policy is effect.

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts.

Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.24.2 Reinsurance Premiums

Gross reinsurance premiums on insurance contracts are recognized as an expense when payable or on the date on which the policy is effective. Gross reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are deferred over the term of the underlying direct insurance policies for risks attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

2.24.3 **Commission income**

Fees and commission income during the year is the income the company is entitled to for ceding businesses to the reinsurers and co-insurers. In accordance with IFRS 15 (Revenue from Contracts with Customers), fees and commission income is recognized over time, covering the policy period over which services are expected to be provided, using the time apportionment basis. Fees and commission covering the reporting period are recognized in profit or loss as fees and commission income earned, while the unearned portion of fees and commission income is reported in the statement of financial position as deferred commission income.

2.24.4 **Investment Income**

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividend income which is recognised when the right to receive the payment is established.

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

2.24.5 **Management and Administrative Fees**

Management Fee

Management fee, an asset based fee is charged as a percentage of the opening net assets value of the pension fund investments at the beginning of the year of charge for the Retirement Savings Account (RSA). It is accrued daily upon portfolio valuation while the actual charge is effected against the Fund within five working days of the month end. Fee for the Retiree Account is computed based on 5% of income earned on the fund.

Administrative Fee

Administrative fee is calculated as a flat charge payable monthly from contributions received. It is deducted before converting contributions into accounting units of pension fund assets.

2.24.6 **Realized/Unrealized Gains and Losses**

Realized or unrealized gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales of investments are calculated as the difference between net sales proceeds and the original carrying or amortized cost and are recorded on occurrence of the sale transaction

2.25 **Claims Expenses Recognition**

2.25.1 **Gross Claims Incurred**

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims, handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance. All claims paid and incurred are charged against the underwriting income as expense when Incurred. This is shown in the statement of profit or loss before determining underwriting results.

2.25.2 **Reinsurance Claims**

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.26 **Interest Income**

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, interest income is recognized by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the "investment income - interest income" line item.

2.27 Expenses

Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment)

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognised in the income statement on the basis of systematic and rational allocation procedures.

This is often necessary in recognizing the equipment associated with the using up of assets such as property, plant and equipment in such cases the expense is referred to as a depreciation or amortization. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire. An expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.27.1 Underwriting Expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These costs are charged in the income statement in the period they are incurred.

2.28 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies' assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. In this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.29 Earnings Per Share

The company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the company by the number of shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.30 Dividends

Dividends on ordinary shares are recognised as a liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognised in equity until they have been declared at a general meeting. Dividends for the year that are approved after the statement of financial position date are dealt with as a non-adjusting event after the statement of financial position date.

2.31 Comparatives

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current year. Where changes are made and affect the statement of financial position, a third statement of financial position at the beginning of the earliest period presented is presented together with the corresponding notes.

2.32 Contingent liabilities

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

2.33 Contingent assets

Contingent assets are not recognised in the financial statements but are disclosed when, as a result of the past events, it is highly likely that economic benefits will flow to the company, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the company's control.

Statement of Financial Position
As at 30 June, 2023

		30-June-2023	31-Dec-2022	1-Jan-2022	30-June-2023	31-Dec-2022	1-Jan-2022
	Note	Group N'000	Group N'000	Group N'000	Company N'000	Company N'000	Company N'000
ASSETS			<i>Restated</i>	<i>Restated</i>		<i>Restated</i>	<i>Restated</i>
Cash and cash equivalents	3	5,885,734	4,408,793	5,891,133	3,742,496	2,337,933	3,834,178
Financial assets	4	6,897,509	5,352,798	3,158,089	2,954,505	1,641,740	1,479,839
Trade receivable	5	222,626	738,346	119,564	222,626	738,347	119,564
Reinsurance assets	6	1,533,623	899,984	1,115,859	1,533,623	899,984	1,164,760
Deferred acquisition cost	7	419,476	344,588	286,636	419,476	344,588	286,636
Other receivables and prepayments	8	768,023	535,433	422,448	255,938	197,155	220,975
Investment in subsidiaries	9	-	-	-	4,026,300	4,026,300	3,624,860
Investment in Associates	10	-	-	-	-	-	-
Investment properties	11	45,000	45,000	45,000	45,000	45,000	45,000
Property, plant and equipment	12	4,578,762	4,556,848	4,729,375	3,508,333	3,495,488	3,377,451
Goodwill	13	316,884	316,884	316,884	-	-	-
Intangible assets - Software	14	346,296	68,114	102,297	326,390	48,161	69,901
Statutory deposits	15	355,000	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	21.1	60,854	60,854	22,293	21,746	21,746	21,745
Total Assets		21,429,786	17,682,643	16,564,580	17,411,432	14,151,441	14,599,909
Liabilities:							
Insurance contract liabilities	16	5,636,214	3,543,082	4,152,250	5,601,301	3,543,082	4,197,469
Trade payables	17	1,053,749	548,733	488,190	1,053,748	548,733	488,190
Employees retirement benefit obligations	18	22,187	22,187	17,024	-	-	-
Provision and other payables	19	993,932	866,796	996,710	505,413	488,845	572,864
Income tax liabilities	20	151,225	109,064	86,652	42,594	34,806	23,542
Deferred Tax Liabilities	21.2	27,459	27,459	20,741	-	-	0
Total Liabilities		7,884,766	5,117,321	5,761,568	7,203,056	4,615,466	5,282,064
EQUITY & LIABILITIES							
<i>Share capital & reserves:</i>							
Issued and paid up share capital	22	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	23	663,600	663,600	663,600	663,600	663,600	663,600
Statutory Contingency reserves	24	1,569,074	1,434,593	1,303,505	1,569,073	1,434,592	1,303,505
Retained earnings	25	(146,387)	(872,254)	(1,236,052)	(1,243,833)	(1,781,754)	(1,734,182)
Other Component of Equity		-	-	-	-	-	-
Asset revaluation reserve	26a	2,572,254	2,572,254	2,509,957	2,333,468	2,333,468	2,208,012
Fair value reserve	26b	(53,586)	(53,586)	(60,112)	(47,265)	(47,265)	(56,423)
Non Controlling interest(NCI)	38	2,006,732	1,887,381	688,780	-	-	-
Total Equity		13,545,020	12,565,321	10,803,012	10,208,376	9,535,974	9,317,844
Total Equity & Liabilities		21,429,786	17,682,643	16,564,580	17,411,432	14,151,441	14,599,908

These financial statements were approved by the Board on 20 July 2023 and signed on its behalf by:


 Mojeed Somorin
 Chief Financial Officer
 FRC/2017/ICAN/00000016849


 Kenneth Egbaran
 Managing Director
 FRC/2015/CIIN/00000011953

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

Statement of Profit or Loss and Other

Comprehensive income for the period ended 30 June 2023

	Note	Group Jun-23 N'000	Group Jun-22 N'000	Company Jun-23 N'000	Company Jun-22 N'000
Gross Premium written		3,048,058	2,218,221	2,920,621	2,095,913
Gross Premium Income	28	2,291,530	2,682,211	2,164,093	2,561,126
Reinsurance Expenses	29	(918,155)	(1,385,887)	(918,155)	(1,385,887)
Net premium income		1,373,375	1,296,324	1,245,938	1,175,239
Fees and commission income	30	195,625	259,211	195,625	259,211
Net underwriting income		1,569,001	1,555,536	1,441,563	1,434,450
Claim Expenses	31	(979,951)	(806,809)	(907,283)	(734,078)
Underwriting expenses	32	(614,659)	(682,569)	(614,659)	(682,569)
Underwriting result		(25,609)	66,158	(80,379)	17,803
Other Investment income	34	888,345	857,701	106,287	141,003
Interest income calculated using effective interest rate	34	332,724	196,945	102,629	53,249
Fair value changes in financial assets-FVTPL	4a&b	23,692	359	23,692	359
Fair value changes in investment property	11	-	-	-	-
Other operating income	35	1,594,790	-	1,382,864	-
Impairment charge on financial assets and other assets	33	-	283,819	-	65,159
Finance Cost (Interest cost)	18a(i)	-	824	-	824
Management expenses	36	(1,687,146)	(1,556,120)	(846,628)	(817,394)
Profit before tax		1,126,796	(150,314)	688,465	(538,997)
Income tax expense	37	(36,838)	(20,064)	(16,063)	(5,240)
Profit for the year from continuing operations		1,089,957	(170,378)	672,402	(544,237)
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment on FVOCI debt instruments	26b	-	(0)	-	(0)
		-	-	-	-
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluation of property, plant and equipment		-	-	-	-
Net actuarial (losses) / gains on retirement benefit c	18a(i)	-	-	-	-
Fair value adjustment on equities at FVOCI		-	-	-	-
		-	-	-	-
Other Comprehensive Income, net of taxes		-	-	-	-
Total Comprehensive Income for the year		1,089,957	(170,378)	672,402	(544,237)
Profit for the year, attributable to:					
* Non-controlling interests		119,349	(10,223)	-	-
* Owners' of the Parent		970,609	(160,155)	-	-
		1,089,957	(170,378)	-	-
Total Comprehensive Income, attributable to:					
* Non-controlling interests		119,349	(10,223)	-	-
* Owners' of the Parent		970,609	(160,155)	-	-
		1,089,957	(170,378)	-	-
Basic Earnings per Share	27	0.16	(0.20)	0.10	(0.08)

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

Statement of Profit or Loss and Other

Comprehensive income for the period ended June 30, 2023

	6/30/2023 Company N'000	6/30/2022 Company N'000	12/31/2022 Company N'000
		<i>Restated</i>	<i>Restated</i>
Insurance revenue	2,201,379	2,566,596	4,935,762
Insurance service expenses	(2,133,126)	(2,427,205)	(3,979,025)
Net expenses from reinsurance contracts held	(1,025,205)	(1,056,913)	(1,577,482)
Insurance service result	(956,953)	(917,522)	(620,744)
Interest revenue calculated using the effective interest	102,629	27,771	56,676
Net fair value gains/(losses) on financial assets at fair value	23,692	359	(663)
Net fair value gains on derecognition of financial assets	-	-	-
Net foreign exchange income/(expense)	1,375,282	4,876	168,397
Net credit impairment losses	-	-	-
Net change in investment contract liabilities	-	-	-
Net investment income	1,501,603	33,006	224,410
Finance expenses from insurance contracts issued	(6,442)	(6,927)	(15,742)
Finance income from reinsurance contracts issued	36,388	54,311	115,556
Net insurance finance expenses	29,947	47,385	99,813
Net insurance and investment result	1,531,550	80,391	324,223
Asset management services revenue	-	-	-
Other finance costs	-	-	-
Other operating expenses	-	-	-
Other income	113,869	392,606	576,060
Share of profit of associates and joint ventures accounted for	-	-	-
Profit before income tax	688,466	(444,525)	111,142
Tax expense	(16,063)	(5,240)	(27,627)
Profit for the year	672,403	(449,765)	83,515
Other comprehensive income	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-
Net finance expenses from insurance contracts	-	-	-
Net finance income from reinsurance contracts	-	-	-
Income tax relating to these items	-	-	-
Items that may not be reclassified subsequently to profit or loss	-	-	-
Changes in the fair value on equity instruments at fair	-	-	-
Gain on revaluation of properties	-	-	125,456
Fair value adjustment on financial asset at FVOCI	-	-	-
Other comprehensive income for the year. Net of tax	-	-	125,456
Total comprehensive income for the year	672,403	(449,765)	208,971

Consolidated and Separate Statement of Financial Position

Statement of Changes in Equity
for the period ended 30 June 2023
Group

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-Controlling Interest N'000	Total N'000
As at 1 January 2023	6,933,333	663,600	2,572,254	(53,586)	1,434,593	(777,903)	10,772,291	1,887,382	12,659,674
Impact of transition to IFRS 17						(110,262)	(110,262)		(110,262)
Adjusted opening earnings	6,933,333	663,600	2,572,254	(53,586)	1,434,593	(888,165)	10,662,029	1,887,382	12,549,412
Transferred from statement of Profit or loss for the year	-	-	-	-	-	970,609	970,609	119,349	1,089,958
<i>Other Comprehensive Income:</i>							-		-
Changes in fair value of FVOCI Investments	-	-	-	-	-	-	-	-	-
Net actuarial gains on retirement benefit obligations	-	-	-	-	-	-	-	-	-
Revaluation gain on PPE	-	-	-	-	-	-	-	-	-
On disposal of property	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	970,609	970,609	119,350	1,089,959
Transfer to Contingency Reserve	-	-	-	-	134,480	(134,480)	-	-	-
Recapitalization of VG Pension	-	-	-	-	-	-	-	-	-
Transactions with owners of equity	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-
As at 30 June 2023	6,933,333	663,600	2,572,254	(53,586)	1,569,073	(52,036)	11,632,638	2,006,731	13,639,371

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-controlling interest N'000	Total N'000
As at 1 January 2022	6,933,333	663,600	2,509,957	(60,112)	1,303,505	(1,236,052)	10,114,232	688,780	10,803,013
Transferred from statement of Profit or loss for the year	-	-	-	-	-	526,077	526,077	167,200	693,277
<i>Other Comprehensive Income:</i>							-		-
Changes in fair value of FVOCI Investments	-	-	-	9,158	-	-	9,158	-	9,158
Net actuarial gains on retirement benefit obligations	-	-	-	(2,632)	-	-	(2,632)	(182)	(2,815)
Gain on revaluation of properties, plant	-	-	125,456	-	-	-	125,456	-	125,456
	-	-	(63,160)	-	-	63,160	-	-	-
Total Comprehensive Income	-	-	62,297	6,526	-	589,237	658,059	167,019	825,079
Transfer to Contingency Reserve	-	-	-	-	131,087	(131,087)	-	1,050,000	1,050,000
Transactions with owners of equity	-	-	-	-	-	-	-	1,050,000	1,050,000
Dividends to equity holders	-	-	-	-	-	-	-	(18,418)	(18,418)
As at 31 DECEMBER 2022	6,933,333	663,600	2,572,254	(53,586)	1,434,593	(777,903)	10,772,291	1,887,382	12,659,673

