



**VERITAS KAPITAL ASSURANCE PLC**

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED**

**31ST MARCH 2020**

## Report and Financial Statements for Period ended 31 March 2020

<b>Table of contents</b>	<b>Page</b>
Statement of financial position	1
Statement of profit or loss and other Comprehensive income	2
Statement of changes in equity	3
Statement of Cashflow	4
Notes to the financial statements	5 - 20

Statement of Financial Position  
As at March 31, 2020



		31-03-2020	31-12-2019
		Company	Company
	Note	N'000	N'000
<b>ASSETS</b>			
Cash and cash equivalents	3	2,618,310	3,659,345
Financial assets	4	2,338,496	1,303,071
Trade receivable	5	173,542	
Reinsurance assets	6	443,382	389,960
Deferred acquisition cost	7	193,068	107,340
Other receivables and prepayments	8	425,408	409,596
Investment in subsidiaries	9	1,576,300	1,576,300
Investment properties	11	406,439	412,111
Goodwill	12	-	-
<i>Intangible assets - Software</i>	13	36,447	40,253
Property, plant and equipment	14	2,894,318	2,893,407
Statutory deposits	15	355,000	355,000
Deferred tax asset	21.1	-	-
<b>Total Assets</b>		<b>11,460,710</b>	<b>11,146,383</b>
<b>Liabilities:</b>			
Insurance contract liabilities	16	2,280,780	2,007,596
Trade payables	17	193,172	229,840
Employees retirement benefit obligations	18	-	-
Provision and other payables	19	402,443	377,934
Income tax liabilities	20	56,913	40,923
Deferred Tax Liabilities	21.2	542,136	542,136
<b>Total Liabilities</b>		<b>3,475,445</b>	<b>3,198,429</b>
<b>EQUITY &amp; LIABILITIES</b>			
<i>Share capital &amp; reserves:</i>			
Issued and paid up share capital	22	6,933,333	6,933,333
Share premium	23	663,600	663,600
Statutory Contingency reserves	24	972,766	939,949
Retained earnings	25	(2,435,844)	(2,440,338)
Other Component of Equity			
Asset revaluation reserve	26a	1,809,964	1,809,964
Fair value reserve	26b	41,446	41,446
Non Controlling interest(NCI)	38	-	-
<b>Total Equity</b>		<b>7,985,266</b>	<b>7,947,954</b>
<b>Total Equity &amp; Liabilities</b>		<b>11,460,710</b>	<b>11,146,383</b>

These financial statements were approved by the Board on 23 April 2019 and signed on its behalf by:

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

Kenneth Egbaran  
Managing Director/CEO  
FRC/2015/CIIN/00000011953

**Statement of Profit or Loss and Other**  
**Comprehensive income for the period ended March 31, 2020**

	Note	2020 Company N'000	2019 Company N'000
<b>Gross Premium written</b>		1,093,916	720,527
Gross Premium Income	28	681,454	688,968
Reinsurance Expenses	29	(219,995)	(71,900)
<b>Net premium income</b>		461,459	617,068
Fees and commission income	30	61,500	54,109
<b>Net underwriting income</b>		522,960	671,176
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	31	(71,421)	(17,706)
Underwriting expenses	32	(116,284)	(142,638)
<b>Underwriting result</b>		335,255	510,833
Investment income	34	111,730	102,052
Fair value changes in financial assets-FVTPL	4a&b	(9,267)	-
Fair value changes in investment property	11	-	-
Other operating income	35	4,188	6,864
Impairment of financial assets	36.2	-	-
Management expenses	36.1	(388,605)	(367,246)
<b>(Profit)\loss before tax</b>		53,301	252,503
Income tax expense	34	(15,990)	(125,421)
<b>Profit\Loss) for the year from continuing operations</b>		37,311	127,081

Statement of Changes in Equity  
for the period ended March 31, 2020  
Company-2020

	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 2020	6,933,333	663,600	1,809,964	41,446	939,949	(2,440,338)	7,947,954
Impact of transition to IFRS 9						-	
Adjusted opening earnings	<b>6,933,333</b>	<b>663,600</b>	<b>1,809,964</b>	<b>41,446</b>	<b>939,949</b>	<b>(2,440,338)</b>	<b>7,947,954</b>
Transferred from statement of Profit or loss for the year	-	-	-	-	-	37,311	37,311
<i>Other Comprehensive Income:</i>							
Changes in fair value of AFS Investments	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>6,933,333</b>	<b>663,600</b>	<b>1,809,964</b>	<b>41,446</b>	<b>939,949</b>	<b>(2,403,027)</b>	<b>7,985,265</b>
Transfer to Contingency Reserve					32,817	(32,817)	-
<b>Transactions with owners of equity</b>							
Dividends to equity holders					-	-	
As at March 31 2020	<b>6,933,333</b>	<b>663,600</b>	<b>1,809,964</b>	<b>41,446</b>	<b>972,766</b>	<b>(2,435,844)</b>	<b>7,985,266</b>

