UNIC INSURANCE PLC
Lagos, Nigeria

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

UNIC INSURANCE PLC

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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UNIC INSURANCE PLC

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012	2011	2012	2011
	₦'000	₦'000	₦'000	₦'000
Major statement of financial position items				
Total assets	6,024,100	6,068,997	5,294,939	5,561,918
Insurance contract liabilities	370,122	456,484	370,122	456,484
Investment contract liabilities	658,081	616,595	658,081	616,595
Total equity	2,784,406	2,911,227	2,701,096	2,939,524
Major statement of profit or loss items				
Gross premium	259,313	464,309	259,313	464,309
Investment and other operating income, net fair value and realised gains	956,026	1,250,271	437,549	594,292
Loss before taxation	(337,480)	(153,011)	(205,852)	(77,233)
Taxation	(23,505)	9,878	(28,276)	11,749
Loss after taxation	(360,985)	(143,133)	(234,128)	(65,484)
Loss per share (kobo)	(14)	(6)	(9)	(3)
Net assets per share	108	113	105	114

UNIC INSURANCE PLC

CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2012

Directors

Mr. Ernest C. Ebi, MFR (Resigned w.e.f. 12th December 2012)	-	Chairman
Mr. Friday Orjieh	-	Managing Director/CEO
Mr. Adeboye Shonekan		
Alhaji Abdulkadir Suleiman	-	Acting Chairman
Mr. Tijani Babatunde Folawiyo		
Dr. Tunji Olowolafe		
Mr. Bismarck Rewane		
Alhaji Nurudeen O. Jenmi		
Mrs. Kerina Chitsamatanga *(Zimbabwean)*	-	Executive Director, Finance

Secretaries	Deloitte Corporate Services Limited 235, Ikorodu Road Lagos
Registered office	Plot 144, Oba Akran Avenue Ikeja Industrial Estate Ikeja, Lagos
Branches	Abuja, Ibadan, Lagos and Port-Harcourt
Registrars	UAC Registrars Limited Niger House 1/5, Odunlami Street Lagos
Auditors	Ernst & Young 10th Floor, UBA House 57, Marina Lagos
Bankers	Access Bank Plc First Bank of Nigeria Limited First City Monument Bank Plc GT Bank Plc

UNIC INSURANCE PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2012

In accordance with the provision of the Companies and Allied Matters Act, 2004, the Directors of Unic Insurance Plc hereby present to the members of the Company the audited consolidated financial statements of the Group for the year ended 31st December 2012. The preparation of the Audited Financial Statements is the responsibility of the Board, and it should give a true and fair view of the state of affairs of the Company. The Directors declare that nothing has come to their attention to indicate that the Company will not remain a going concern for at least twelve months from the date of this Report.

Principal Activity

The Company which was initially registered as a composite Insurance Company had been engaged in the Life and Health Insurance business as well as Financial Services since 2007 consolidation exercise in the insurance industry.

Legal Form

The Company, which commenced operations on October 1, 1965, was incorporated as a private liability Company on April 2, 1965 and became a public liability Company on February 27, 1990.

Summary of results	Group ₦'000	Company ₦'000
Loss before taxation	(337,480)	(205,852)
Income tax expenses	(23,505)	(28,276)
Loss after taxation	(360,985)	(234,128)

Property, plant and equipment

Movements in property, plant and equipment during the year are as shown in Note 10. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

Dividend

The Directors do not recommend any dividend for approval (2011: Nil).

Events after the reporting date

There are no post events after the reporting date which could have had a material effect on the state of affairs of the Company as at 31 December 2012 or on the profit for the year ended on that date that have not been adequately provided for or disclosed.

UNIC INSURANCE PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2012

Directors

The Directors of the Company during the year and at the date of this report are:

- Mr. Ernest C. Ebi, MFR (Resigned w.e.f. 12th December 2012) - Chairman
- Mr. Friday Orjieh - Managing Director/CEO
- Mr. Adeboye Shonekan
- Alhaji Abdulkadir Suleiman - Acting Chairman
- Mr. Tijani Babatunde Folawiyo (Resigned w.e.f. 25th April 2012)
- Dr. Tunji Olowolafe
- Mr. Bismarck Rewane
- Alhaji Nurudeen O. Jenmi
- Mrs. Kerina Chitsamatanga (Resigned w.e.f. 30th June 2013) - Executive Director, Finance *(Zimbabwean)*

Directors' Interests

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors' Shareholdings and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act, CAP C20, LFN 2004 are as follows:

Number of 50 kobo Ordinary Shares held as at 31 December

Directors	2012		2011	
	Direct	Indirect	Direct	Indirect
Mr. Ernest C. Ebi, MFR	5,000	Nil	5,000	Nil
Mr. Friday Orjieh	200,000	Nil	Nil	Nil
Mr. Adeboye Shonekan	45,454,500	297,938,886	45,454,500	421,727,200
Alhaji Abdulkadir Suleiman	Nil	Nil	Nil	Nil
Mr. Tijani Babatunde Folawiyo	75,000,000	Nil	75,000,000	Nil
Dr. Tunji Olowolafe	Nil	Nil	Nil	Nil
Mr. Bismarck Rewane	Nil	Nil	Nil	Nil
Alhaji Nurudeen O. Jenmi	200,000	Nil	200,000	Nil
Mrs. Kerina Chitsamatanga	300,000	Nil	300,000	Nil

Directors' Interests in Contracts

None of the Directors has notified the company, for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, LFN 2004, of any declarable interest in contracts with which the Company was involved as at December 31, 2012.

Shareholders

The issued and fully paid up share capital of the Company as at 31 December 2012 was NGN 1,291,148,000 divided into 2,582,296,000 ordinary shares of 50 kobo each.

Substantial Shareholding

According to the Register of Members, the following shareholders of the Company held more than 5% of the issued share capital as at December 31, 2012:

	Ordinary Shares of 50 kobo each			
	2012		2011	
Shareholder	Number	%	Number	%
Greville Investments Limited	151,454,500	5.87	151,454,500	5.87
Volker Securities Company Investment Limited	321,360,796	12.44	321,360,796	12.44
Clad Limited	378,938,886	14.67	378,938,886	14.67

Acquisition of Own Shares

The Company did not purchase any of its own shares during the year.

Donations

The Company made no donations during the year (2011: Nil).

Employment and Employees

(i) Employment of disabled persons

It is Group's policy that applications for employment made by disabled persons are given full and fair consideration, having regard to their particular aptitudes and abilities. No disabled persons were employed during the year. Once employed, there would be no unfair discrimination against persons in the matter of training, career, development and promotion. No employee of the Company became disabled during the year.

(ii) Health, Safety and Welfare

Safety standards are in place within the Company's premises and adherence by employees to such safety regulations and practices is ensured. The Group uses an in-house clinic in Ikeja. In addition, it has made arrangement with zonal hospitals and clinics for treatment of employees.

Employment and Employees - continued

(iii) Employees' Involvement and Training

Employees are kept fully informed by the Group on matters concerning them as employees. It also gets them involved, as much as practicable, in the decision-making process on matters that are likely to affect their interest.

The Group recognizes the need of training for the enhancement of skills, knowledge and productivity of its employees and, for this reason therefore, has established formal training schedules for each of its employees. These training schedules include both in-house and outside training courses and are set on an annual basis.

Auditors

The Auditors, Messrs. Ernst & Young have indicated their willingness to continue in office as Auditors of the Company. In accordance with Section 357 (2) of the Company's and Allied Matters Act, CAP C20, LFN 2004, a resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD

DCSL Corporate Services Limited
Company Secretaries
FRC/2013FRC/2013/NBA/0810
Ikorodu Road, Lagos

...... November 2013

UNIC INSURANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2012

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

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

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

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

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria and the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

....	....
Alhaji Nurudeen O. Jenmi	Mr. Friday Orjieh
Director	**Managing Director**
FRC/2013/ICAN/4839	**FRC/2013/CIIN/2411**

.... November 2013

UNIC INSURANCE PLC

AUDIT COMMITTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

To the members of Unic Insurance Plc:

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

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

- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audit for the year ended 31 December 2012 were satisfactory and reinforce the Company's internal control systems

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

Alhaji Mustapha Jinadu
Chairman, Audit Committee
FRC/2013/ICRMNG/1516
.... November 2013

Members of the Audit Committee are:

1. Alhaji Mustapha Jinadu	Chairman
2. Mr. K.O. Bello	Member
3. Mr. Ogundipe	Member
4. Mr. A. Shonekan	Member
5. Alhaji N.O. Jenmi	Member

Secretary to the Committee
DCSC Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

UNIC INSURANCE PLC

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Unic Insurance Plc and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and for such internal control as the Directors determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

UNIC INSURANCE PLC – Continued

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Unic Insurance Plc and its subsidiaries ("the Group") as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the relevant International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

Report on Other Legal and Regulatory Requirements

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;

iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;

iv) in our opinion, the consolidated financial statements have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 so as to present fairly the state of affairs and profit or loss of the Company and its subsidiaries.