Consolidated and Separate Statement of Financial Position

Statement of Changes in Equity
for the period ended 30 June 2023
Company

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2023	6,933,333	663,600	2,333,468	(47,264)	1,434,593	(1,671,492)	9,646,237
Impact of transition to IFRS 17						(110,262)	(110,262)
Adjusted opening earnings	6,933,333	663,600	2,333,468	(47,264)	1,434,593	(1,781,754)	9,535,975
Transferred from statement of Profit or loss for the year	-	-	-	-	-	672,402	672,402
Other Comprehensive Income:	-	-	-	-	-	-	-
Changes in fair value of FVOCI instruments	-	-	-	-	-	-	-
Revaluation gain on PPE	-	-	-	-	-	-	-
Total Comprehensive Income	6,933,333	663,600	2,333,468	(47,264)	1,434,593	(1,109,353)	10,208,376
Transfer to Contingency Reserve					134,480	(134,480)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	-
As at 30 June 2023	6,933,333	663,600	2,333,468	(47,264)	1,569,073	(1,243,833)	10,208,376

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2022	6,933,333	663,600	2,208,012	(56,423)	1,303,505	(1,731,721)	9,320,305
Transferred from statement of Profit or loss for the year	-	-	-	-	-	191,315	191,315
Other Comprehensive Income:	-	-	-	-	-	-	-
Changes in fair value of AFS Investments	-	-	-	9,159	-	-	9,159
Gain on revaluation of properties, plant	-	-	125,456	-	-	-	125,456
Total Comprehensive income	6,933,333	663,600	2,333,468	(47,264)	1,303,505	(1,540,406)	9,646,236
Transfer to Contingency Reserve					131,087	(131,087)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	-
As at 31 DECEMBER 2022	6,933,333	663,600	2,333,468	(47,264)	1,434,593	(1,671,492)	9,646,236

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE, 2023

		30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
		Group	Group	Company	Company
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Premium received		3,563,779	2,095,913	3,436,342	2,095,913
Commission received	30	195,625	768,052	195,625	259,211
Reinsurance receipts in respect of claims	31(a)	85,555	291,304	85,555	291,304
Other operating income	34	78,124	274,748	6,305	15,794
Cash paid to and on behalf of employees	36	(720,854)	(688,807)	(314,654)	(319,133)
Reinsurance premium paid	29	(444,767)	(1,355,274)	(444,767)	(1,355,274)
Insurance benefits and claims paid	31	(527,393)	(698,876)	(487,937)	(626,145)
Commission paid	32	(486,177)	(572,563)	(486,177)	(572,563)
Maintenance expenses	32	(128,482)	-	(128,482)	-
Cash paid to intermediaries and other suppliers		(660,453)	(1,242,601)	(255,348)	(545,695)
Company income tax paid	20	(8,277)	(62,403)	(8,277)	(365)
Net cashflow from operating activities		946,680	(1,190,506)	1,598,187	(756,951)
Cash flow from Investing Activities:					
Purchase of property, Plant and equipment	12	(116,924)	(81,795)	(42,517)	(62,990)
Purchase of intangible assets	14	(297,742)	(1,262)	(293,355)	-
Proceed from sale of property and equipment		19,781	329,602	731	53,655
Proceed from disposal of investment property		-	-	-	-
Dividend income	34	7,688	7,726	7,688	7,726
Interest received	34	1,213,381	439,932	201,228	186,526
Purchase of amortised cost investment		(994,098)	(2,187,343)	(765,574)	(551,923)
Redemption/repayment on amortised cost investments		698,176	150,000	698,176	150,000
Purchase of investment property	11	-	-	-	-
Net cash provided by investing activities		530,262	(1,343,141)	(193,622)	(217,007)
Cash flow from Financing Activities:					
Investment in subsidiary		-	-	-	(401,440)
Deposit for shares		-	1,050,000	-	-
Dividend paid		-	(418)	-	-
Net cash provided by financing activities		-	1,049,582	-	(401,440)
Net decrease in cash and cash equivalent		1,476,942	(1,484,065)	1,404,565	(1,375,397)
Cash and cash equivalent at the 1 January		4,414,489	5,900,305	2,343,390	3,839,935
			-		-
			-		-
Cash and cash equivalent at the 30 June		<u>5,891,431</u>	<u>4,416,240</u>	<u>3,747,954</u>	<u>2,464,538</u>

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

General information

Veritas Kapital Assurance plc ('the company') was initially incorporated under the name of Kapital Insurance Company Limited as a private Limited liability company on the 8 August, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public liability company. Its shares are quoted on the Nigeria Stock Exchange.

Its Head office is located at 497 Abogo Largema Street, off constitution Avenue, Central Business District,

The principal business of the company is underwriting of non-life insurance risks.

The Company has 93.5% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent company.

3 Cash and cash equivalents

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
This comprises of :					
Cash at hand	624	884	490	593	322
Cash at Bank	390,516	429,134	264,677	277,815	1,164,085
Short term deposit (Staff gratuity fund assets)*	9,239	9,239	9,239	9,239	9,239
Short term deposit (note 3.2)	5,491,052	3,975,233	3,473,549	2,055,745	2,666,289
	5,891,431	4,414,490	3,747,955	2,343,391	3,839,936
Adjustment for ECL on fixed deposit (note 3.1)	(5,697)	(5,696)	(5,458)	(5,458)	(5,758)
Total	5,885,734	4,408,793	3,742,496	2,337,933	3,834,178

*Staff gratuity fund assets relates to fund set aside for staff of the parent who were still in service when the gratuity scheme was discontinued in July 2016. The intention of management is to keep the funds and make it available to the beneficiaries on exit.

3.1 Movement in Adjustment ECL

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
As at 1 January	5,696	9,172	5,458	5,758	5,758
Opening ECL adjustment on transition date					-
(Write back)/Charge (See note 33)	-	(3,475)	-	(300)	-
As at 30 June	5,696	5,696	5,458	5,458	5,758

3.2 Financed by:

In compliance with section 19(3) of Insurance Act 2003, the short term deposit is financed as follows:

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Financed by Insurance fund	3,473,549	2,055,745	3,473,549	2,055,745	2,666,289
Financed by other funds	2,017,503	1,919,488	-	-	-
	5,491,052	3,975,233	3,473,549	2,055,745	2,666,289

Short term deposits consist of placements with commercial banks with a maturity date of less than 3 months.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
4 Financial Assets					
This comprises of:					
Fair value through profit or loss (note 4a)	91,782	68,090	91,782	68,090	69,913
Armortised Cost (Note 4b)	6,691,061	5,192,133	2,748,057	1,481,074	1,326,510
Fair Value through OCI (Note 4c)	114,666	92,575	114,666	92,575	83,416
	6,897,509	5,352,798	2,954,505	1,641,740	1,479,839
Current	72,879	43,878	-	-	-
Non-current	6,824,630	5,308,921	2,954,505	1,641,740	1,479,839
	6,897,509	5,352,799	2,954,505	1,641,740	1,479,839

a(i) These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting period and are derived as follows:

Movement in FVTPL during the period	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Fair value at 1 January	68,090	69,913	68,090	69,913	58,414
Addition (see note aiii below)	-	-	-	-	5,040
Fair value (loss)/gain	23,692	(1,823)	23,692	(1,823)	-
Fair value as at 30 June	91,782	68,090	91,782	68,090	63,454

a(ii) Historical movement in FVTPL

Cost at initial recognition	152,278	152,278	152,278	152,278	152,278
Accumulated fair value losses to date	(60,496)	(84,188)	(60,496)	(84,188)	(82,365)
Fair value as at 30 June	91,782	68,090	91,782	68,090	69,913

a(iii) These are quoted equities on the Nigerian Stock Exchange held by the entity which was recovered during reconciliation carried out and confirmed by the registrars. The stocks include the following; PZ Cusson, Fidelity Bank Plc, Access Bank Plc, Cadbury Nigeria Plc, Julius Berger Plc, Nestle Nigeria Plc and Union Bank Plc in 2021.

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
b Amortised Cost					
FGN treasury bills see note (i) below	72,879	43,878	(0)	(0)	143,702
State/FGN government bonds see note (ii) below	6,276,639	4,822,422	2,748,057	1,481,075	1,182,808
Corporate bond see note (iii) below	303,190	303,410	-	-	-
Commercial paper see note (iv) below	38,355	-	-	-	-
	6,691,062	5,169,710	2,748,057	1,481,075	1,326,510
Balance at 1 January	5,192,134	3,027,184	1,481,074	1,326,510	2,785,906
Additions	994,098	2,144,861	765,574	249,344	706,699
Redemption/Repayment during the year	(179,430)	(189,292)	-	(150,000)	(2,176,941)
Accrued interest	684,260	243,888	501,409	74,711	31,161
Balance at 30 June	6,691,062	5,226,640	2,748,058	1,500,565	1,346,825
Expected credit loss	-	(34,506)	-	(19,491)	(20,315)
	6,691,062	5,192,134	2,748,058	1,481,074	1,326,510

i FGN Treasury Bills

Balance at 1 January	43,878	185,041	(0)	143,702	-
Additions	30,103	1,942	-	-	144,526
Redemption/Repayment during the year	(1,103)	(149,402)	-	(150,000)	-
Accrued interest	0	6,298	0	6,298	-
Balance at 30 June	72,879	43,878	(0)	(0)	144,526
ECL	-	-	-	-	(824)
	72,879	43,878	(0)	(0)	143,702

ii FGN Bonds and State Bonds

Balance at 1 January	4,844,847	2,728,842	1,481,074	1,182,808	608,965
Additions	925,620	1,965,188	765,574	249,344	562,173
Redemption/Repayment during the year	(160,880)	(34,819)	-	-	-
Accrued interest	667,052	220,142	501,409	68,413	31,161
Balance at 30 June	6,276,639	4,879,352	2,748,057	1,500,565	1,202,299
ECL	-	(34,505)	-	(19,491)	(19,491)
	6,276,639	4,844,847	2,748,057	1,481,074	1,182,808

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
iii Corporate Bonds					
Balance at 1 January	303,409	90,877	-	-	2,176,941
Additions	20	200,156	-	-	-
Redemption/Repayment during the year	(17,448)	(5,071)	-	-	(2,176,941)
Accrued interest	17,208	17,448	-	-	-
Balance at 30 June	<u>303,190</u>	<u>303,409</u>	<u>-</u>	<u>-</u>	<u>-</u>
ECL	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>303,190</u>	<u>303,409</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
iv Commercial paper					
Balance at 1 January	-	-	-	-	-
Additions	38,355	-	-	-	-
Redemption/Repayment during the year	-	-	-	-	-
Accrued interest	-	-	-	-	-
Balance at 30 June	<u>38,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ECL	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>38,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
v Movement in expected credit losses (ECL) during the year					
Balance at 1 January	34,506	42,740	19,491	20,315	26,279
Charge during the year	<u>-</u>	<u>(8,234)</u>	<u>-</u>	<u>(824)</u>	<u>(5,964)</u>
Balance at 30 June	<u>34,506</u>	<u>34,506</u>	<u>19,491</u>	<u>19,491</u>	<u>20,315</u>
c Fair value through other comprehensive income					
	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Fair value at 1 January	92,575	83,416	92,575	83,416	184,985
Fair value gain	<u>22,091</u>	<u>9,159</u>	<u>22,091</u>	<u>9,159</u>	<u>(101,569)</u>
Balance at 30 June	<u>114,666</u>	<u>92,575</u>	<u>114,666</u>	<u>92,575</u>	<u>83,416</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

5	Trade receivables	Group	Group	Company	Company	Company
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22	1-Jan-22
		N'000	N'000	N'000	N'000	N'000
a	This comprises of:					
	Premium receivable from insurance brokers	713,253	1,228,974	713,253	1,228,974	527,343
	Premium receivable from insurance agents	55,270	55,270	55,270	55,270	55,270
	Premium receivable from policy holders	33,158	33,158	33,158	33,158	33,157
	Premium receivable from insurance companies	158,930	158,930	158,930	158,930	241,779
		<u>960,611</u>	<u>1,476,332</u>	<u>960,611</u>	<u>1,476,332</u>	<u>857,549</u>
	Impairment of premium receivables	(737,985)	(737,985)	(737,985)	(737,985)	(737,985)
		<u>222,626</u>	<u>738,346</u>	<u>222,626</u>	<u>738,347</u>	<u>119,564</u>
b	Age analysis of gross trade receivables are as follows					
	0-30 days	222,626	738,347	222,626	738,347	119,564
	Above 30 days	-	-	-	-	-
		<u>222,626</u>	<u>738,347</u>	<u>222,626</u>	<u>738,347</u>	<u>119,564</u>
c	Analysis of movement in impairment					
	Group	Balance at 1 January N'000	Adjustment N'000	Provision no longer required N'000	Balance at 30 June N'000	
	Premium receivable from insurance brokers	490,646	-	-	490,646	
	Premium receivable from insurance agents	55,270	-	-	55,270	
	Premium receivable from policy holders	33,158	-	-	33,158	
	Premium receivable from insurance companies	158,911	-	-	158,911	
		<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>	
	Company	Balance at 1 January N'000	Adjustment N'000	Provision no longer required N'000	Balance at 30 June N'000	
	Premium receivable from insurance brokers	539,103	-	-	539,103	
	Premium receivable from insurance agents	6,728	-	-	6,728	
	Premium receivable from policy holders	55,610	-	-	55,610	
	Premium receivable from insurance companies	136,544	-	-	136,544	
		<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>	
		Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
6	Reinsurance assets					
	This is analysed as follows:					
	Reinsurance assets for remaining coverage	737,715	110,110	737,715	110,110	463,570
	Reinsurance assets for incurred claims incl risk adjustment	795,907	618,371	795,907	618,371	701,190
	Adjustment for impact of IFRS 17		171,503		171,503	
		<u>1,533,623</u>	<u>899,984</u>	<u>1,533,623</u>	<u>899,984</u>	<u>1,164,760</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

7	Deferred acquisition cost	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
a	This is analysed as follows:					
	Agric	2,439	4,082	2,439	4,082	86,502
	Motor	50,475	37,253	50,475	37,253	23,651
	Fire	74,144	84,491	74,144	84,491	66,087
	General Accident	31,264	20,034	31,264	20,034	14,478
	Marine	2,855	6,170	2,855	6,170	37,028
	Aviation	19,820	5,213	19,820	5,213	7,301
	Engineering	38,442	54,231	38,442	54,231	16,473
	Oil and Gas	198,534	133,078	198,534	133,078	35,116
	Bond	1,503	37	1,503	37	-
	Total	419,476	344,588	419,476	344,588	286,636

The movement in deferred acquisition cost is as follow:

Acquisition Cost brought forward	286,636	286,636	286,636	286,636	119,379
Acquisition Costs during the period (note 32)	561,065	789,429	561,065	789,429	764,476
Total	847,701	1,076,065	847,701	1,076,065	883,855
Amortised during the year (see note 32)	(486,177)	(731,476)	(486,177)	(731,476)	(597,219)
Acquisition costs carried forward	361,524	344,589	361,523	344,589	286,636
Current	419,476	344,588	419,476	344,588	286,636
Non-current	-	-	-	-	-
	419,476	344,588	419,476	344,588	286,636

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
8 Other receivables and prepayments					
The balance is analysed as follow:					
Receivables from staff (see note (a) below)	88,197	65,117	47,000	53,638	94,886
Deposit for investment (See Note (b)below)	28,346	28,346	28,346	28,346	28,346
Commercial papers (See Note (c)below)	217,460	217,460	217,460	217,460	217,460
Prepayment	134,322	50,932	8,098	8,731	7,841
Inventory	17,369	5,558	2,626	3,895	6,430
Receivables from Related parties (see note i below)	62,033	62,033	62,033	62,033	111,693
Fees receivables and other receivables (See Note (d)below)	540,206	427,375	209,963	144,442	93,017
Prepaid recapitalisation expenses (See Note (e)below)	45,926	44,650	46,250	44,650	22,250
Witholding tax receivable(See Note (f)below)	28,129	27,926	28,129	27,926	33,017
	<u>1,161,989</u>	<u>929,398</u>	<u>649,904</u>	<u>591,120</u>	<u>614,941</u>
Impairment of other receivables and prepayment(See Note (g)below)	(393,965)	(393,965)	(393,965)	(393,965)	(393,966)
	<u>768,023</u>	<u>535,433</u>	<u>255,938</u>	<u>197,155</u>	<u>220,975</u>
Current	617,793	408,282	146,905	81,484	109,282
Non-current	<u>150,231</u>	<u>127,151</u>	<u>109,033</u>	<u>115,671</u>	<u>111,693</u>
	<u>768,023</u>	<u>535,433</u>	<u>255,938</u>	<u>197,155</u>	<u>220,975</u>
a Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.					
	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Balance at 1 January	65,117	101,497	94,886	94,886	25,433
Addition	62,516	35,974	32,798	32,798	140,426
Repayment during the year	<u>(39,436)</u>	<u>(72,354)</u>	<u>(38,204)</u>	<u>(74,046)</u>	<u>(70,973)</u>
	<u>88,197</u>	<u>65,117</u>	<u>47,000</u>	<u>53,638</u>	<u>94,886</u>
b Included in deposit for investment is the amount with Chapel hill for purchase of quoted equities on the Nigeria Stock exchange and investment in other financial instruments.					
	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
c Commercial papers represents receivables from the following entities					
a) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649	131,649
b) Off-shore Intergrated Concession Ltd	39,711	39,711	39,711	39,711	39,711
c) Kruger Brent Global Services Ltd	<u>46,099</u>	<u>46,099</u>	<u>46,099</u>	<u>46,099</u>	<u>46,099</u>
	<u>217,460</u>	<u>217,460</u>	<u>217,460</u>	<u>217,460</u>	<u>217,460</u>
ci These commercial papers have been impaired by the company as they are in doubt of recovery.					
d Fee receivables includes fees receivable on RSA assets and administrative fees as at year end					
e This represents amount paid to consultants with respect to proposed preference shares to be issued by the company. This was classified as prepaid expense pending the conclusion of the process. On completion, this will be applied against the share premium.					
f	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Witholding tax receivables					
At 1 January	33,017	33,017	33,017	33,017	35,720
Additions	(4,888)	10,906	(4,888)	10,906	24,115
Utilised during the period(see note 20)	<u>-</u>	<u>(15,997)</u>	<u>-</u>	<u>(15,997)</u>	<u>(26,818)</u>
At 30 June	<u>28,129</u>	<u>27,926</u>	<u>28,129</u>	<u>27,926</u>	<u>33,017</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
g	The movement in impairment charge is as follows:				
Balance at 1 January	393,965	393,965	393,965	393,965	359,081
Provision no longer required	-	-	-	-	-
Impairment charge during the year	-	-	-	-	34,885
Write-off	-	-	-	-	-
Balance at 30 June	<u>393,965</u>	<u>393,965</u>	<u>393,965</u>	<u>393,965</u>	<u>393,966</u>

Company

	Balance at 1 Jan 2022	Addition	Provision no longer required	Adjustment	Balance at 30 June 2023
Commercial papers	217,461	-	-	-	217,461
Prepayment	-	-	-	-	-
Receivables from staff	1,368	-	-	-	1,368
Inventory	-	-	-	-	-
Other receivables (Nigeria Liability Pool)	-	-	-	-	-
Receivables from Related Party (Goldlink)	62,033	-	-	-	62,033
Fees receivable and other receivables	113,104	-	-	-	113,104
	<u>393,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,965</u>

Group	Balance at 1 Jan 2022	Addition	Provision no longer required	Adjustment	Balance at 30 June 2023
Commercial papers	217,461	-	-	-	217,461
Prepayment	-	-	-	-	-
Receivables from staff	1,368	-	-	-	1,368
Inventory	-	-	-	-	-
Nigeria Liability Pool	-	-	-	-	-
Receivables from Goldlink	62,033	-	-	-	62,033
Fees receivable and other receivables	113,104	-	-	-	113,104
	<u>393,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,965</u>

i This relates to amount recoverable from :1.Associates- Goldlink Insurance Plc - as at 31 March 2023, the amount relates to various expenses incurred on their behalf amounting to N62.033 million (2022, N62.033 milion).

9 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 30 June 2023. The details of the subsidiaries and principal activities are detailed below:

	30-Jun-23 N'000	31-Dec-22 N'000	30-Jun-23 N'000	31-Dec-22 N'000	1-Jan-22 N'000
Veritas Glanvills Pension Limited at cost(See Note (a)below)	-	-	3,610,000	3,610,000	3,208,560
Veritas Health Care Limited at cost (See Note (b)below)	-	-	416,300	416,300	416,300
	<u>-</u>	<u>-</u>	<u>4,026,300</u>	<u>4,026,300</u>	<u>3,624,860</u>

a Veritas Glanvills Pension Limited has issued ordinary share capital of 5 billion units of N1 each.

Veritas Kapital holds 3.5 billion (70%): The company was incorporated on 20 April 2005, and licenced by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos

b Veritas HealthCare Limited has issued ordinary share capital of 429,075,000 units of N1 each Veritas Kapital holds 401,000,000 units (93.5%): The company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

Management tested investment in subsidiaries for impairment and concluded that there was no indication of impairment. Summarized financial information in respect of each of the Group's subsidiaries is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	Veritas Glanvill Pension		Veritas Healthcare Limited	
	30-Jun-23 N'000	31-Dec-22 N'000	30-Jun-23 N'000	31-Dec-22 N'000
Total revenue	844,234	2,001,655	188,126	411,985
Profit before tax	408,704	570,066	29,625	52,680
Total assets	6,953,903	6,502,585	734,759	738,038
Total liabilities	555,886	395,098	119,537	143,563
Shareholders fund	6,398,017	6,107,487	615,222	594,475

c Movement in Investment in Subsidiaries during the year

	GROUP		COMPANY	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Movement in Investment in Veritas Glanvills Pensions Ltd				
balance as at January 1	-	-	3,610,000	3,208,560
Addition during the year	-	-	-	-
Impairmant as at June 30	-	-	-	-
	<u>-</u>	<u>-</u>	<u>3,610,000</u>	<u>3,208,560</u>
Movement in Investment in Veritas Healthcare Ltd				
balance as at January 1	-	-	416,300	416,300
Addition during the year	-	-	-	-
Impairmant as at June 30	-	-	-	-
	<u>-</u>	<u>-</u>	<u>416,300</u>	<u>416,300</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
10 Investment in Associates	1,010,650	1,010,650	1,010,650	1,010,650	1,010,650
Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
	-	-	-	-	-

GOLDLINK Insurance Plc

Veritas Kapital holds 1,268,064,351 (2022:1,268,314,351) ordinary shares representing 51.53% (2022:51.53%) holdings in Goldlink Insurance Plc as at 31/3/2023.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory authority - National Insurance Commission (NAICOM) for infraction of insurance regulations and its Board of Directors was dissolved in 2012.

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level.

In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

Specifically, IFRS 10 states that an investor controls an investee if and only if the investor has the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on assessment carried out, Directors concluded that Veritas Kapital does not have the power over the investee because the relevant activities of Goldlink Insurance Plc are subject to direction of the NAICOM instituted Board of Directors. The Board of Directors report directly to NAICOM on all its activities and resolutions are subject to the NAICOM (IFRS 10:B37).

11 Investment properties

Investment property comprises of landed property and building held for the purpose of capital appreciation and rental income and are carried at fair value.

The movement in the fair value of investment properties as at 31 December 2022 is as follows:

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Balance at 1 January	45,000	45,000	45,000	45,000	289,439
Addition	-	-	-	-	-
Disposal	-	-	-	-	(244,439)
Fair value gain	-	-	-	-	-
Balance at 30 June (see note 11c)	45,000	45,000	45,000	45,000	45,000

Measurement of fair value

a Fair value hierarchy.

The fair value of the Investment properties has been determined by external, independent professional valuers, Obiora Okafor & Associates, Real Estate surveyors (FRC/2020/003/00000021867) as at 31 December 2022, having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

The fair value measurement for the investment properties of N45.0 million (2021:N45.0 million) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

b Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Sensitivity
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustments were made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	- Price per square meter - rate of development in the area - Quality of the building - Influx of people and/or businesses to the area	The estimated fair value would increase(decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases)

c (i)

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	45,000	45,000	45,000	45,000	45,000
No 35 Kafur Street, Off Isa Kaita Road Kaduna	-	-	-	-	-
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	-	-	-	-	-
6 units of 3-bedroom flats known and identified as Block 8 Flat 2, Block 9 Flat 1&2, Block 14 Flat 2, Block 16 Flat 2 and Block 20 Flat 1&3 Aso Garden Estate Karsana Abuja.	-	-	-	-	-
1 Unit of 4-Bedroom s Flat known and identified as Block D, Flat 5, Hillview Estate, Gaduwa District, Abuja.	-	-	-	-	-
	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

C (ii) The movement in the fair value of investment properties as at 30 June 2023 is as follows

	Status of Title Documents	Balance at 1 Jan 2023	Additions	Disposals	Revaluation gain or loss	Balance at 30 June 2023
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No. 22, Vol. 2048, Lagos Land Registry.	45,000	-	-	-	45,000
		45,000	-	-	-	45,000

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

12 a. GROUP

Property, plant and equipment

	Leasehold land	Building	Office computer equipment	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	1,265,000	2,964,129	449,889	854,195	171,352	191,383	5,895,947
Additions	-	-	46,175	52,898	310	17,541	116,924
Revaluation adjustments	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Disposals	-	-	(2,699)	(23,050)	-	-	(25,749)
As at 30 June	1,265,000	2,964,129	493,365	884,042	171,662	208,924	5,987,123
Accumulated depreciation							-
At 1 January	-	96,551	349,294	585,702	144,911	162,643	1,339,102
Depreciation expenses	-	22,851	18,932	45,341	6,359	-	93,483
Disposals	-	-	(2,698)	(21,526)	-	-	(24,224)
As at 30 June	-	119,402	365,528	609,517	151,270	162,643	1,408,361
Carrying amount as at 30 June, 2023	1,265,000	2,844,727	127,837	274,525	20,393	46,281	4,578,762

GROUP

Property, plant and equipment

	Leasehold land	Building	Office computer equipment	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	1,160,000	3,177,768	411,363	795,822	167,723	169,300	5,881,977
Additions	-	61,340	39,891	97,893	4,335	22,083	225,541
Revaluation adjustments	125,000	456	-	-	-	-	125,456
Transfer	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Disposals	(20,000)	(275,436)	(1,365)	(39,520)	(706)	-	(337,026)
As at 31 December, 2022	1,265,000	2,964,129	449,889	854,195	171,352	191,383	5,895,947
Accumulated depreciation							-
At 1 January	-	93,544	314,637	511,539	135,162	152,708	1,207,589
Depreciation expenses	-	38,880	43,252	113,683	13,158	-	208,972
Disposals	-	(35,872)	(1,365)	(39,520)	(706)	-	(77,462)
As at 31 December, 2022	-	96,551	356,524	585,701	147,614	152,708	1,339,099
Carrying amount as at 31 December, 2022	1,265,000	2,867,577	93,365	268,493	23,739	38,675	4,556,848

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

12 b Company

Property, plant and equipment

	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
Cost/Valuation							
At 1 January	1,265,000	2,185,000	283,981	300,320	135,455	5,874	4,175,630
Additions	-	-	36,055	-	310	6,152	42,517
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(2,699)	(4,000)	-	-	(6,699)
As at 30 June	1,265,000	2,185,000	317,338	296,320	135,765	12,025	4,211,448
Accumulated depreciation							
At 1 January	-	60,371	240,112	267,576	112,083	-	680,142
Depreciation expenses	-	14,604	7,186	5,776	2,105	-	29,671
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(2,698)	(4,000)	-	-	(6,698)
As at 30 June	-	74,975	244,601	269,352	114,188	-	703,115
Carrying amount as at 30 June, 2023	1,265,000	2,110,025	72,737	26,968	21,577	12,025	3,508,333

Company

Property, plant and equipment

	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
Cost/Valuation							
At 1 January	1,140,000	2,123,554	279,795	338,705	132,531	-	4,014,584
Additions	-	60,990	5,551	1,136	3,630	5,874	77,180
Revaluation adjustments	125,000	456	-	-	-	-	125,456
Transfer/ Reclassification	-	-	-	-	-	-	-
Disposals	-	-	(1,365)	(39,520)	(706)	-	(41,591)
As at 31 December	1,265,000	2,185,000	283,981	300,320	135,455	5,874	4,175,630
Accumulated depreciation							
At 1 January	-	38,554	223,713	268,726	106,141	-	637,133
Depreciation expenses	-	21,817	17,764	38,370	6,648	-	84,599
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(1,365)	(39,520)	(706)	-	(41,591)
As at 31 December	-	60,371	240,112	267,576	112,083	-	680,141
Carrying amount as at 31 December, 2022	1,265,000	2,124,629	43,869	32,744	23,372	5,874	3,495,489

a) Land and Building was independently valued by Obiora Okafor & Associates, Real Estate surveyors (FRC/2020/003/00000021867) in 2022 to ascertain the open market value of land and building. The open market value of land and building as at 31 December 2022 was N3,390 million (2021: N3,225 million)