	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 2019	6,933,333	663,600	1,773,780	34,500	851,335	(2,475,146)	7,781,402
Adjusted opening balance	<b>6,933,333</b>	<b>663,600</b>	<b>1,773,780</b>	<b>34,500</b>	<b>851,335</b>	<b>(2,475,146)</b>	<b>7,781,402</b>
Transferred from statement of Profit or loss for the year	-	-	-	-	-	127,081	127,081
<i>Other Comprehensive Income:</i>							
Changes in fair value of AFS Investments	-	-	-	-	-	-	-
Gain on revaluation of properties, plant	-	-	-	-	-	-	-
Transfer to Contingency Reserve					21,616	(21,616)	-
<b>Total Comprehensive income</b>	<b>6,933,333</b>	<b>663,600</b>	<b>1,773,780</b>	<b>34,500</b>	<b>872,951</b>	<b>(2,369,680)</b>	<b>7,908,483</b>
<b>Transactions with owners of equity</b>							
Dividends to equity holders					-	-	
As at March 31 2019	<b>6,933,333</b>	<b>663,600</b>	<b>1,773,780</b>	<b>34,500</b>	<b>872,951</b>	<b>(2,369,680)</b>	<b>7,908,483</b>

STATEMENT OF CASH FLOWS FOR PERIOD ENDED 31 MARCH, 2020

		2020	2019
Cash flows from operating activities		Company	Company
	Notes	N'000	N'000
Premium received	28	1,093,916	720,527
Commission received	30	61,500	54,109
Reinsurance receipts in respect of claims	31(a)	110,709	(171,005)
Other operating receipts	35	3,858	(6,864)
Cash paid to and on behalf of employees	36	(147,763)	(213,778)
Reinsurance premium paid	29	(367,321)	(223,682)
Insurance benefits and claims paid	31	(321,219)	(118,571)
Underwriting expenses	32	(202,012)	(89,645)
Cash paid to intermediaries and other suppliers		(101,253)	(31,308)
Company income tax paid	20	-	(52,857)
<b>Net cash used in/from operating activities</b>		<b>130,415</b>	<b>(133,075)</b>
Cash flow from Investing Activities		-	
Purchase of property and equipments	14	(151,158)	(17,392)
Purchase of intangible assets	13b	-	(28)
Proceed from sale of property and equipment		600	1,160
Proceed from sales of equity investment			(1,725,000)
Dividend income	34	-	-
Interest receivables	34	111,730	-
Purchase of held to maturity		(1,132,623)	102,052
Redemptio/repayment of HTM			
Purchase of investment property	11	-	
<b>Net cash provided by investing activities</b>		<b>(1,171,451)</b>	<b>(1,639,208)</b>
Cash flow from Financing Activities			
Dividend paid		-	
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalent		(1,041,035)	(1,772,283)
Cash and cash equivalent at the beginning		3,659,345	3,981,106
Cummulative effect of transition to IFRS 9( ECL)			
Cash and cash equivalent at the end of the year		<b>2,618,310</b>	<b>2,208,823</b>

**NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020**

**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, Abuja. Nigeria

The principal business of the company is underwriting of non-life insurance risks. The Company has 93.46% equity interest in Health Care Security Limited and 70% interest in Veritas Glanvills Pensions Limited. These two subsidiary companies together with the Company constitute the Group.

**Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are disclosed under General information on the Reporting Entity and Summary of Significant Accounting Policies. These policies have been consistently applied to all the years presented unless otherwise stated.

**3 Cash and cash equivalents**

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
This comprises of :		
Cash at hand	532	465
Cash at Bank	(173,199)	202,663
Staff gratuity fund assets	18,197	18,197
Short term deposit (3a)	2,778,610	3,443,851
	<u>2,624,141</u>	<u>3,665,176</u>
Adjustment for ECL on Short Term Deposit (note 3.1)	(5,831)	(5,831)
<b>Total</b>	<b><u>2,618,310</u></b>	<b><u>3,659,345</u></b>

**3.1 Movement in Adjustment ECL**

01-Jan-20	5,831	13,560
Opening ECL adjustment on transition date	-	-
Charge during the year	-	(7,729)
31-Mar-20	<u>5,831</u>	<u>5,831</u>

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

Financed by Insurance fund	2,280,780	2,007,596
Financed by other funds	497,830	1,436,255
<b>Total short term deposit</b>	<b><u>2,778,610</u></b>	<b><u>3,443,851</u></b>

For cashflow purposes, Cash and cash equivalent represents balances held with banks in Nigeria, Placement with financial institutions, treasury bills and bonds.Placements with financial institutions comprises of term deposits with maturity of less than 90 days from the value date of the investment.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>4 Financial Assets</b>		
This comprises of:		
Fair value through profit or loss-quoted equities (note 4a)	37,349	46,616
Armotised Cost (Note 4b)	2,257,431	1,212,739
Fair Value through OCI (Note 4c)	43,716	43,716
	<u>2,338,496</u>	<u>1,303,071</u>
Current	2,257,431	1,212,739
Non-current	81,065	90,332
	<u>2,338,496</u>	<u>1,303,071</u>

a 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 year. and are derived as follows:

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>Cost</b>		
Balance at 1 January	143,587	143,587
Additions during the year	-	-
Disposal during the year	-	-
Balance, at 31 March 2020	<u>143,587</u>	<u>143,587</u>
<b>Market value reserve</b>		
Balance at 1 January	(96,971)	(88,550)
Disposal in the year	-	-
Fair value loss	(23,152)	(8,421)
Balance, at 31 March 2020	<u>(120,123)</u>	<u>(96,971)</u>
<b>Fair value as at 31 March 2020</b>	<u>23,464</u>	<u>46,616</u>

b Investment at armotised cost are measured using the effective interest method and assessed for impairment for uncollectibility at the end of each reporting period.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
FGN treasury bills	257,930	209,026
ECL Charge- FGN Treasury bill	-	-
State/FGN government bonds	-	-
Corporate bond	1,999,502	1,003,713
ECL Charge- Tak Agor Bond	-	-
	<u>2,257,431</u>	<u>1,212,739</u>
Balance at 1 January	1,212,739	-
Addition during the year	995,789	1,206,015
Redemption / Repayment during the year	-	-
Accrued Interest	48,903	26,567
Balance, at 31 March 2020	2,257,431	1,232,582
Expected credit loss	-	(19,843)
	<u>2,257,431</u>	<u>1,212,739</u>

c The fair value of some of the unlisted equity investments could not be reliably determined at the end of the reporting period. As such, those unlisted equity investments have been accounted for at cost less impairment. Management believes that the recoverable amount of these unlisted investments is not significantly different from the carrying amount.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>d Cost</b>		
Balance at 1 January	43,716	36,771
Fair value (loss) / gain	-	6,945
Reclassification to quoted shares	-	-
Balance, at 31 March 2020	<u>43,716</u>	<u>43,716</u>
<b>Impairment loss</b>		
Balance at 1 January	-	(42,033)
Impairment charge during the year	-	42,033
Balance, at 31 March 2020	<u>-</u>	<u>-</u>
<b>Fair value as at 31 March 2020</b>	<u>43,716</u>	<u>43,716</u>

e Fair value through other comprehensive income

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
Fair value at 1 January	43,716	-
Transfer from Availalbe for sale on transition to IFRS 9	-	36,771
Fair value (loss)/gain	-	6,945
	<u>43,716</u>	<u>43,716</u>



NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>5 Trade receivables</b>		
a. This comprises of:		
Premium receivable from insurance brokers	491,457	491,457
Premium receivable from insurance agents	61,428	61,428
Premium receivable from policy holders	33,158	2,166
Premium receivable from insurance companies	331,642	189,093
	<u>917,685</u>	<u>744,144</u>
Less:		
Impairment of premium receivables	(744,144)	(744,144)
	<u>173,542</u>	<u>-</u>
<b>Age analysis of gross trade receivables are as follows</b>		
0-90 days	173,542	-
91-180 days	-	-
Above 180 days	744,144	744,144
	<u>917,686</u>	<u>744,144</u>
<b>6 Reinsurance assets</b>		
This is analysed as follows:		
Prepaid reinsurance( see note(a) below)	243,346	96,020
Reinsurer' share of outstanding claims (see note(b)below)	200,036	293,940
Reinsurers share of claims paid (see note (c )below)	-	-
	<u>443,382</u>	<u>389,960</u>
a Movement in prepaid reinsurance is as follows:		
Balance 1 January	96,019	249,776
Additions during the year	367,321	1,168,260
Amortized in the year - reinsurance expenses (note 29)	(219,995)	(1,322,017)
Balance 31 March	<u>243,346</u>	<u>96,019</u>
b Movement in reinsurer' share of outstanding claims		
Balance at 1 January	293,940	323,540
Movement in Reinsurers/coassurers' share of outstanding claims reported	(93,904)	(29,600)
Balance 31 March	<u>200,036</u>	<u>293,940</u>
c Movement in reinsurance share of claims Paid		
At 1 January	-	70,047
Movement in Reinsurers/co-assurers' share of outstanding claims	-	(70,047)
Balance 31 March	<u>-</u>	<u>-</u>
<b>7 Deferred acquisition cost</b>		
a This is analysed as follows:		
Agric	399	659
Motor	19,821	15,188
Fire	98,476	39,594
General Accident	34,832	8,606
Marine	4,101	6,638
Aviation	7,337	6,773
Engineering	14,069	10,543
Oil and Gas	14,031	18,013
Bond	-	1,326
Total	<u>193,068</u>	<u>106,681</u>
The movement in deferred acquisition cost is as follow:		
Acquisition Cost brought forward	107,340	161,294
Acquisition costs paid during the period (note 32)	202,012	295,624
Total	<u>309,352</u>	<u>456,918</u>
Amortised during the year (see note 32.)	(116,284)	(349,578)
Acquisition costs carried forward	<u>193,067</u>	<u>107,340</u>

NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>8 Other receivables and prepayments</b>		
The balance is analysed as follow:		
Receivables from staff )See Note (a)below)	5,987	12,549
Deposit for investment (See Note (b)below)	121,457	121,457
Commercial papers (See Note (c)below)	261,872	261,872
Prepayment	45,463	8,996
Inventory	8,098	8,006
Receivables from Related parties (See Note (f) below)	218,033	233,033
Fees receivables and other receivables (See note (d) below)	108,958	104,776
ASO saving and loans(see note(e) below)	-	-
	<u>769,868</u>	<u>750,689</u>
Impairment of other receivables and prepayment(See Note (g)below)	<u>(344,459)</u>	<u>(344,459)</u>
	<u><u>425,408</u></u>	<u><u>406,230</u></u>

a

Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
At 1 January	12,549	30,628
Addition	5,987	15,596
Interest on Loans		-
Impairment charge during the year		
Utilized during the year	<u>(12,549)</u>	<u>(33,675)</u>
At 31 March	<u><u>5,987</u></u>	<u><u>12,549</u></u>

b

Deposit for investment represent net balances with Lighthouse Stockbrokers for purchase of quoted equities on the Nigeria Stock Exchange. An impairment charge has been recognised in the financial statement with respect to this.