Kayode Famutimi, FCA, FRC/2012/ICAN/0155
For: Ernst & Young
Lagos, Nigeria

…. May 2014

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. General information

a. UNIC Insurance Plc was incorporated in Nigeria as a private limited liability company on 2 April 1965. The Company commenced general and life business activities on 1 October 1965 and was listed on the Nigerian Stock Exchange on 27 February 1990. Due to the recapitalisation exercise of the National Insurance Commission (NAICOM), the Company relinquished its general business license and was licensed for only the life business. The operations of the Company's general business terminated on 28 February 2007.

The registered office is Plot 144, Oba Akran Avenue, Ikeja Industrial Estate Ikeja, Lagos

The consolidated financial statements of Unic Insurance Plc for the year ended 31 December 2012 were authorized for issue in accordance with a resolution of the Directors on 5 November 2013

b. Principal activity

The Company was licensed to carry out life insurance business. It has two wholly owned subsidiaries (Critical Rescue International and VGC Recreational Investment Trust Limited whose principal activities include provision of medical emergency rescue assistance and other medical related services, and management of recreational clubs and the provision of recreational facilities.

2. Summary of significant accounting policies

2.1 Statement of compliance

The consolidated financial statements of the Group for the year 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) which is a collective term that includes all International Accounting Standards and related interpretations, promulgated by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004, the Insurance Act CAP II7 LFN 2004 and the Financial Reporting Council of Nigeria (FRC) to the extent that they do not conflict with the requirements of IFRS. These are the first financial statements of Unic Insurance Plc prepared in accordance with IFRS, International Financial Reporting Standard 1 (IFRS 1): First-time Adoption of International Financial Reporting Standards has been applied. The IFRS accounting policies have been consistently applied to all periods presented as if these policies had always been in effect.

2.2 Basis of preparation

The financial statements comprise the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets and financial liabilities measured at fair value through profit or loss, and investment properties and property, plant and equipment, which have been measured at revalued amount or at fair value.

The Group classifies its expenses by the nature of expense method.

The financial statements are presented in Naira, which is the Group's presentational currency. The figures shown in the financial statements are stated in thousands unless otherwise indicated.

2.2 Basis of preparation (cont'd)

The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 43.

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Cash and cash equivalents include highly liquid investments.

The cash flows from operating activities are determined by using the indirect method and the net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities in the corresponding note. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Fees and commission received or paid, income tax paid are classified as operating cash flows.

The cash flows from investing and financing activities are determined by using the direct method. The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model (management approach).

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the respective notes.

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

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (Group) as at 31 December each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

2.4 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

2.5 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

2.5 Foreign currency translation (cont'd)

Translation differences on non-monetary items held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary items classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Foreign exchange gains and losses that relate to short-term deposits and cash and cash equivalents are presented in the profit or loss within 'investment income '. All other foreign exchange gains and losses are presented in the profit or loss within 'Other operating income' or 'Management expenses'.

2.6 Insurance and investment contracts

Insurance contracts are those contracts where Unic (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, Unic determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts defined in IFRS 4 may also transfer financial risk. Life insurance liabilities are usually recognized when contracts are entered into and premiums are charged. Liability for life insurance contracts comprises the provision for unearned premium as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the Company. Adjustments to the liabilities at each reporting date are recorded in the income statement in "Transfer to Life fund". Life insurance liabilities are derecognized when the contract expires, is discharged or is cancelled.

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

2.6.1 Insurance contracts

Individual Life
These contracts insure mainly against death. For the published accounts, the contracts are valued using a gross premium valuation, taking into account the present value of expected future premium, claim and associated expense cash flows.

Any resultant negative policyholder liabilities, measured on an individual policy level, are set to zero ("zerorised") so as not to recognize profits prematurely.

Group Life
These contracts insure against death on a group basis. These contracts are short term in nature and are typically renewed annually. For these contracts, gross premiums are recognized as revenue when due.

2.6 Insurance and investment contracts (cont'd)

2.6.1 Insurance contracts (cont'd)

Insurance contracts with discretionary participation features
Unic issues endowment contracts that provide primarily savings benefits to policyholders but also transfer insurance risk. The benefit payable under each contract increases each year by a reversionary bonus. Bonus distribution to policyholders is at the discretion of Unic's management.