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

12c. Leasehold Land and Building Comprises:

Group	30 June 2023			31 December 2022		
	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	727,641	727,641	-	742,949	742,949
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,000,000	1,787,626	2,787,626	1,000,000	1,800,000	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	125,000	198,625	323,625	125,000	200,000	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	140,000	123,772	263,772	140,000	185,000	325,000
26, Commercial Avenue, Sabo, Yaba, Lagos	-	-	-	-	-	-
	<u>1,265,000</u>	<u>2,837,664</u>	<u>4,102,664</u>	<u>1,265,000</u>	<u>2,927,949</u>	<u>4,192,949</u>
Parent						
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,000,000	1,787,626	2,787,626	1,000,000	1,800,000	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	125,000	198,625	323,625	125,000	200,000	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	140,000	123,772	263,772	140,000	185,000	325,000
	<u>1,265,000</u>	<u>2,110,023</u>	<u>3,375,023</u>	<u>1,265,000</u>	<u>2,185,000</u>	<u>3,450,000</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

12d Movement in leasehold land and building is as follows:
Group 2023

	Status of title documents	Balance as at Jan 1, 2023 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 30 June 2023 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	742,949				(15,310)		727,639
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,800,000				(12,063)		2,787,937
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	325,000				(1,400)		323,600
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	264,629				(1,140)		263,489
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	-						-
		4,132,578	-	-	-	(29,914)	-	4,102,664

Group 2022

	Status of title documents	Balance as at Jan 1, 2022 N'000	Addition N'000	Disposals N'000	Transfer/A djustment N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 31 December 2021 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	809,099			(47,341)	(18,810)		742,949
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,600,000	60,990	-	-	(17,589)	156,599	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	300,000	-	-		(2,029)	27,029	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	325,000	-	-		(2,199)	(58,172)	264,629
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	270,000	-	(270,000)			-	-
		4,304,099	60,990	(270,000)	(47,341)	(40,627)	125,456	4,132,577

Company 2023

	Status of title documents	balance as at Jan 1, 2023 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 30 June 2023 N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,800,000				(12,063)		2,787,937
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	325,000				(1,400)		323,600
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	264,629				(1,140)		263,489
		3,389,629	-	-	-	(14,604)	-	3,375,025

Company 2022

	Status of title documents	balance as at Jan 1, 2021 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 31 December 2021 N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,600,000	60,990	-	-	(17,589)	156,599	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	300,000	-	-		(2,029)	27,029	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	325,000	-	-		(2,199)	2,199	325,000
		3,225,000	60,990	-	-	(21,817)	185,827	3,450,000

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
13 Goodwill			
Balance, beginning of the year	316,884	316,884	316,884
Adjustment	-	-	-
Balance, end of year	<u>316,884</u>	<u>316,884</u>	<u>316,884</u>
The goodwill is arising on acquisitions in the following subsidiaries:			
VG Pension	316,884	316,884	316,884
Veritas Health Care Limited	-	-	-
	<u>316,884</u>	<u>316,884</u>	<u>316,884</u>
a Analysis of movement			
Balance at 1 January	316,884	316,884	316,884
Impairment (see note 33)	-	-	-
Balance at 30 June	<u>316,884</u>	<u>316,884</u>	<u>316,884</u>

The goodwill recognised on acquisition of Veritas Healthcare Limited (N69.56 million) was fully impaired.

The calculation of value-in-use was based on the following key assumptions

- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company .

-A terminal growth rate averaging 2.8% for VHCL and 4.6% for VGPL (2021: averaging 2.8% for VHCL and 4.6% for VGPL) was applied in determining the terminal cash flows

- Discount rates (averaging 21.88% for VHCL and 30.9% for VGPL), representing post-tax weighted average cost of capital (WACC), was applied in determining the value in use. Using an iterative process, the pre-tax discount rate of 30.3% for VHCL and 44.9% for VGPL was estimated. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with the long term sustainable growth rate for the company.

The estimated cashflow projections for the five years forecast period is N1.9Billion (2021 :N0.997Billion, this was derived by using a forecasted growth rate of 15.33% (2021 : 23%)

- The key assumptions described above may change as economic and market conditions change. The Company estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount

Assessment of impairment on goodwill was developed by the management of the company.

14 Intangible assets - Software

This comprises of acquired computer software which does not form part of a related hardware.

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
	346,296	68,114	326,390	48,162	69,901
Computer software					
Cost					
Balance, at 1 January	490,401	488,724	354,639	354,639	294,254
Additions	297,742	1,676	293,355	-	58,030
Reclassification from PPE note 12		-		-	2,355
Balance at 30 June	<u>788,143</u>	<u>490,401</u>	<u>647,994</u>	<u>354,639</u>	<u>354,639</u>
Accumulated amortisation					
Balance, at 1 January	422,287	386,428	306,478	284,739	268,955
Amortisation expense	19,561	35,859	15,126	21,739	15,783
Balance at 30 June	<u>441,848</u>	<u>422,287</u>	<u>321,604</u>	<u>306,478</u>	<u>284,738</u>
Carrying amount 31 December	<u>346,296</u>	<u>68,114</u>	<u>326,390</u>	<u>48,162</u>	<u>69,901</u>

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
15 Statutory deposit	355,000	355,000	355,000	355,000	355,000

This represent amount deposited with the Central bank of Nigeria (CBN) as at June 30, 2023 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. (See note 34)

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
16 Insurance contract liabilities					
<i>Outstanding claims(see Note(a) below)</i>					
Liabilities for remaining coverage (LRC)	2,707,025	1,345,582	2,674,780	1,345,582	1,889,961
Liabilities for incurred claims (LIC)	2,929,189	2,197,500	2,926,521	2,197,500	2,307,508
	5,636,214	3,543,082	5,601,301	3,543,082	4,197,469

17 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at period end. The carrying amounts disclosed below approximate the fair values at the reporting date.

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
This is analysed as follows:					
Co-insurance premium payable	928,629	339,554	928,629	339,554	357,745
Commission payable	125,119	209,178	125,119	209,178	130,445
	1,053,748	548,733	1,053,748	548,733	488,190

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
18 Retirement benefit obligation					
Gratuity Scheme	-	-			
Balance at 1 January	22,187	17,024	-	-	-
Contributions in the period	-	5,163	-	-	-
Balance at 30 June	<u>22,187</u>	<u>22,187</u>	<u>-</u>	<u>-</u>	<u>-</u>

a **Defined Benefit Scheme**

Veritas Healthcare Limited has a non-contributory defined gratuity scheme whereby on separation, staff who have spent a minimum number of periods are paid a sum based on their qualifying emoluments and the number of periods spent in service of the Company. The actuarial valuation of the scheme for 31 December 2022 was performed by PENMED Actuarial Consultants FRC/2014/NAS/0000000953.

Summary of membership data

	2023	2022
Active Members	13	13
Total annual emoluments	N114.4mn	N114.4mn
Average Liability duration over future service	18.6	18.6

Underlying assumptions

The rate used to discount Pre-retirement employment benefit obligations is determined in line with IAS19, with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield on government bonds are used. The actuary is of the opinion that there is no deep market in corporate bonds in Nigeria and as such, assumptions underlying the determination of discount rates are referenced to the yield on Nigeria Government Bonds of medium duration, as compiled by the debt management office, after provision for small risk premium to be included in the discount rate assumption.

Benefit Liability and assets

	2023 N'000	2022 N'000
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
(Deficit) / Surplus of Funded Plans	(22,187)	(22,187)
Present Value of Unfunded Obligations	-	-
Unrecognized past service cost		
Liability Recognized	<u>(22,187)</u>	<u>(22,187)</u>

(i). **Reconciliation of Defined Benefit Obligation**

Changes in the present value of the defined benefit obligation are as follows;

	Jun-23 N'000	Dec-22 N'000	Jan-22 N'000
At 1 January	22,187	17,024	14,724
Current service cost*		1,973	1,954
Interest Cost		2,128	1,841
Employees Contribution		-	-
Benefit paid (estimate)		(1,753)	(962)
Actuarial losses/(gains) due to change in financial assumptions		(96)	(533)
Actuarial losses/(gains) due to change in demographic assumptions		2,911	-
At 30 June	<u>22,187</u>	<u>22,187</u>	<u>17,024</u>

*Current service cost was included as part of staff cost in note 36

Pension scheme

The employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
19 Provision and other payables					
This is analysed as follows:					
Life insurance fund (Note 19a)	131,417	131,417	131,417	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions	63,430	75,636	37,415	55,495	38,773
Staff accounts (see note 19b)	205,147	121,953	59,059	51,686	31,526
Accrued professional fees (see note 19c)	94,436	47,923	94,436	47,323	40,992
Accrued NAICOM levy	31,206	44,696	31,206	44,696	61,887
Supplies & Services Bills Payables (note 19e)	139,777	135,914	121,994	121,255	107,373
Other accruals and payables (see note 19f)	68,838	84,204	6,159	12,969	137,305
Unclaimed dividends	14,806	14,806	14,806	14,806	15,046
Due to employees	8,920	9,197	8,920	9,197	8,545
Pension Protection fund(note 19d)	235,953	201,049	-	-	-
	993,931	866,796	505,413	488,845	572,864

- a** Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Unity Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company.
- b** Staff account balance is in respect of variable pay provision, unremitted amount on behalf of staff to various PFAs for the month of December 2022 and deductions from staff salary to be remitted to their co-operative scheme administrator. As at January 2023, staff related benefits have been fully settled.
- c** Accrued professional fees include accrual for audit fees, tax review and actuarial fees.
- d** Pension protection fund represents pension protection fund maintained by the pension fund administrators as a cushion to Pensioner whose pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the Pension Reform Act, 2014
- e** Suppliers and service bills payables relates to outstanding payments due to vendors and suppliers for services rendered.
- f** Included in other accruals are unmatched inflows into various bank accounts and stale unrepresented cheques.

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	
Current	611,755	519,523	359,190	342,622	
Non-Current	382,177	347,273	146,224	146,224	
	993,931	866,796	505,413	488,845	
20 Income tax liabilities					
Company income tax	20,507	75,182	16,063	24,469	17,279
Education tax	-	12,985	-	958	6,838
Information technology levy	-	8,714	-	2,189	
Police Trust Fund	-	44	-	11	
Under provision in prior years	-	-	-	-	12,795
Per income statement	20,507	96,925	16,063	27,627	36,912
Balance at beginning of the year	140,821	90,538	34,807	23,542	30,969
Withholding tax utilised(see note 8f)	-	(19,113)	-	(15,997)	(26,818)
Payments	(10,104)	(59,287)	(8,277)	(365)	(17,520)
Per statement of financial position	151,225	109,064	42,594	34,807	23,543
21.1 Deferred tax asset					
At 1 January	60,854	16,039	21,745	21,745	-
Write back to income statement	-	44,815	-	-	21,746
Balance at 30 June	60,854	60,854	21,745	21,745	21,746
	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
21.2 Deferred tax liability					
At 1 January	27,459	20,741	-	-	310,094
Charges for the year	-	6,718	-	-	(310,094)
Write back	-	-	-	-	
Balance at 30 June	27,459	27,459	-	-	-

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
22 Issued and paid up share capital					
a Authorised					
14 billion ordinary shares of 50 kobo each	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
b Issued and fully paid					
At 30 June	<u>6,933,333</u>	<u>6,933,333</u>	<u>6,933,333</u>	<u>6,933,333</u>	<u>6,933,333</u>

13,866,666 units (2022 - 13,866,666 units) of shares at 50k each were issued and fully paid as at June 30, 2023. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
23 Share premium					
Share premium comprises additional paid-in capital in excess of their per value.					
Balance at 30 June	<u>663,600</u>	<u>663,600</u>	<u>663,600</u>	<u>663,600</u>	<u>663,600</u>

24 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits and the amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Balance at 1 January	1,434,593	1,303,505	1,434,593	1,303,505	1,121,845
Transfer from retained earnings	134,480	131,087	134,480	131,087	181,661
Balance at 30 June	<u>1,569,074</u>	<u>1,434,593</u>	<u>1,569,073</u>	<u>1,434,593</u>	<u>1,303,505</u>

25 Retained earnings

The retained earning are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Balance at 1 January	(872,254)	(1,236,052)	(1,781,753)	(1,734,182)	(1,881,302)
Impact of transition to IFRS 17	(110,262)	(94,351)	(110,262)	-	(2,461)
Transferred from statement of Profit or loss for the year	970,609	526,077	672,402	83,515	331,242
On disposal of property	-	63,160	-	-	-
Transfer to Contingency Reserve	(134,480)	(131,087)	(134,480)	(131,087)	(181,661)
Balance at 30 June	<u>(146,387)</u>	<u>(872,254)</u>	<u>(1,354,094)</u>	<u>(1,781,753)</u>	<u>(1,734,182)</u>

26.1 Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
Land					
Balance at 1 January	1,109,796	984,796	1,109,796	984,796	756,182
Revaluation surplus	-	125,000	-	125,000	228,614
Balance at 30 June	<u>1,109,796</u>	<u>1,109,796</u>	<u>1,109,796</u>	<u>1,109,796</u>	<u>984,796</u>
Building					
Balance at 1 January	1,462,458	1,654,795	1,223,672	1,223,216	1,053,415
Revaluation (deficit)/ surplus	-	(62,884)	-	456	169,801
Balance at 30 June	<u>1,462,458</u>	<u>1,591,911</u>	<u>1,223,672</u>	<u>1,223,672</u>	<u>1,223,216</u>
Transferred to NCI (see note 38)	-	(129,452)	-	-	-
	<u>1,462,458</u>	<u>1,462,458</u>	<u>1,223,672</u>	<u>1,223,672</u>	<u>1,223,216</u>
Carrying amount	<u>2,572,254</u>	<u>2,572,254</u>	<u>2,333,468</u>	<u>2,333,468</u>	<u>2,208,012</u>

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000	Company 1-Jan-22 N'000
26.2 FVOCI reserve					
Balance at 1 January	(53,586)	(60,112)	(47,264)	(56,423)	45,146
Net actuarial gains on retirement benefit obligation	-	(2,633)	-	-	-
Fair value gain on FVOCI financial instruments	-	9,159	-	9,159	(101,569)
	<u>(53,586)</u>	<u>(53,586)</u>	<u>(47,264)</u>	<u>(47,264)</u>	<u>(56,423)</u>