c

Commercial papers represents receivables from the following entities

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
a) Back-up Network Ltd	44,412	44,412
b) TKM Mestro Nigeria Ltd	131,649	131,649
C) Off-shore intergrated Concession Ltd	39,711	39,711
d) Kruger Brent Global Services Ltd	46,099	46,099
	<u>261,872</u>	<u>261,871</u>

These commercial paper have being impaired by the company as they are in doubt of recovery.

d

Fee receivables includes fees and commission receivable on RSA assets and administrative fee as at year end.

e

This represents amount receivable from Aso Savings and loans on the fund placed with the entity. As at the reporting date, the principal and accrued interest to date has been redeemed via property swap and cash payment.

f

This relates to amount recoverable from;

1. Subsidiary - Veritas Glanvills Pensions Limited as at 31 December 2019 for property situated at Plot 1698 C and D Oyin Jolayemi street, V.I. Lagos disposed to the latter in 2018. The transaction was carried out at arm's length. The sales price was based on the most recent valuation carried out by Osas and Oseji estate surveyors and valuers. The sum outstanding is N171 million.

Associate - Goldlink Insurance Plc as at 31 December 2019 for various reimbursable expenses incurred on their behalf amounting to N62.03 million.

g

Balance, beginning of year	344,459	453,597
Provision no longer required	(344,459)	(149,444)
Impairment charge during the year		40,306
Balance, end of the year	<u><u>344,459</u></u>	<u><u>344,459</u></u>

## 9 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2019. The details of the subsidiaries and principal activities are detailed below:

	31-Mar-20 N'000	31-Dec-19 N'000
Veritas Glanvills Pension Limited at cost(See Note (a)below)	1,160,000	1,160,000
Health Care Security Limited at cost (See Note (b)below)	416,300	416,300
	<u>1,576,300</u>	<u>1,576,300</u>

a Veritas Glanvills Pension Limited has issued share ordinary share capital of 1.5 billion units of N1 each.

Veritas Kapital holds 1.05 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 Health Care Security 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.

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Healthcare Security	
	31-Mar-20 N'000	31-Dec-18 N'000
Total revenue	<u>165,355</u>	<u>131,727</u>
Profit/(loss) before tax	<u>32,558</u>	<u>23,547</u>
Total assets	<u>623,591</u>	<u>582,228</u>
Total liabilities	<u>97,083</u>	<u>69,239</u>
Shareholders fund	<u>526,508</u>	<u>512,989</u>

	Veritas Glanvills Pension Limited	
	31-Dec-19 N'000	31-Dec-18 N'000
Total revenue	<u>1,039,972</u>	<u>1,047,727</u>
Profit/(loss) before tax	<u>42,659</u>	<u>(140,538)</u>
Total assets	<u>1,725,314</u>	<u>1,827,577</u>
Total liabilities	<u>468,634</u>	<u>575,823</u>
Shareholders fund	<u>1,256,680</u>	<u>1,251,753</u>

	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
<b>10 Investment in Associates</b>	1,010,650	1,010,650
Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)
	-	-

**Goldlink Insurance Plc**

Veritas Kapital holds 1,268,064,351 (2018: 1,268,314,351) ordinary shares representing 51.53% (2018:51.53%)holdings in Goldlink Insurance Plc as at 31/03/2020.

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

- a 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).

**Assessment of share of Profit/loss in Associate**

On initial assessment, the shareholders fund for Goldlink Insurance Plc as at 31 December 2017 was in deficit of N6.177 billion. Veritas Kapital's shares of the shareholder's fund of Goldlink Insurance Plc. as at that date was N2.45 billion. However, IAS 28:38-39 states that, the investor ceases to recognise its share of the investee's losses once it has reduced its investment to zero. Hence the share of loss recognised is limited to N1.01 billion.

Based on a reassessment carried out in 2018, Veritas Kapital's share of associate loss stood at the shareholder's fund of the associate stood at N 3.18 billion. Hence, the share of loss recognised is limited to N1.01 billion.

**11 Investment properties**

Investment property comprises of landed properties and buildings held for the purpose of capital appreciation and rental income and are carried at fair value. The fair value of the Investment properties has been determined by external, independent professional valuers, Messrs. OSAS & OSAS and Partners (FRC/2012/NIESV/000000522) as at 31 December 2019, 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 movement in the fair value of investment properties as at 31 March 2019 is as follows:

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
Balance at 1 January	412,112	880,201
Addition	-	176,000
Disposal	(5,672)	(658,414)
Fair value (loss)\gain	-	14,325
Balance at 31 December	<u>406,439</u>	<u>412,112</u>

**Measurement of fair value**

**a** Fair value hierarchy.

The fair value measurement for the investment properties of N765,876 (2018:N880,201) 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	between key unobservable inputs and fair value
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.	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** Analysed below is the list of investment properties whose titles are yet to be perfected as at the reporting date.

NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>12 Goodwill</b>		
The goodwill is arising on acquisitions in the following subsidiaries:		
FUG Pension	316,884	316,884
Healthcare Securities	-	69,560
	<b>316,884</b>	<b>386,444</b>

**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% was applied in determining the terminal cash flows

- Discount rates of averaging 21.88%, representing pre-tax weighted average cost of capital (WACC), was applied in determining the value in use. An additional 6.34% was incorporated into WACC as an adjustment factor for country risk to ensure compliance with the standard. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with long term average growth rate for the respective industries.