27 Earnings per share

Basic earnings per share (kobo)

The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:

	Group 30-Jun-23	Group 31-Dec-22	Company 30-Jun-23	Company 31-Dec-22	Company 1-Jan-22
Profit after tax attributable to equity holders N'000	1,089,957	693,277	672,402	191,315	331,242
Weighted average no. of ordinary shares at end of year '000	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Basic earnings per share (kobo)	<u>0.16</u>	<u>0.10</u>	<u>0.10</u>	<u>0.03</u>	<u>0.05</u>

The Company does not have any instrument with a dilutive effect on its capital, Hence, the basic earnings per share is same as diluted earnings per share

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

		Group 30-Jun-23 N'000	Group 30-Jun-22 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 30-Jun-22 N'000	Company 31-Dec-22 N'000
28	Gross premium						
	Gross premium earned (see note (a)below)	2,937,821	2,184,951	4,608,047	2,810,384	2,062,644	4,307,458
	Inward reinsurance premium (see note (b)below)	110,236	33,269	62,115	110,236	33,269	62,115
	Gross written premium	3,048,058	2,218,221	4,670,162	2,920,621	2,095,913	4,369,573
	Changes in unearned premium (see note 16 b(i))	(756,528)	463,990	575,040	(756,528)	465,213	575,040
		2,291,530	2,682,211	5,245,202	2,164,093	2,561,126	4,944,613
a	Group premium earned is further analysed as follows:						
	Fire	601,609	437,449	896,082	601,609	437,449	896,082
	General accident	217,468	308,148	448,620	217,468	308,148	448,620
	Marine	31,554	92,035	135,630	31,554	92,035	135,630
	Motor	498,045	218,060	600,760	498,045	218,060	600,760
	Oil and gas	1,068,020	1,023,641	1,744,831	1,068,020	1,023,641	1,744,831
	Aviation	228,019	165,127	271,105	228,019	165,127	271,105
	Engineering	148,244	96,212	456,838	148,244	96,212	456,838
	Bond	9,434	500	654	9,434	500	654
	Agric	15,806	(278,528)	(247,061)	15,806	(278,528)	(247,061)
	Return Premium	(7,814)	-	-	(7,814)	-	-
	PHI Premium	127,437	122,307	300,589	-	-	-
		2,937,821	2,184,951	4,608,047	2,810,384	2,062,644	4,307,458
b	Inward reinsurance premium						
	Fire	41,801	18,414	40,411	41,801	18,414	40,411
	Motor	22,362	347	2,790	22,362	347	2,790
	General accident	11,255	1,868	2,361	11,255	1,868	2,361
	Aviation	-	517	517	-	517	517
	Engineering	5,886	9,374	10,841	5,886	9,374	10,841
	Marine	4,937	2,686	5,132	4,937	2,686	5,132
	Oil and gas	7,353	-	-	7,353	-	-
	Agric	16,643	63	63	16,643	63	63
		110,236	33,269	62,116	110,236	33,269	62,116
29	Reinsurance cost						
	Reinsurance cost	1,545,760	1,355,274	1,880,665	1,545,760	1,355,274	1,880,665
	Movement in prepaid reinsurance	(627,605)	30,614	364,844	(627,605)	30,614	364,844
	Reinsurance expenses (note 6a)	918,155	1,385,887	2,245,509	918,155	1,385,887	2,245,509
30	Commission income	195,625	259,211	213,684	195,625	259,211	213,684
	Deferred commission income at 1 January	-	-	-	-	-	-
	Fees and Commission income during the year	195,625	259,211	213,684	195,625	259,211	213,684
	Fees and commission earned during the year	(195,625)	(259,211)	(213,684)	(195,625)	(259,211)	(213,684)
	Deferred commission as at 31 December	-	-	-	-	-	-
31	Claims expenses						
	Direct claims paid	559,422	626,145	1,492,956	487,937	626,145	1,322,925
	Changes in outstanding claims (see note 16 a(i))	221,901	763,915	(270,256)	221,901	763,915	(270,256)
	Changes in IBNR (see note 16a(ii))	283,000	(364,678)	(39,491)	283,000	(364,678)	(39,491)
	PHI claims	1,183	72,730	7,341	-	-	-
	Gross claims incurred	1,065,505	1,098,113	1,190,550	992,837	1,025,383	1,013,178
	Reinsurance recovery(see note 31(a)below)	(85,555)	(291,304)	(296,843)	(85,555)	(291,304)	(296,843)
		979,951	806,809	893,707	907,283	734,078	716,335
31a	Analysis of reinsurance recoverable						
	Reinsurance recovery on paid claims	85,555	(32,753)	319,376	85,555	(32,753)	319,376
	Movement in reinsurance share of outstanding claims (see note 6b)	-	324,058	(22,533)	-	324,058	(22,533)
	Movement in reinsurer's share of paid claims	-	-	-	-	-	-
	Total reinsurance recoverable	85,555	291,304	296,843	85,555	291,304	296,843
32	Underwriting expenses						
	Acquisition costs during the year	561,065	572,563	789,429	561,065	572,563	789,429
	Movement in deferred acquisition	(74,888)	110,006	(57,953)	(74,888)	110,006	(57,953)
	Acquisition expenses during the year(See note 7)	486,177	682,569	731,476	486,177	682,569	731,476
	Maintenance cost during the year	128,482	-	136,523	128,482	-	136,523
	Total underwriting expenses	614,659	682,569	867,999	614,659	682,569	867,999

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Mar-22 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Mar-22 N'000	Company 31-Dec-22 N'000
33 Impairment of financial assets						
Impairment charge on other assets	-	-	-	-	-	-
Write back on other assets	-	-	-	-	-	-
Impairment write-back on trade receivable	-	-	-	-	-	-
Impairment charge on goodwill (see note 12)	-	-	-	-	-	-
ECL charge on financial asset (see note 4b)	-	-	8,270	-	-	860
ECL (write back) / charge on placement (see note 3.1)	-	-	(3,475)	-	-	300
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>4,795</u>	<u>-</u>	<u>-</u>	<u>1,160</u>
34 Investment income						
Dividends from equity investments at FVTPL	7,688	850	5,556	7,688	850	50,769
Loss on disposal of investment property	-	-	-	-	-	-
Interest received from:						
Bonds (see note 34a)	332,724	73,772	513,347	102,629	22,860	148,623
FGN Treasury bills	0	3,403	5,474	0	3,403	5,474
Short term deposits	210,914	118,593	372,525	89,863	79,840	186,625
RSA asset based fee	649,405	406,097	1,308,910	-	-	-
Statutory deposit	20,338	10,327	32,195	8,736	6,539	14,887
Loss on disposal of investment	-	-	-	-	-	-
	<u>1,221,069</u>	<u>613,041</u>	<u>2,238,006</u>	<u>208,916</u>	<u>113,492</u>	<u>406,376</u>
Further analysed as follows:						
Attributable to policy holders fund	43,872	23,833	85,339	43,872	23,833	85,339
Attributable to shareholders funds.	1,177,196	589,208	2,152,668	165,044	89,659	321,038
	<u>1,221,069</u>	<u>613,041</u>	<u>2,238,006</u>	<u>208,916</u>	<u>113,492</u>	<u>406,377</u>
34 a The amounts reported above include interest income, calculated using the effective interest method, that relate to the following financial assets.						
Interest income calculated using effective interest rate	332,724	73,772	513,347	102,629	22,860	148,623
TOTAL	<u>332,724</u>	<u>73,772</u>	<u>513,347</u>	<u>102,629</u>	<u>22,860</u>	<u>148,623</u>
35 Other operating income						
Rental income	4,781	10,461	3,644	4,781	10,461	20,279
Profit on sale of property, plant and equipment	12,171	114	24,830	730	114	12,064
Staff Mortgage loan-interest	801	-	1,717	548	-	1,717
RSA administrative fee income	177,351	31,676	135,688	-	-	-
Exchange (loss) / gain (See Note 35bi)	1,375,282	4,876	168,397	1,375,282	4,876	168,397
Admin charges- Formal sector	17,096	16,952	47,124	-	-	-
Sundry income (See Note 35bii)	7,307	13,536	64,532	1,524	4,253	23,902
	<u>1,594,790</u>	<u>77,614</u>	<u>445,933</u>	<u>1,382,864</u>	<u>19,703</u>	<u>226,359</u>
35bi Exchange gain/ loss relates to translation of transactions in foreign currency for outstanding claims, bank balances and foreign currency investments as at end of the year to naira at CBN spot rate.						
35bii Sundry income relates to income received in the current period as a result of transactions which were not earlier accrued for due to insufficient information.						

	Group 30-Jun-23 N'000	Group 31-Mar-22 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Mar-22 N'000	Company 31-Dec-22 N'000
36 Management expenses						
Staff costs	767,481	339,701	1,465,159	314,654	156,021	658,841
Directors' allowances and expenses	296,242	174,066	477,832	188,058	119,197	300,847
Depreciation and amortisation	113,046	55,849	244,832	44,797	21,737	106,339
Professional fees	77,103	26,455	66,513	71,953	24,560	55,524
Audit fees	22,419	3,190	30,952	16,500	350	20,000
Marketing and advertisement	73,128	129,748	355,695	54,345	119,135	318,526
Administrative expenses	142,508	66,696	326,179	51,173	28,831	95,870
NITDA information technology levy	-	-	-	-	-	-
Repairs and maintenance	15,685	5,230	39,716	3,757	2,028	5,921
Travel costs and allowances	15,772	5,190	28,384	12,205	3,121	20,104
NAICOM Levy	32,829	14,529	51,268	32,829	14,529	51,268
Donation (See Note 36b below)	2,081	2,893	24,189	-	-	100
Electricity and power	26,347	9,758	37,888	22,400	8,029	31,853
Penalty charge (see note 41)	1,000	-	23,100	500	-	6,800
Subscription	9,266	4,073	17,687	7,597	2,251	15,409
Printing and stationeries	10,859	3,015	25,756	4,757	577	14,276
Information technology expenses	43,468	16,469	78,252	21,103	8,623	39,908
Write-offs	-	14,949	-	-	-	-
Pension protection fund levy	23,014	9,624	41,608	-	-	-
Rent and rate	14,898	2,883	28,338	-	-	-
	1,687,146	884,318	3,363,348	846,628	508,988	1,741,586
37 Income tax expense						
Education tax	-	-	12,985	-	-	958
Company income tax	36,838	46,776	75,182	16,063	42,695	24,469
Police trust fund	-	-	44	-	-	11
Information technology levy	-	-	8,714	-	-	2,189
Under provision in prior years	-	-	-	-	-	-
Deferred tax (write-back)/expense	-	-	(26,685)	-	-	-
	36,838	46,776	70,240	16,063	42,695	27,627

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

	Group 30-Jun-23 N'000	Group 31-Dec-22 N'000	Company 30-Jun-23 N'000	Company 31-Dec-22 N'000
37b Reconciliation of effective tax rate				
Profit for the year after income tax	1,089,957	693,277	672,402	191,315
Total Tax expense;				
Income	36,838	75,182	16,063	24,469
Education	-	12,985	-	958
Police Trust Fund	-	44	-	11
Information technology levy	-	8,714	-	2,189
Deferred	-	(26,685)	-	-
Under provision in previous years	-	-	-	-
	<u>36,838</u>	<u>70,240</u>	<u>16,063</u>	<u>27,627</u>
Profit for the period before income tax	1,126,796	763,517	688,465	218,943
Effective Tax Rate	3%	9%	2%	
38 Non-Controlling interest				
The movement in non-controlling interest during the year is shown below:				
Balance, beginning of year	1,887,381	688,780		
Share of profit/(loss) for the period	119,349	167,200		
Share of other comprehensive income(see note 26.1)	-	(182)		
Dividend Paid	-	(18,418)		
Subsidiary recapitalization		1,050,000		
	<u>2,006,730</u>	<u>1,887,381</u>		
39 Proposed Dividend				
There was no proposed dividend during the year (2021: Nil)				
40 Contingent liabilities				

There were claims and litigations against the company as at 30 June, 2023, amounting to ~~N~~49,543,757.43 (2022: ~~N~~49,543,757.43). No provision is made in respect of this, as our legal team is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2023

41 Contraventions

30 June 2023

NATURE OF CONTRAVENTIONS

NAICOM penalty on single obligor limit
NGX penalty for late filing of 2021 Audited Financial Statement
NAICOM penalty for late renewal of Bancassurance License
Pencom penalty on KYC and single obligor limit

Group N,000	Company N,000
500	500
-	-
-	-
500	-
1,000	500

31 December 2022

NATURE OF CONTRAVENTIONS

NAICOM penalty on single obligor limit
NGX penalty for late filing of 2021 Audited Financial Statement
NAICOM penalty for late renewal of Bancassurance License
Pencom penalty on KYC and single obligor limit

Group N,000	Company N,000
500	500
4,800	4,800
1,000	1,000
16,300	-
22,600	6,300

42 Related Parties Transactions

Transactions between the company, and the subsidiaries also meet the definition of related party transactions where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements. Details of transactions between the group and other related parties are disclosed below:

- a The Company enters into transactions with its subsidiaries, Major shareholders and its key management personnel in the normal course of business of providing insurance cover on Motor, Fire, and General accidents. The transactions with related parties are made at normal market prices and conducted at arm's length.

	Relationship	Premium written N,000	Claims paid N,000
Veritas	Major Shareholder	6,931	-
Veritas Glanvills Pensions Limited	Subsidiary	-	236
Veritas Health Care Ltd	Subsidiary	26	-
Gold links insurance plc		-	-

- b Included in note 8 is the sum of N62.03 recoverable from related entities during the year under review. The breakdown and nature of transactions are included below:

	Relationship	Amount N,000	Nature of transaction
Goldlink Insurance Plc	Associate	62,033	This relates to the amount receivable on various expenses incurred on behalf of the entity in year 2019.

c Compensation of key management personnel

Key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of the company. It comprises executive and non-executive directors and senior management.