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

Value of goodwill is reflected at the Group level

**13 Intangible assets - Software**

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

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
	36,447	40,252
<b>Computer software</b>		
<b>Cost</b>		
Balance, at 1 January	293,802	285,989
Additions	-	7,813
Balance, 31 March	293,802	293,802
<b>Accumulated amortisation</b>		
Balance, at 1 January	253,549	238,383
Amortisation expense	3,807	15,167
Balance, 31 March	257,356	253,550
Carrying amount 31 December	<b>36,447</b>	<b>40,252</b>

## Parent

## Property, plant and equipment

	Leasehold land	Building	Computer Hardware	Office Machinery	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, 2020	901,272	1,794,614	186,537	76,779	319,100	115,674	67,056	3,461,033
Additions	-	-	-	-	-	-	14,387	14,387
Revaluation adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	(191)	(25)	-	(259)	-	(476)
As at 31 March, 2020	901,272	1,794,614	186,346	76,754	319,100	115,415	81,443	3,474,944
Accumulated depreciation								
At 1 January, 2019	-	-	176,056	54,605	229,406	107,559	-	567,626
Depreciation expenses	-	-	1,216	1,981	8,394	1,408	-	12,999
Revaluation adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March, 2020	-	-	177,272	56,587	237,800	108,967	-	580,625
Carrying amount as at 31 March, 2020	901,272	1,794,614	9,074	20,167	81,300	6,448	81,443	2,894,318

## Parent

	Leasehold land	Building	Computer Hardware	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 2019	891,272	891,272	1,760,169	253,739	287,955	110,637	-	3,303,772
Additions	-	-	-	17,392	-	-	-	17,392
Revaluation gain	10,000	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
Write off (see note 36)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	901,272	891,272	1,760,169	271,131	287,955	110,637	-	3,321,164
Accumulated depreciation								
At 1 January	-	-	-	231,593	234,091	107,133	-	572,818
Depreciation expenses	-	-	-	2,902	4,886	208	-	7,996
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	234,495	238,977	107,341	-	580,814
Carrying amount as at 31 March, 2019	901,272	891,272	1,760,169	36,636	48,978	3,296	-	2,740,350

a) Land and Building was independently valued by Osas&Osas and Partners, Estate surveyors &Valuers(FRC/2012/000000000522) in 2019 to ascertain the open market value of land and building .The open market value of land and building as at 31 March 2020 was N2,869,573,000 (2019:2,766,818,000)

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>15 Statutory deposit</b>	<b>355,000</b>	<b>355,000</b>
This represent amount deposited with the Central bank of Nigeria (CBN) as at Marc, 2020 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 ( c ).		
<b>16 Insurance contract liabilities</b>	<b>Parent 31-Mar-20 N'000</b>	<b>Parent 31-Dec-19 N'000</b>
<i>Outstanding claims(see Note(a) below)</i>	1,075,876	1,113,141
Claims incurred but not reported	<u>100,000</u>	<u>202,014</u>
	1,175,876	1,315,155
Acturial adjustment on valuation (AURR)	5,421	-
Unearned premium(see Note (b) below)	<u>1,099,482</u>	<u>692,442</u>
	<b><u>2,280,780</u></b>	<b><u>2,007,597</u></b>
<b>a Provision for outstanding claims</b>		
Motor insurance	4,097	44,760
Fire insurance	131,965	204,005
General accident insurance	49,868	64,516
Marine insurance	44,725	74,806
Engineering	42,010	131,199
Aviation	245,684	41,670
Oil and gas	557,527	697,871
Bond	-	304
Agric		56,023
PHI		
	<u>1,075,876</u>	<u>1,315,154</u>
a(i) Movment in outstanding claims can be analysed as follows:		
Balance, beginning of the year	1,113,141	1,214,825
Increase/(Decrease) in outstanding claims(see note 31)	<u>(37,265)</u>	<u>(101,684)</u>
	<b><u>1,075,876</u></b>	<b><u>1,113,141</u></b>
	<b>Parent 31-Dec-20 N'000</b>	<b>Parent 31-Dec-19 N'000</b>
a(ii) Movement in IBNR is analysed as follows:		
At 1 January	202,014	189,393
Increase/ (decrease) in IBNR (see note 31)	<u>(102,014)</u>	<u>12,621</u>
At 31 March	<b><u>100,000</u></b>	<b><u>202,014</u></b>
<b>b Reserve for unearned premium</b>		
Agric insurance	1,806	3,034
Motor insurance	192,730	170,230
Fire insurance	513,049	244,765
General accident insurance	173,470	43,355
Marine insurance	21,845	32,645
Engineering	70,262	51,611
Aviation	36,694	34,455
Oil and gas	89,625	100,295
Bond	-	6,630
1% PHI PREMIUM		
	<u>1,099,482</u>	<u>687,020</u>
b(i) Movment in unearned premium can be analysed as follows:		
Balance, beginning of the year	687,020	920,992
Increase/(Decrease) in unearned premium(see note 28)	<u>412,462</u>	<u>(233,972)</u>
	<b><u>1,099,482</u></b>	<b><u>687,020</u></b>
c The investment in respect of this insurance funds is as stated in Note 3b.		
<b>17 Trade payables</b>		
Trade payables represent amounts payable to reinsurance, co-insurers, agents and prokers at year end.The carrying amounts disclosed below approximate the fair values at the reporting date.		
	<b>Parent 31-Mar-20 N'000</b>	<b>Parent 31-Dec-19 N'000</b>
This is analys as follows:		
Co-insurance premium	54,176	116,868
Commission payable	<u>138,996</u>	<u>112,972</u>
	<b><u>193,172</u></b>	<b><u>229,840</u></b>