The summary of compensation of key management personnel for the year is as follows:

	2023	2022
Salaries (senior management and executive directors)	161,896	161,896
Fees	-	-
Total compensation to key management personnel	161,896	161,896
Directors cost (Non-Executive)	300,847	300,847
Salaries and wages (Executive)	55,579	55,579
Pension cost (Executive)	3,859	3,859
Total Directors cost	360,285	360,285
Remuneration of highest paid Director/Chairman		
Remuneration of highest paid Director	35,000	35,000

43 Information regarding employees

The table below shows the number of staff whose emoluments during the year excluding pension contributions were within the ranges stated:

		2023	2022	2023	2022
		Number	Number	Number	Number
Below	-	500,000	-	-	-
500,001	-	1,500,000	49	49	-
1,500,001	-	2,500,000	70	77	20
2,500,001	-	3,500,000	50	46	20
3,500,001	-	4,500,000	25	19	12
4,500,001	-	5,500,000	19	19	-
5,500,001	-	6,500,000	15	14	10
6,500,001	-	7,500,000	11	14	12
7,500,001	-	8,500,000	-	-	-
8,500,001	-	9,500,000	8	5	2
9,500,001	-	10,500,000	4	2	2
10,500,001	-	and above	11	10	8
		262	257	91	86

44 a Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities at 30/6/2023 were allocated as follows:

	Policy Holders	Shareholders' Funds	Total
	N'000	N'000	N'000
Cash and cash equivalents	3,011,556	730,940	3,742,496
Financial assets	2,954,505	-	2,954,505
Trade receivables	-	222,626	222,626
Reinsurance assets	-	1,533,623	1,533,623
Deferred acquisition cost		419,476	419,476
Other receivables and prepayments		255,938	255,938
investment in subsidiaries		4,026,300	4,026,300
Investment in associates		-	-
Investment properties	30,000	15,000	45,000
Goodwill and other intangible asset		326,390	326,390
Property, Plant and Equipment		3,508,333	3,508,333
Statutory Deposits		355,000	355,000
Deferred tax Asset		21,746	21,746
Total assets	5,996,061	11,415,371	17,411,432
Insurance contract liabilities	5,601,301		5,601,301
Shareholders and other funds	-	11,810,131	11,810,131
Total funds	5,601,301	11,810,131	17,411,432
Surplus / (deficit)	394,760	(394,760)	-

44 b Capital Management**Finance Act 2021 – Part IX – Insurance Act**

The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 18th January, 2022, amended the Finance Act, 2021. The Finance Act 2021 (Part IX – Insurance Act) in Sections 33, 34, and 35 contains provisions which amended Sections 9, 10 and 102 of Insurance Act, 2003, as previously related to paid-up share capital. The Sections of the Act amended the Insurance Act by substituting the words “**paid-up share capital**”, with the words “**Capital requirement**” and wherever they appear in Insurance Act 2003. The words “Capital requirement” was introduced and inserted in Section 102 of the Insurance Act. By the provision of section 35, “Capital Requirement” means -

- (a) in the case of existing company -
- (i) the excess of admissible assets over liabilities, less the amount of own shares held by the
 - (ii) subordinated liabilities subject to approval by the Commission, and
 - (iii) any other financial instrument as prescribed by the Commission.

For this purpose, Admissible Assets are defined as:

Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission;

- (a) in the case of a new company -
- (i) Government Bonds and Treasury Bills,
 - (ii) Cash and Bank balances, and
 - (iii) Cash and cash equivalent.

As an existing company, our capital requirement is as shown below:

	2023 N'000	2022 N'000
Share capital	6,933,333	6,933,333
share premium	663,600	663,600
Retained Earnings	(1,243,833)	(1,781,754)
Contingency reserve	1,569,073	1,434,593
Excess of admissible assets over liabilities	7,922,173	7,249,771
Less amount of own shares held (Treasury shares)	-	-
	<u>7,922,173</u>	<u>7,249,771</u>
Subordinated liabilities approved by NAICOM	-	-
Any other financial instrument approved by NAICOM	-	-
Capital Requirement	<u>7,922,173</u>	<u>7,249,771</u>

45 SEGMENT REPORTING

Identification of reportable segments

The business activities of Veritas Kapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Non-life business
- Pension Administration
- Health Care

Non-Life Business

The non -life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, bond, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Pension Administration

This reportable segment include the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received and receivable on members' contributions and the Net Asset value of Funds under Management respectively.

Health Care

This reportable segment is a National Health Maintenance Organization (HMO) duly licenced and accredited by the National Health Insurance Scheme which provide Health Insurance Services to individuals and organizations in both the private sector and the formal sector under the National Health Insurance Scheme (NHIS).

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Assets:										
Cash and Cash Equivalents	3,742,496	2,337,932	1,535,752	303,687	607,485	554,868		1,212,306	5,885,734	4,408,793
Financial Assets	2,954,505	1,641,740	3,943,004	610,317			(0)	3,100,741	6,897,509	5,352,798
Trade receivable	222,626	738,347	0	168,170	-	45,449		(213,620)	222,626	738,346
Reinsurance Assets	1,533,623	899,984	0	-	0			-	1,533,623	899,984
Deferred Acquisition Cost	419,476	344,588	-	-	-	-		-	419,476	344,588
Other receivables and prepayment	255,938	197,155	435,112	29,206	76,973	2,622	(1)	306,450	768,022	535,433
Investment in subsidiaries	4,026,300	4,026,300					(4,026,300)	(4,026,300)	-	-
Investment in Associate	-	-						-	-	-
Investment Properties	45,000	45,000						-	45,000	45,000
Goodwill	-	-					316,884	316,884	316,884	316,884
Intangible Assets	326,390	48,161	19,906	27,210				(7,257)	346,297	68,114
Property, Plant and Equipment	3,508,333	3,495,489	1,020,128	839,994	50,301	21,702		199,663	4,578,762	4,556,848
Statutory Deposit	355,000	355,000	0					-	355,000	355,000
Deferred Tax Asset	21,746	21,746	30,741	7,224			8,368	31,884	60,854	60,854
Total Assets	17,411,433	14,151,441	6,984,642	1,985,808	734,759	624,641	(3,701,049)	920,752	21,429,786	17,682,641
Liabilities:										
Insurance contract liabilities	5,601,301	3,543,082			34,913	-	-	-	5,636,214	3,543,082
Trade payables	1,053,748	548,733			0	7,897		(7,897)	1,053,748	548,733
Employees retirement benefit obligations	-	-			22,187	17,024	-	5,163	22,187	22,187
Provision and other payables	505,413	488,845	475,146	288,926	32,268	-	(18,896)	89,024	993,931	866,796
Income tax liabilities	42,594	34,806	105,919	10	2,712	34,471	-	39,777	151,225	109,064
Deferred Tax Liabilities	-	-			27,458			27,459	27,458	27,459
Other Liabilities	-	-						-	-	-
Issued and paid up share capital	6,933,333	6,933,333	5,000,000	1,500,000	429,075	429,075	(5,429,075)	(1,929,075)	6,933,333	6,933,333
Share premium	663,600	663,600	0		8,946	8,946	(8,946)	(8,946)	663,600	663,600
Statutory Contingency reserves	1,569,073	1,434,592	233,740	122,785	0		(233,739)	(122,784)	1,569,074	1,434,593
Retained earnings	(1,243,833)	(1,781,754)	837,955	33,860	177,201	127,228	114,914	748,413	(113,763)	(872,254)
Other Component of Equity	-	-						-	-	-
Asset revaluation reserve	2,333,468	2,333,468	326,592	40,227	0		(87,806)	198,559	2,572,254	2,572,254
Fair value reserve	(47,265)	(47,265)					(44,231)	(6,321)	(91,496)	(53,586)
Non Controlling interest(NCI)	-	-			0		2,006,730	1,887,381	2,006,730	1,887,381
	17,411,432	14,151,441	6,979,351	1,985,808	734,760	624,641	(3,701,049)	920,752	21,424,496	17,682,642
Business Segment Information- Consolidated statement of Comprehensive Income										
	Non-life		Pension administrator		Healthcare		Consolidation Adjustments		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Net Underwriting Income	1,441,563	2,912,788	-	-	124,737	300,589			1,569,001	3,213,377
Profit before tax	688,465	218,943	570,066	570,066	29,625	52,680		(1,502)	1,126,796	763,517
Profit after tax	672,402	325,931	546,108	546,108	25,181	34,026			1,089,957	693,277

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments.

(a) 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:

- (i) To maintain the required level of stability of the Company thereby providing a degree of security to policy holders.
- (ii) 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.
- (iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- (iv) To align the profile of assets and liabilities taking account of risks inherent in the business.
- (v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- (vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). 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's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to 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 Group 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 Group has had no significant changes in its policies and processes to its capital structure during the past quarter from previous quarters.

The table below shows the available capital resources as at 31 December:

	2023	2022
Total shareholders' funds	10,208,376	9,535,976
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	7,208,376	6,535,976

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the 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 income less reinsurance premium paid), or the minimum capital base (3 billion) whichever is higher.

47 Solvency Margin

The solvency margin for the company as at 30 June is as follows:

			30-Jun-23	31-Dec-22
	Total Assets	Inadmissible Assets	Admissible Assets	Admissible Assets
	N'000	N'000	N'000	
Cash and cash equivalents	3,742,496	583,924	3,158,572	1,754,009
Financial assets	2,954,505		2,954,505	1,641,740
Trade receivable	222,626		222,626	738,347
Reinsurance assets	1,533,623	-	1,533,623	728,481
Deferred acquisition cost	419,476	-	419,476	-
Other receivables and prepayments	255,938	208,939	47,000	53,638
Investment in subsidiaries	4,026,300	-	4,026,300	4,026,300
Investment in Associates	-		-	-
Investment properties	45,000	15,000	30,000	30,000
Goodwill	-		-	-
Intangible assets - Software	326,390		326,390	48,161
Property, plant and equipment-(L&B)	3,375,025	2,375,025	1,000,000	1,015,000
Property, plant and equipment (Others)	133,307		133,307	105,860
Statutory deposits	355,000		355,000	355,000
				-
Total Admissible Assets	17,389,686	3,182,889	14,206,798	10,496,535
Insurance contract liabilities	5,601,301		5,601,301	3,261,317
Trade payables	1,053,748		1,053,748	548,733
Employees retirement benefit obligations	-		-	-
Provision and other payables	505,413		505,413	488,845
Income tax liabilities	42,594		42,594	34,807
Deferred Tax Liabilities	-		-	-
Total Admissible liabilities	7,203,056		7,203,056	4,333,702
Solvency Margin			7,003,742	6,162,832
The higher of 15% Of Net premium or	186,890.70			
Minimum capital base	3,000,000		3,000,000	3,000,000
Excess			4,003,742	3,162,832
Solvency ratio			233%	205%

48 Financial instruments - Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2023	Carrying amount					Fairvalue			
	Designated at fair value	Armotised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
In thousands of naira									
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	114,666	-	114,666	82,666	-	32,000	114,666
Fair Value through Profit or Loss	91,782	-	-	-	91,782	91,782	-	-	91,782
	91,782	-	114,666	-	206,448	174,448	-	32,000	206,448
Financial assets not measured at fair value									
Cash and cash equivalents	-	391,141	-	-	391,141		391,141		391,141
Trade Receivable*	-	222,626	-	-	222,626		222,626		222,626
Reinsurance assets*^	-	795,907	-	-	795,907		795,907		795,907
Placements	-	5,494,593	-	-	5,494,593		5,494,593		5,494,593
Statutory deposit	-	355,000	-	-	355,000		355,000		355,000
	-	7,259,267	-	-	7,259,267	-	7,259,267	-	7,259,267
Financial liabilities not measured at fair value									
Other payables*	-	-	-	993,932	993,932		993,932		993,932
Trade payables*	-	-	-	1,053,749	1,053,749		1,053,749		1,053,749
	-	-	-	2,047,681	2,047,681	-	2,047,681	-	2,047,681

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (N593.3 million)

^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

30 June 2023	Carrying amount					Fairvalue				
		Designated at		Fair value	Other					
In thousands of naira	Note	fair value	armotised cost	through OCI	Financial	Total	Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets measured at fair value										
Financial assets		68,090	-	92,575	-	160,665	160,665			160,665
		68,090	-	92,575	0	160,665				
Financial assets not measured at fair value										
Cash and cash equivalents		-	278,408	-	-	278,408				
Reinsurance assets*^		-	789,874	-	-	789,874				
Placements		-	2,064,983	-	-	2,064,983				
Statutory deposit		-	355,000	-	-	355,000				
		-	3,488,265	-	-	3,488,265				
Financial liabilities not measured at fair value										
Other payables*		-	-	-	866,796	866,796				
Trade payables*		-	-	-	548,733	548,733				
		-	-	-	1,415,528	1,415,528				

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (#593.3 million)

^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments

Credit risk
Liquidity risk
Market risk

(b)(i) Risk management framework

The company has an Enterprise -wide Risk Management (ERM) Framework that is responsible for identifying and managing the inherent and residual risks facing the Company. The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(b)(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

In addition to credit risks arising out of investments and transactions with clients, Veritas Kapital Assurance actively assumes Credit Risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

Veritas Kapital Assurance's strategy as Insurance Company does not entail the elimination of Credit Risk but rather to take on Credit Risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring Credit Risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate Credit Risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, Veritas Kapital Assurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The organization is committed to:

- a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations.
- b) Identify Credit Risk in each investment, loan or other activity of the Insurance Company.
- c) Utilize appropriate, accurate and timely tools to measure credit risk.
- d) Set acceptable risk parameters.
- e) Maintain acceptable levels of credit risk for existing individual credit exposures.
- f) Maintain acceptable levels of overall credit risk for Veritas Kapital Assurance's Portfolio; and
- g) Coordinate Credit Risk Management with the

Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

The Company's credit risk can be analysed as follows:

	2023	2022
	N'000	N'000
Reinsurance receivables (see note (a) below)	1,533,623	899,984
Cash and cash equivalents (see note (b) below)	5,885,734	4,408,793
Debt Instruments (see note (c) below)	6,691,062	5,169,710
Statutory deposit	355,000	355,000
	14,465,419	10,833,487

a Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of set-off. None of its receivables from reinsurance companies was impaired as at 30 June 2023 (2022: NIL)

b Cash and cash equivalents

The Company's cash and cash equivalents are held with reputable banks and financial institutions.

c Armotized cost

The Company's Debt instruments are investment in bonds with Government and reputable financial institutions. None of its investment was impaired as at 30 June 2023 (2022: Nil)

The Company did not have any debt securities that were past due but not impaired as at 31 December 2022 (2021:

Veritas Kapital Assurance Plc is exposed to risk relating to its investment securities (Fixed deposits and receivables). Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverable and other receivables.