	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>18 Retirement benefit obligation</b>		
a .Gratuity Scheme		
Balance, beginning of period	-	-
Contributions in the period( see note (b) below)	-	-
Balance, end of period	<u>-</u>	<u>-</u>

**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 specified contributions.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>19 Provision and other payables</b>		
This is analysed as follows:		
Life insurance fund (Note 19a)	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions	4,480	1,597
Staff accounts	25,429	30,552
Accrued professional fees	14,483	46,291
Accrued NAICOM levy	2,756	28,755
Accrued penalty charge	-	-
Supplies & Services Bills Payables	36,319	36,319
Other accruals and payables	145,114	60,558
Unclaimed dividends	24,248	24,248
Due to employees	18,197	18,197
Pension Protection fund	-	-
	<u>402,443</u>	<u>377,934</u>

Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Veritas Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>20 Income tax liabilities</b>		
Company income tax	15,990	31,123
Education tax	-	6,225
Under/ (over) provision in prior years	-	52,857
Per income statement	<u>15,990</u>	<u>90,205</u>
Balance at beginning of the year	40,923	56,815
Payments/adjustment	-	(106,097)
Per statement of financial position	<u>56,913</u>	<u>40,923</u>

**21.1 Deferred tax asset**

At 1 January	-	-
Charge to income statement	15,990	-
At 31 March	<u>15,990.22</u>	<u>-</u>

**21.2 Deferred tax liability**

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
At 1 January	542,136	501,814
Charge for the period on building revaluation	-	40,322
Other Charges for the year	-	-
Charge on revaluation of investment property	-	-
At 31 March	<u>542,136</u>	<u>542,136</u>

NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020

	31-Mar-20 N'000	31-Dec-19 N'000
<b>22 Issued and paid up share capital</b>		
<b>a Authorised</b>		
14 billion ordinary shares of 50 kobo each	7,000,000	7,000,000
<b>b Issued and fully paid</b>		
Balance, beginning of year	6,933,333	6,933,333
Bonus shares issued from share premium	-	-
Balance, at March	<u>6,933,333</u>	<u>6,933,333</u>

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.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>23 Share premium</b>		
Share premium comprises additional paid-in capital in excess of their per value.		
Balance, beginning of year	663,600	663,600
Transfer to share capital	-	-
Balance, end of the period	<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:-

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
Balance, beginning of year	939,949	851,335
Transfer from retained earnings	32,817	88,614
Balance, end of the period	<u>972,766</u>	<u>939,949</u>

**25 Retained earnings**

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

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
Balance, beginning of year	(2,440,338)	(2,475,146)
Impact of transition to IFRS 9	-	-
Transferred from statement of Profit or loss for the year	37,311	123,422
Transfer to Contingency Reserve	(32,817)	(88,614)
Dividend paid(see note 25.1 below)	-	-
Balance, end of the period	<u>(2,435,845)</u>	<u>(2,440,338)</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.

	Parent 31-Mar-20 N'000	Parent 31-Dec-19 N'000
<b>Land</b>		
Balance, beginning of year	746,068	736,068
Revaluation gain	-	10,000
Balance, end of the period	<u>746,067</u>	<u>746,068</u>
<b>Building</b>		
Balance, beginning of year	1,063,897	1,037,712
	2	-
Revaluation surplus	-	26,185
Balance, end of the period	<u>1,063,899</u>	<u>1,063,897</u>
<b>Carrying amount</b>	<u>1,809,964</u>	<u>1,809,965</u>

**26.2 Available for sale reserve**

Balance, beginning of year	41,446	34,501
Movement during the period	-	6,945
	<u>41,446</u>	<u>41,446</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:

## NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020

	Parent 31-Mar-20 N'000	Parent 31/12/2019 N'000
Profit after tax attributable to equity holders	37,311	127,081
Weighed average number of ordinary shares at end the period	6,933,333	6,933,333
Basic Profit/earnings per share (kobo)	<u>0.01</u>	<u>0.02</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		
	31-Mar-20 N'000	31-Mar-19 N'000
<b>28 Gross premium</b>		
Gross premium earned (see note (a)below)	1,074,821	710,176
Inward reinsurance premium (see note (b)below)	19,094	10,351
Gross written premium	1,093,916	720,527
Changes in unearned premium (see note 16 b(i))	(412,462)	(31,559)
	<u>681,454</u>	<u>688,968</u>
<b>a Gross premium earned is further analysed as follows:</b>		
Fire	499,222	123,056
General accident	217,243	110,250
Marine	16,346	26,711
Motor	130,413	156,891
Oil and gas	100,260	161,934
Aviation	40,436	11,932
Engineering	70,739	116,152
Bond	-	3,250
Agriculture	162	-
	<u>1,074,821</u>	<u>710,176</u>
<b>b Inward reinsurance premium</b>		
Fire	1,871	1,293
Motor	4,199	4,565
General accident	1,275	-
Aviation	47	-
Engineering	1,952	737
Marine	1,978	949
Oil and gas	5,514	2,807
Bond	-	-
Agriculture	2,260	-
	<u>19,094</u>	<u>10,351</u>
<b>29 Reinsurance cost</b>		
Reinsurance cost	367,321	223,682
Movement in prepaid reinsurance	(147,326)	(151,782)
Reinsurance expenses (note 6a)	<u>219,995</u>	<u>71,900</u>
<b>30 commission income</b>	<u>61,500</u>	<u>54,109</u>
<b>31 Claims expenses</b>		
Direct claims paid	321,219	118,571
Changes in outstanding claims	(37,075)	(271,871)
Actuarial losses in outstanding claims	(102,014)	-
PHI claims	-	-
Gross claims incurred	182,130	(153,299)
Reinsurance recovery(see note 31(a)below)	(110,709)	171,005
	<u>71,421</u>	<u>17,706</u>
<b>31a Analysis of reinsurance recoverable</b>		
Reinsurance recovery on paid claims	110,709	(171,005)
Reinsurance recoverable on outstanding claims	-	-
Total reinsurance recoverable	<u>110,709</u>	<u>(171,005)</u>
<b>32 Underwriting expenses</b>		
Acquisition cost paid during the year	202,012	142,502
Movement in deferred acquisition	(85,728)	136
Cost during the year(See note 7)	116,284	142,638
Maintenance cost during the year	-	-
Total underwriting expenses	<u>116,284</u>	<u>142,638</u>