Collateral held and other credit enhancements, and their financial effect

The Company does not hold collateral or any other enhancements against any of its receivables as at 30 June 2023.

Trade receivables

The Company has placed more responsiveness on effective management of credit risk exposure that relates to trade receivables. In general, the regulator has laid great emphasis on "No Premium, No Cover" and this has positively changed the phase of credit management within the industry. The Company defines credit risk as the risk of counterparty's failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

The Company has placed stringent measures to guard against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company's credit risk exposure to brokered business is very low as the Company requires brokers to provide payment within 30 days after which impairment trigger is identified and the receivable is assessed for impairment.

Sources of credit risk:

- Direct default risk: risk that the Company will not receive the cash flows or assets to which it is entitled because a party with which the Company has a bilateral contract defaults on one or more obligations.
- Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.
- Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions.

Management of credit risk due to trade receivables

The Company constantly reviews brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.

The Company credit risk is constantly reviewed and approved during the Management Committee meetings. It also ensured that adequate provisions are taken in line with IFRS 9. Other credit risk management includes:

- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Company in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- Developing and monitoring credit limits. The Company is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.
- Assessment of credit risk. All first-hand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during MC meetings.
- Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

Impairment model

Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables. However, with the inception of IFRS 9 which becomes effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation will be in force.

The Company uses the aging of receivables as the major parameter in calculating impairment. However, based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes. The Company uses the aging of receivables as the major parameter in calculating impairment.

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as financial assets). This contrast to the IAS 39 impairment model which was not applicable to loan commitments and financial guarantee contracts, as there were instead covered by International Accounting standards 37: "Provisions, contingent liabilities and contingent assets (IAS 37).

The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, The Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment

Staged Approach to the Determination of Expected Credit Losses

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Stage 1: The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired

The Company does not originate or purchase credit impaired loans or receivables

Impairment Methodology

Calculation of Expected Credit Losses

Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and ED according to the formula set below:

ECL	=	PD	X	EAD	X	LGD
12 -month / lifetime Expected Credit Loss (ECL)		Probability of default		Exposure at default		Loss Given Default (after consideration of collaterals and recoveries)

The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.

Loss Given Default – Collateral values will vary based on the stage of an economic cycle.

Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.

The Company management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the range of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

- Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
- Instruments issued by other entities backed by express guarantee of the FGN;
- Inter-bank transactions guaranteed by the FGN or CBN; and
- Inter-bank transactions among supervised institutions collateralized by FGN Bonds, Treasury Bills or other similar sovereign bills.

Treatment of loans and other receivables

All loans issued fall within the scope of debt instruments as financial assets. This covers e.g. Inter-company loans, staff loans and mortgages etc.

Estimation of impairment on the loans based on expected loss is done in the three-stage approach with specific consideration for change in credit risk and forward-looking assumptions.

Intercompany loans are considered low credit risk if it meets the required conditions. Estimation and provision for impairment is based on simplified one stage approach. Loans are put in one bucket e.g. stage 1 and assess the 12 month ECL as long as there are no assets for assessed to have had significant increase in credit risk or the initial criteria for categorizing the asset as low risk has changed.

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least 12 months.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Impairment losses on financial investments subject to impairment assessment

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal/Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are also provided.

Internal rating grade	Moody's rating	2023			2022		
		12mECL N'000	LTECL N'000	Total N'000	12mECL N'000	LTECL N'000	Total N'000
Performing							
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	5,891,431	-	5,891,431	4,414,490	-	4,414,490
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D						
Total Gross Amount		5,891,431	-	5,891,431	4,414,490	-	4,414,490
ECL		(5,697)		(5,697)	(5,696)		(5,696)
Total Net Amount		5,885,734	-	5,885,734	4,408,793	-	4,408,793
- amortised cost							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	6,691,062	-	6,691,062	5,224,197	-	5,224,197
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D						
Total Gross Amount		6,691,062	-	6,691,062	5,224,197	-	5,224,197
ECL		-		-	(34,506)		(34,506)
Total Net Amount		6,691,062	-	6,691,062	5,189,691	-	5,189,691

As at 30 June 2023, the Group had no asset reposited as security against asset. The group policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The company does not generally use the non cash collateral for its own operations.

As at 30 June 2023, the Company has not pledged any of its assets as collateral for any liability or payable balance (2021: nil)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the remaining life time probability of default (PD) as at reporting date with the remaining Life time PD for this point in time that was estimated on initial recognition of the exposure.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain p to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the group also reviews changes in Bond yields together with available press and regulatory information about issuers.

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgement. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be B- or higher based on the Moody rating which is equivalent to an internal risk grade of standard grade or higher.

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12- month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Definition of default

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due.

In assessing whether a borrower is in default, the Company considers indicators that are:

- qualitative: e.g. breaches of covenant and the other indicators of financial distress;
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of Forward looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Company's Investment and risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing three additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes."

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD)

To determine the Lifetime and 12-month PDs, the Company uses the PD tables supplied by Moody's based on the default history of sovereign and corporate obligors with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. Changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Company deprives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period). The modelling of parameter is carried out on an individual basis or collective basis where the assets share same risk characteristics like instrument type, credit risk rating and grading, collateral type, date of initial recognition or remaining term to maturity or industry. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Company uses to derive the default rates of its portfolios. This includes the PDs provided in the Moody's or Standards and Poor default study and the LGDs provided in the recovery studies reports provided by the same rating agencies.

An overview of the approach to estimating ECLs is set out in Note 2.1 Summary of significant accounting policies and in Note 2.3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moody's, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements.

Group

30 June 2023		Contractual cash flows						
	Note	Carrying amount	Gross nominal inflow/ (outflow)	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets								
Cash and cash equivalents	3	5,885,734	5,885,734	5,885,734				
Fair value through profit or loss	4a	91,782	91,782		91,782			
Armortised Cost	4b	6,691,061	8,590,842	4,295,421	36,177.10	64,580	259,302	3,935,362
Fair Value through OCI	4c	114,666	114,666		114,666			
Trade receivables	5	222,626	222,626	222,626				
Other receivables	8	690,437	690,437		690,437			
		13,696,305	15,596,086	10,403,780	933,062	64,580	259,302	3,935,362
Non-derivative financial liabilities								
Trade payables	17	1,053,749	1,053,749	1,030,092	23,657	-	-	-
Other payables	19	993,932	993,932	0	993,932	-	-	-
		2,047,681	2,047,681	1,030,092	1,017,589	0	0	0
Liquidity gap		11,648,624	13,548,405	9,373,688	(84,527)	64,580	259,302	3,935,362

Company

30 June 2023		Contractual cash flows						
	Note	Carrying amount	Gross nominal inflow/ (outflow)	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets								
Cash and cash equivalents	3	2,337,933	2,337,933	2,337,933				
Fair value through profit or loss	4a	91,782	91,782		91,782			
Armortised Cost	4b	2,748,057	3,427,603	49,545.90	232,256	125,496	485,977	2,534,328
Fair Value through OCI	4c	114,666	114,666		114,666			
Trade receivables	5	222,626	222,626	222,626				
Other receivables	8	264,287	264,287		264,287			
		5,779,350	6,458,897	2,610,105	702,991	125,496	485,977	2,534,328
Non-derivative financial liabilities								
Trade payables	17	1,053,749	1,053,749	1,030,092	23,657	-	-	-
Other payables	19	993,932	993,932	376,929	617,003	-	-	-
		2,047,681	2,047,681	1,407,021	640,660	0	0	0
Liquidity gap		3,731,669	4,411,216	1,203,084	62,330	125,496	485,977	2,534,328

Group
31 December 2022

		Contractual cash flows						
	Note	Carrying amount	Gross nominal inflow/ (outflow)	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets								
Cash and cash equivalents	3	4,404,619	4,404,619	4,404,619				
Fair value through profit or loss	4a	68,090	68,090		68,090			
Armotised Cost	4b	5,192,133	8,590,842	4,295,421	36,177	64,580	259,302	3,935,362
Fair Value through OCI	4c	92,575	92,575		92,575			
Trade receivables	5	738,347	738,347	738,347				
Other receivables	8	558,701	558,701		558,701.0015			
		11,054,466	14,453,175	9,438,387	755,543	64,580	259,302	3,935,362
Non-derivative financial liabilities								
Trade payables	17	548,733	548,733	525,076	23,657	0	0	-
Other payables	19	887,694	887,694	0	887,694	0	0	-
		1,436,427	1,436,427	525,076	911,351	0	0	0
Liquidity gap		9,618,039	13,016,748	8,913,311	(155,808)	64,580	259,302	3,935,362

Company
31 December 2022

		Contractual cash flows						
	Note	Carrying amount	Gross nominal inflow/ (outflow)	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets								
Cash and cash equivalents	3	2,333,759	2,333,759	2,333,759				
Fair value through profit or loss	4a	68,090	68,090		68,090			
Armotised Cost	4b	1,481,074	3,427,603	49,546	232,256	125,496	485,977	2,534,328
Fair Value through OCI	4c	92,575	92,575		92,575			
Trade receivables	5	738,347	738,347	738,347				
Other receivables	8	264,287	264,287		264,286.6849			
		4,978,132	6,924,661	3,121,652	657,208	125,496	485,977	2,534,328
Non-derivative financial liabilities								
Trade payables	17	548,733	548,733	525,076	23,657	0	0	0
Other payables	19	887,694	887,694	376,929	510,765	0	0	-
		1,436,427	1,436,427	902,005	534,422	0	0	-
Liquidity gap		3,541,705	5,488,234	2,219,647	122,786	125,496	485,977	2,534,328

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

Group	2023			2,022		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets:	-	5,885,734	5,885,734	-	4,404,619	4,404,619
Reinsurance assets	1,533,623	-	1,533,623	728,481	-	728,481
Trade debtors	222,626	-	222,626	738,347	-	738,347
Deferred acquisition cost	1,533,623	-	1,533,623	728,481	-	728,481
Other receivables and prepayments	768,023	-	768,023	555,605	-	555,605
Statutory deposit	-	355,000	355,000	-	355,000	355,000
	4,057,895	6,240,734	10,298,629	2,750,914	4,759,619	7,510,533
Insurance contract liabilities	5,636,214	-	5,636,214	3,277,228	-	3,277,228
Trade payables	1,053,749	-	1,053,749	548,733	-	548,733
Other payables and accruals	993,932	-	993,932	887,694	-	887,694
Current tax payable	151,225	-	151,225	147,066	-	147,066
Deferred Tax	-	27,459	27,459	-	27,459	27,459
Retirement benefit obligation	-	22,187	22,187	-	22,187	22,187
Total liabilities	7,835,120	49,646	7,884,766	4,860,720	49,646	4,910,366

Company	2023			2,022		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets:	-	3,742,496	3,742,496	-	2,333,759	2,333,759
Reinsurance assets	1,533,623	-	1,533,623	728,481	-	728,481
Trade debtors	222,626	-	222,626	738,347	-	738,347
Deferred acquisition cost	419,476	-	419,476	344,588	-	344,588
Other receivables and prepayments	255,938	-	255,938	217,326	-	217,326
Statutory deposit	0	355,000	355,000	-	355,000	355,000
	2,431,663	4,097,496	6,529,159	2,028,742	2,688,759	4,717,501
Insurance contract liabilities	5,601,301	-	5,601,301	3,261,317	-	3,261,317
Trade payables	1,053,748	-	1,053,748	548,733	-	548,733
Other payables and accruals	505,413	-	505,413	488,845	-	488,845
Current tax payable	42,594	-	42,594	72,810	-	72,810
Deferred Tax	-	-	-	-	-	-
Retirement benefit obligation	-	-	-	-	-	-
Total liabilities	7,203,056	0	7,203,056	4,371,705	-	4,371,705

(c)(iv) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira.

However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, british pounds and united states dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

In Thousands of	30 June 2023			31 December 2022		
	Carrying	USD	NGN	Carrying value	USD	NGN
Cash and cash equivalent	3,742,496	1,571,815	2,170,681	2,337,933	1,571,815	766,118
Financial assets	2,954,505	857,279	2,097,226	1,641,740	857,279	784,461
Net statements of financial position exposure	6,697,001	2,429,094	4,267,907	3,979,673	2,429,094	1,550,578

The following significant exchange rates have been applied.

Naira	Period- end spot rate	
	2023	2022
USD 1	759.28	448.55

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts show below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effects in thousand of naira	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2023				
USD (10% movement)	242,909	(242,909)	242,909	(242,909)
31 December 2022				
USD (10% movement)	242,909	(242,909)	242,909	(242,909)

(c)(v) Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate. This eliminates the variability in the risks and returns on the Company's interest bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

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 reinsurance, 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.

The Company principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine 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 and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedure 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

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.

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.

We have adopted actuarial methods and assumptions that are consistent with those used in prior years. The level of reserve was determined after data cleansing by using our internationally accepted actuarial models

The calculation of the reserves was conducted on both deterministic (assuming average historic experience would be reflected in the future experience without attaching probability or level of uncertainty of variations around such experience) and stochastic (allowing for likely future variation around the average expected experience) and stochastic approach uses Bootstrap-Mark method

Chain Ladder Method (CL)

We have used the Chain Ladder method which is the most widely used method in loss reserving, and it is the starting point of the other reserving methods described in this report. The Chain Ladder also called Loss development triangle method uses statistical projection technique that relies on the setting of past known claim payments by year of origin (accident year) and year of payment (development year). Using historical claims paid for each class, we grouped the claims into 10 years cohorts, considering the age-age-claim amounts paid. These cohorts are called loss development triangles. Each left - right diagonal represents the total loss amounts paid in that year for losses reported in each accident year. The age-to-age claim amounts are then accumulated from the origin year to the valuation date. The cumulated incremental paid claims (2008-2017) to the valuation date are then projected to their expected ultimate claim estimate, using factors called link ratios or development factors. The gross claim reserves are then derived from the difference between the cumulated actual paid claims and the estimated ultimate claim. Variants of the chain ladder method were exploited to reflect adequately the key characteristics of the risks being reserved for by the company.

The IACL is a variant of the chain ladder method and it could be used with allowance for time value of money (discounting or no discounting). Under this method, the historical age -to- age paid claims are increased in line with relevant inflation index from their accident year of or payment to the valuation year before being cumulated. The cumulated payments in money terms of the valuation year are projected into the future. The decumulated payments are then projected forward to their expected year of payment and ultimate claim estimate, allowing for future inflation. Published year - to - year inflation factors used in our projection is as stated in the assumptions section of this report. We have calculated for two types of this

Expected Loss Ratio Method

We estimated the ultimate loss ratio from historical data for each class of business and multiplied this by the earned premium for that class in each accident year to obtain the ultimate claim for each accident year. In arriving at the historical loss ratio, we considered the underwriter's views. We then deducted the actual paid claim amount to date to give the required outstanding claim reserve. This approach is considered appropriate for as it is not affected by distortions in data and although it is simplistic but gives an approximate estimate. We applied this method for classes where there is no sufficient mass of data to generate credible results using other more sophisticated methods.

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. The estimated technical reserves are derived statically through analysing the company's non-life policy data for policies underwritten and emerging claims over each of the past 6 (six) underwriting years.

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.

In Thousands of naira	30-Jun-23	31-Dec-22
Fixed-rate instruments		
Cash deposit	391,141	430,018
Money market placement	5,500,290	3,984,471
Armotized	6,691,061	5,192,133
	12,582,492	9,606,623

Cashflow sensitivity analysis for fixed-rate instruments

	Profit or 100bp increase	loss 100bp decrease	Equity, 100bp increase	net of tax 100bp decrease
Effect in thousands of naira				
30 June 2023				
Financial instruments	1,258,249	(1,258,249)	890,507	(890,507)
	1,258,249	(1,258,249)	890,507	(890,507)
31 December 2022				
Financial instruments	960,662	(960,662)	890,507	(890,507)
	960,662	(960,662)	890,507	(890,507)

The analysis assumes that all other variables, in particular, foreign currency exchange rates remain constant.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk

The Company is exposed to equity price risk, which arises from available-for-sale equity securities held for partially meeting the claims and benefits obligations.

The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by

The primary goal of the Company's investment strategy is to maximise investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk

The Company's has equity investments some of which are listed on the Nigeria Stock Exchange and are classified as fair value through profit or loss. A 2% increase in the share price of those equities at the reporting date would have increased equity by N1 .36 million after tax (2022: N1.36 million). An equal change in the opposite direction would have reduced equity by N1.36 million after tax (2022: N1.36 million).

49 Free Float Computation

In compliance with the provisions of Rule 2.2: Self-Assessment and Self-Regulation, Rules Governing Free Float Requirements, Veritas Kapital Assurance Plc's shareholding pattern / structure as at 30 June 2023 listed is presented below together with an indication of whether or not the Company's free float is in compliance with the Exchange's free float requirements for the Board on which the company is listed.

Hypothetical Case on Free Float Computation				
Shareholding Structure/Free Float Status	30-Jun-23		30-Jun-22	
Description	Unit	Percentage	Unit	Percentage
Issued Share Capital	13,866,666,666	100%	13,866,666,666	100%
Substantial Shareholdings (5% and above)				
Veritas Capital Limited	7,321,989,662	52.80%	7,321,989,662	52.80%
Dr.Emmanuel I.U Ojei	1,287,628,018	9.29%	1,287,628,018	9.29%
Total Substantial Shareholdings	8,609,617,680	62.09%	8,609,617,680	62.09%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Aminu Babangida (Indirect)	-	-	-	-
Dr. Oluwafunsho A. Obasanjo (Indirect)	-	-	-	-
Mrs. Priya Heal (Indirect)	-	-	-	-
Hajia Yabawa Lawan Wabi mni (Indirect)	-	-	-	-
Mr. Nahim Abe Ibraheem (Indirect)	-	-	-	-
Sen. Maj. Gen. M. Magaro OFR(Direct)	105,952,347	0.76%	105,952,347	0.76%
Total Directors' Shareholdings	105,952,347	0.76%	105,952,347	0.76%
Other Influential Shareholdings				
Kano State Inv & Properties Ltd	461,748,764	3.33%	461,748,764	3.33%
First Nominee/Asset Mgt Corp of Nig	387,116,802	2.79%	387,116,802	2.79%
Wushishi Mohammed Inuwa (LT. Gen. Rtd)	139,253,036	1.00%	139,253,036	1.00%
Total Other Influential Shareholdings	988,118,602	7.13%	988,118,602	7.13%
Free Float in Units and Percentage	4,162,978,037	30.02%	4,162,978,037	30.02%

Declaration:

(A) Veritas Kapital Assurance Plc with a free float percentage of 30.02% as at 30 June 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

UNDERWRITING REVENUE ACCOUNT
for the period ended 30 June 2023

										June	December
	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERING	BOND	AGRIC	2023	2022
INCOME	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct premium	601,609	217,468	31,554	498,045	1,068,020	228,019	148,244	9,434	7,992	2,810,384	4,307,458
Inward premium	41,801	11,255	4,937	22,362	7,353	-	5,886	-	16,643	110,236	62,115
Gross premium written	643,410	228,723	36,490	520,407	1,075,373	228,019	154,130	9,434	24,635	2,920,621	4,369,573
(Increase)/Decrease in provision for unexpired risks	(88,269)	(55,229)	11,723	(146,022)	(410,451)	(77,321)	10,591	(7,501)	5,952	(756,528)	575,040
Gross premium earned	555,141	173,494	48,213	374,384	664,922	150,698	164,721	1,933	30,587	2,164,093	4,944,613
Outward premium	(311,224)	(97,001)	(14,728)	(133,089)	-	(46,718)	(140,792)	(2,146)	(27,454)	(773,152)	(1,880,665)
Prepaid reinsurance	126,584	27,839	(4,356)	50,580	379,113	-	15,689	847	33,553	629,849	(364,844)
Net Premium earned	370,500	104,332	29,129	291,875	1,044,035	103,980	39,618	635	36,685	2,020,790	2,699,104
Commission Received	79,275	39,613	3,880	17,809	-	427	46,211	-	8,409	195,625	213,684
TOTAL OPERATING INCOME	449,776	143,946	33,009	309,684	1,044,035	104,407	85,830	635	45,095	2,216,415	2,912,788
Claims Expenses											
Gross claims paid	(169,650)	(21,979)	-	(79,831)	(12,411)	(59,267)	(42,872)	-	(101,926)	(487,937)	(1,322,925)
Increase/(Decrease) in provision for outstanding claims	13,881	(17,644)	1,942	(123,564)	(196,220)	10,832	30,633	-	(224,761)	(504,901)	563,589
Gross claims incurred	(155,769)	(39,623)	1,942	(203,394)	(208,631)	(48,435)	(12,240)	-	(326,687)	(992,837)	(759,335)
Reinsurance claims recoveries	17,241	1,610	-	5,011	-	-	15,197	-	45,799	84,859	43,004
Net claims incurred	(138,528)	(38,013)	1,942	(198,383)	(208,631)	(48,435)	2,958	-	(280,888)	(907,979)	(716,332)
Underwriting Expenses											
Acquisition cost	(132,120)	(45,599)	(7,761)	(82,125)	(196,404)	(45,286)	(30,677)	(1,851)	(147,724)	(689,547)	(925,952)
Movement in deferred Acquisition cost	(10,347)	11,230	(3,315)	13,222	65,456	14,607	(15,789)	1,466	(1,643)	74,888	57,953
Acquisition & maintenance costs less deferred cost	(142,466)	(34,369)	(11,076)	(68,903)	(130,948)	(30,679)	(46,466)	(385)	(149,367)	(614,659)	(867,999)
TOTAL DIRECT EXPENSES	(280,994)	(72,383)	(9,133)	(267,286)	(339,579)	(79,114)	(43,508)	(385)	(430,255)	(1,522,637)	(1,584,331)
UNDERWRITING PROFIT:											
2023	168,781	71,563	23,876	42,398	704,456	25,293	42,322	249	(385,160)	693,778	1,328,457
2022	269,347	91,747	20,798	336,177	514,561	43,159	111,454	14,593	(73,378)	1,328,457	

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements

Value Added Statement

	Group		Group		Company		Company	
	31-Mar-23	%	31-Dec-22	%	31-Mar-23	%	31-Dec-22	%
Gross premium income	2,291,530		5,245,202		2,164,093		4,944,613	
Investment Income	1,221,069		2,238,006		208,916		406,377	
Other income	1,814,107		657,793		1,602,181		438,219	
Reinsurance claims, commission and operating expenses	(3,319,383)		(5,665,366)		(2,927,273)		(4,805,088)	
Value added	2,007,323	100	2,475,635	100	1,047,917	100	984,122	100
Applied to pay								
Staff cost	767,481	38	1,465,159	59	314,654	30	658,841	67
Government as tax	36,838	2	70,240	3	16,063	2	27,627	3
To provider finance								
Shareholders as dividend								
Retained in the business								
Deferred Tax	-	-	2,129	0	-	-		0
Depreciation and amortisation	113,046	6	244,832	10	44,797	4	106,339	11
Retained profit for the year	1,089,957	54	693,277	28	672,402	64	191,315	19
	2,007,323	100	2,475,637	100	1,047,916	100	984,123	100

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	Group 2023 N'000	Group 2022 N'000	Group 2021 N'000	Group 2020 N'000	Group 2019 N'000
ASSETS					
Cash and cash equivalents	5,885,734	4,408,793	5,891,133	4,242,485	4,372,408
Financial assets	6,897,509	5,352,799	3,158,089	3,620,755	1,906,676
Trade receivables	222,626	738,347	119,564	83,679	0
Reinsurance assets	1,533,623	728,481	1,115,859	1,025,756	389,960
Deferred acquisition cost	419,476	344,588	286,636	119,379	107,340
Other receivables and prepayments	768,023	535,433	422,448	320,803	425,574
Investment in subsidiaries	0	0	0	-	0
Investment in associates	0	0	0	-	0
Investment properties	45,000	45,000	45,000	289,439	412,111
Goodwill	316,884	316,884	316,884	316,884	316,884
Intangible assets- Software	346,296	68,114	102,297	49,900	72,567
Property, plant and equipment	4,578,762	4,556,848	4,729,375	3,790,533	3,736,923
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	60,854	60,854	22,293	7,316	8,486
Total assets	21,429,787	17,511,141	16,564,578	14,221,929	12,103,930
LIABILITIES					
Insurance contract liabilities	5,636,214	3,277,229	4,152,250	2,856,017	2,012,465
Trade payables	1,053,749	548,733	488,190	686,297	229,840
Employees retirement benefit obligations	22,187	22,187	17,024	14,724	11,246
Provision and other payables	993,932	866,796	996,710	741,696	651,833
Income tax liabilities	151,225	109,064	86,652	94,458	80,306
Deferred tax liabilities	21,459	21,459	20,141	324,164	554,918
	-	-	-	-	-
Total liabilities	7,884,766	4,851,468	5,761,567	4,717,956	3,540,669
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	1,569,074	1,434,593	1,303,505	1,121,845	939,949
Retained earnings	(146,387)	(777,903)	(1,236,052)	(1,559,692)	(2,262,822)
Asset revaluation reserve	2,572,254	2,572,254	2,509,957	1,809,597	1,809,964
Fair value reserve	(53,586)	(53,586)	(60,112)	40,924	40,213
Non Controlling interest(NCI)	2,006,732	1887382	688,780	494,365	439,024
Shareholders fund	13,545,021	12,659,674	10,803,012	9,503,972	8,563,261
TOTAL LIABILITIES AND EQUITY	21,429,787	17,511,142	16,564,579	14,221,928	12,103,929
Gross premium written	3,048,058	4670162	6,318,949	6,265,636	3,076,332
Underwriting Profit(Loss)	(25,609)	1451672	1,282,447	1,292,064	1,105,697
Profit(loss) before taxation .	1,126,796	763,517	344,414	844,022	214,375
Taxation	(36,838)	(70,240)	225,949	96,623	(49,116)

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	Company 2023 N'000	Company 2022 N'000	Company 2021 N'000	Company 2020 N'000	Company 2019 N'000
ASSETS					
Cash and cash equivalents	3,742,496	2,337,933	3,834,178	3,375,996	3,659,345
Financial assets	2,954,505	1,641,740	1,479,839	3,003,027	1,303,071
Trade receivables	222,626	738,347	119,564	83,679	-
Reinsurance assets	1,533,623	728,481	1,115,859	1,025,756	389,960
Deferred acquisition cost	419,476	344,588	286,636	119,379	107,340
Other receivables and prepayments	255,938	197,155	220,975	213,113	409,596
Investment in subsidiaries	4,026,300	4,026,300	3,624,860	1,576,300	1,576,300
Investment in associates	-	0	-	-	-
Investment properties	45,000	45,000	45,000	289,439	412,111
Intangible asset	326,390	48,161	69,901	25,299	40,253
Property, plant and equipment	3,508,333	3,495,489	3,377,451	2,990,799	2,893,407
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	21,746	21,746	21,745	-	-
Total assets	17,411,432	13,979,939	14,551,008	13,057,786	11,146,383
LIABILITIES					
Insurance contract liabilities	5,601,301	3,261,317	4,146,106	2,849,493	2,007,596
Trade payables	1,053,748	548,733	488,190	686,295	229,840
Employees retirement benefit obligations	0	0	-	-	-
Provision and other payables	505,413	488,845	572,864	488,717	377,934
Income tax liabilities	42,594	34,807	23,542	30,969	40,923
Deferred tax liabilities	0	0	0	310,094	542,136
Total liabilities	7,203,056	4,333,702	5,230,702	4,365,569	3,198,429
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	1,569,073	1,434,593	1,303,505	1,121,845	939,949
Retained earnings	(1,243,833)	(1,671,493)	(1,731,721)	(1,881,304)	(2,440,338)
Asset revaluation reserve	2,333,468	2,333,468	2,208,012	1,809,597	1,809,964
Fair value reserve	(47,265)	-47263.56925	(56,423)	45,146	41,446
Shareholders fund	10,208,377	9,646,238	9,320,306	8,692,217	7,947,954
TOTAL LIABILITIES AND EQUITY	17,411,432	13,979,939	14,551,008	13,057,786	11,146,383
Gross premium written	2,920,621	4369573	6,055,352	6,063,203	2,953,792
Underwriting Profit(Loss)	(80,379)	1328455	1,171,758	1,203,657	1,076,778
Profit(loss) before taxation .	688,465	218,942	36,314	596,429	253,949
Taxation	(16,063)	(27,627)	294,928	144,501	(130,527)
Profit(loss) after taxation	672,402	191,315	331,242	740,930	123,422