## NOTE TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020

	Parent 31-Mar-20 N'000	Parent 31-Mar-19 N'000
<b>33 Impairment of financial assets</b>		
Impairment charge on other assets	-	-
Impairment charge on unquoted equities	-	-
<b>ECL ECL charge</b>	-	-
	<u>-</u>	<u>-</u>
<b>34 Investment income</b>		
Profit on disposal of investments property	(1,281)	
Interest income-FGN Treasury bill	7,166	
Interest received from:		
Staff loan-interest		
Dividends from equity investments at FVTPL	-	
Interest income on Bond	39,380	
RSA asset based fee	-	
Short term deposits	66,466	102,052
Statutory deposit	-	
	<u>111,730</u>	<u>102,052</u>
Further analysed as follows:		
Attributable to policy holders fund	23,463	21,431
attributable to shareholders funds.	88,267	80,621
	<u>111,730</u>	<u>102,052</u>
<b>35 Other operating income</b>		
Rental and other incomes	3,858	6,858
Bad debt write-off recovered	-	-
Profit on sale of investment	-	-
Profit on sale of asset	330	6
RSA administrative fee income	-	-
Staff loan-interest	-	-
Exchange gain	-	-
Admin charges- Formal sector	-	-
Sundry income	-	-
	<u>4,188</u>	<u>6,864</u>
<b>36 Management expenses</b>		
Staff costs	147,763	213,778
Directors' allowances and expenses	38,304	17,581
Depreciation and amortisation	17,784	11,817
Professional fees	106,166	33,258
Audit fees	4,558	6,238
Marketing and advertisement	23,454	14,373
Administrative expenses	19,863	30,250
NITDA information technology levy	-	-
Repairs and maintenance	2,188	7,284
Travel costs and allowances	8,224	8,906
NAICOM Levy	4,058	5,015
Donation	-	-
Electricity and power	4,264	9,207
ECL charge	-	-
Penalty charge (see note(x))	-	-
Subscription	1,328	7,992
Printing and stationeries	1,204	1,546
Information technology expenses	9,446	-
Pension protection fund levy	-	-
Rent and rate	-	-
	<u>388,605</u>	<u>367,246</u>
<b>37 Income tax expense</b>		
Education tax		6,225
Company income tax	15,990	72,564
Under provision in prior years		52,857
Deferred tax expense	-	-
	<u>15,990</u>	<u>131,646</u>
<b>38 Security Trading Policy</b>		

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), Veritas Kapital Insurance Plc (the Company) maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company shares. The Policy is regularly reviewed and updated by the Board. Relevant persons are prohibited from dealing in the Company's share both when they are in possession of material non-public information about the company's activities as well as during "closed period".

PARENT UNDERWRITING REVENUE ACCOUNT  
for the period ended March 31, 2020

	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERING	BOND	AGRIC	MARCH 2020	MARCH 2019
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>INCOME</b>											
Direct premium	499,222	217,243	16,346	130,413	100,260	40,436	70,739	-	162	1,074,821	710,176
Inward premium	1,871	1,275	1,978	4,199	5,514	47	1,952	-	2,260	19,094	10,351
<i>Gross premium written</i>	<u>501,093</u>	<u>218,518</u>	<u>18,324</u>	<u>134,612</u>	<u>105,774</u>	<u>40,483</u>	<u>72,691</u>	<u>0</u>	<u>2,422</u>	<u>1,093,916</u>	<u>720,527</u>
(Increase)/Decrease in provision for unexpired risks	268,284	(10,800)	2,239	22,500	(6,630)	18,651	(10,670)	(1,227)	130,115	412,462	31,559
<i>Gross premium earned</i>	<u>232,808</u>	<u>229,318</u>	<u>16,084</u>	<u>112,111</u>	<u>112,404</u>	<u>21,832</u>	<u>83,361</u>	<u>1,227</u>	<u>-127,693</u>	<u>681,454</u>	<u>688,944</u>
Outward premium	(128,762)	(170,692)	(15,986)	(1,176)	-	(1,884)	(35,036)	(12,232)	(1,453)	(367,221)	(223,682)
Prepaid reinsurance	(95,653)	(87,984)	(12,892)	-	(90,345)	0	(30,461)	-	(1,053)	147,326	151,782
<i>Net Premium earned</i>	<u>8,394</u>	<u>(29,358)</u>	<u>(12,793)</u>	<u>110,936</u>	<u>22,059</u>	<u>19,948</u>	<u>17,864</u>	<u>(11,005)</u>	<u>(130,199)</u>	<u>461,559</u>	<u>617,068</u>
Commission Received	29,350	34,225	4,510	-	-	-	9,297	-	(15,882)	61,500	54,109
<b>TOTAL OPERATING INCOME</b>	<u>37,744</u>	<u>4,867</u>	<u>-8,283</u>	<u>110,936</u>	<u>22,059</u>	<u>19,948</u>	<u>27,161</u>	<u>-11,005</u>	<u>-146,081</u>	<u>523,060</u>	<u>671,176</u>
<b>Claims Expenses</b>											
Gross claims paid	(132,057)	(18,540)	(67,129)	(36,759)	(58,452)	(572)	(7,710)			(321,219)	(118,571)
Increase/(Decrease) in provision for outstanding claims	41,794	(94)	19,724	135,024	80,210	(3,967)	(133,603)	-	-	139,089	271,871
<i>Gross claims incurred</i>	<u>(90,263)</u>	<u>(18,634)</u>	<u>(47,405)</u>	<u>98,266</u>	<u>21,758</u>	<u>(4,539)</u>	<u>(141,313)</u>	<u>-</u>	<u>-</u>	<u>(182,130)</u>	<u>153,299</u>
Reinsurance claims recoveries	496	14,875	34,772	10,490	-	-	46,858	3,218	3,218	113,927	(171,006)
<i>Net claims incurred</i>	<u>(89,767)</u>	<u>(3,759)</u>	<u>(12,633)</u>	<u>108,756</u>	<u>21,758</u>	<u>(4,539)</u>	<u>(94,455)</u>	<u>3,218</u>	<u>3,218</u>	<u>(68,203)</u>	<u>(17,706)</u>
<b>Underwriting Expenses</b>											
Acquisition cost	(95,740)	(33,005)	(2,902)	(18,224)	(32,158)	(5,599)	(13,839)	-	(545)	(202,012)	(136)
Movement in deferred Acquisition cost	58,882	26,226	(2,537)	4,633	(3,982)	565	3,526	(1,326)	(259)	85,728	(142,502)
<b>Acquisition &amp; maintenance costs less deferred cost</b>	<u>(36,858)</u>	<u>(6,778)</u>	<u>(5,439)</u>	<u>(13,591)</u>	<u>(36,140)</u>	<u>(5,034)</u>	<u>(10,313)</u>	<u>(1,326)</u>	<u>(804)</u>	<u>(116,284)</u>	<u>(142,638)</u>
<b>TOTAL DIRECT EXPENSES</b>	<u>(126,624)</u>	<u>(10,537)</u>	<u>(18,073)</u>	<u>95,165</u>	<u>(14,382)</u>	<u>(9,573)</u>	<u>(104,769)</u>	<u>1,892</u>	<u>2,414</u>	<u>(184,487)</u>	<u>(160,343)</u>
<b>UNDERWRITING PROFIT:</b>											
2,020	<u>(88,881)</u>	<u>(5,670)</u>	<u>(26,356)</u>	<u>206,100</u>	<u>7,677</u>	<u>10,375</u>	<u>(77,608)</u>	<u>(9,113)</u>	<u>(143,668)</u>	<u>338,572.39</u>	<u>510,833</u>
2019	<u>55,629</u>	<u>61,772</u>	<u>235,874</u>	<u>-90,722</u>	<u>307,996</u>	<u>(181,166)</u>	<u>97,129</u>	<u>24,321</u>			<u>510,833</u>

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

The solvency margin for the company as at 31 March 2020 is as follows:

Assets	Total Assets	Inadmissible assets	Admissible assets
Cash and cash equivalents	2,618,310		2,618,310
Financial assets	2,338,496		2,338,496
Trade receivable	173,542		173,542
Reinsurance assets	443,382		443,382
Deferred acquisition cost	193,068		193,068
Other receivables and prepayments	425,408	390,466	34,942
Investment in subsidiaries	1,576,300		1,576,300
Investment in associates	-		-
Investment properties	406,439	55,494	350,945
Goodwill	-		-
Intangible assets-Software	36,447		36,447
Property, Plant and equipment	2,894,318	1,943,154	951,164
Statutory deposits	355,000		355,000
<b>Total Admissible Assets</b>	<b>11,460,710</b>	<b>2,389,114</b>	<b>9,071,596</b>
Insurance contract liabilities	2,280,780		2,280,780
Trade payables	193,172		193,172
Employees retirement benefit obligations	-		-
Provision and other payables	402,443		402,443
Income tax liabilities	56,913		56,913
Deferred Tax Liabilities	542,136	542,136	-
<b>Total Admissible liabilities</b>	<b>3,475,445</b>	<b>542,136</b>	<b>2,933,309</b>
Solvency margin			<b>6,138,287</b>
The Higher of:			
A. Minimum Capital requirement			<u>3,000,000</u>
B. 15% of net premium ( Premium less reinsurance)			<u>69,219</u>
Higher of A and B	3,000,000		<u>3,000,000</u>
Solvency ratio			<u>205%</u>