These contracts are valued on a gross premium valuation basis.

Reinsurance
The Company cedes insurance risk in the normal course of business for all of its businesses when the sum assured is more than the company's acceptable limit. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the income statement.

Gains or losses on buying reinsurance are recognised in the income statement immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

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

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets that are recognized based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective interest rate method when accrued.

Actuarial valuation of Life fund
This is made up of the net liabilities on all policies in force as computed at the time of the actuarial valuation. Actuarial valuation of life fund is carried out annually for the purpose of determining the surplus or deficit at the end of the year. All deficits/surpluses arising thereon are charged/credited to the profit or loss account.

2.6 Insurance and investment contracts (cont'd)

2.6.2 Investment contracts

Investment contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities are recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, investment contract liabilities are carried at amortized cost using the effective interest method.

Receipts from investment contracts with guarantee returns (welfare scheme/deposit administration) and other businesses that are savings related are recognized as liabilities. Interest accruing from investment of the savings is recognized in the profit or loss for account (deposit administration revenue account) in the year it is earned while guaranteed interest due to depositors is recognized as expense. The net result of deposit administration revenue account is transferred to profit and loss account of the Company. The policy liabilities are determined by the accrued benefits (accrued interest on investment funds) of relevant policy holders.

The liability is derecognized when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

2.7 Revenue recognition

2.7.1 Gross premiums

Gross recurring premiums on life and investment contracts with Discretionary Participation Features (DPF) are recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date on which the policy is effective.

2.7.2 Reinsurance premiums

The Company cedes insurance risk in the normal course of business for all of its business. Gross written premiums on life and investment contracts are recognized as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

2.7.3 Fees and commission income

Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognized as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

2.7 Revenue recognition (cont'd)

2.7.4 Investment income

Interest income comprises interest earned on short-term deposits, loans and statutory deposits.

Interest income is recognized in the income statement as it accrues and is calculated by using the effective interest rate method.

Investment income also includes rental income on investment properties as well as dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

2.7.5 Realized gains and losses

Realized 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 proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

2.7.6 Other operating income

Other operating income comprises exchange gains/(losses) on transactions and income other than those derived from insurance contracts and investment income.

2.8 Benefits, claims and expenses recognition

2.8.1 Gross benefits and claims

Gross benefits and claims for life insurance contracts and for investment contracts with DPF 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. Changes in the gross valuation of insurance are also included. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

2.8.2 Reinsurance claims

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

2.8.3 Underwriting expenses

Underwriting expenses comprise acquisitions costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance and investment contracts. These costs also include fees and commission expense. Other underwriting expenses are those incurred in servicing existing policies and contracts.

2.8 Benefits, claims and expenses recognition (cont'd)

2.8.4 Management expenses

These are expenses other than claims and underwriting expenses. They include employee benefits, professional fees, depreciation expenses and other non-operating expenses. Management expenses are accounted for on accrual basis and recognized in the income statement upon utilization of the service or at the date of origination.

2.8.5 Finance costs

Interest paid is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

2.9 Cash and cash equivalents

Cash and cash equivalents are balances that are held for the primary purpose of meeting short term cash commitments. Hence this includes cash in hand and cash equivalents that are readily convertible to known amount of cash, are subject to insignificant risk of changes in value and whose original maturity is three months or less.

This includes cash-on-hand, deposit held at call with banks and other short-term highly liquid investments which originally matures in three months or less.

2.10 Financial assets and liabilities

2.10.1 Financial assets

Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Group's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

2.10 Financial assets and liabilities (cont'd)

2.10.1 Financial assets (cont'd)

(a) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

Available-for-sale financial assets in the Group include investment in equity instruments (both quoted and unquoted), investments in private equity, investment in treasury bills having tenor of more than three months and investment in debt securities (bonds) issued by Federal Government of Nigeria.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value, with unrealized gains or losses recognized in other comprehensive income and accumulated in the available-for-sale reserve (equity).

Interest earned whilst holding available-for-sale investments is reported as interest income using the effective interest rate (EIR) method. Dividends earned whilst holding available-for-sale investments are recognized in the income statement as 'Investment income' when the right of the payment has been established. When the asset is derecognized the cumulative gain or loss is recognized in 'net realized gains or losses', or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve.

The Group evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term would still be appropriate. In the case where the Group is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to held-to-maturity is permitted only when the entity has the ability and intention to hold the financial asset until maturity.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognized in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to the income statement.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

2.10 Financial assets and liabilities (cont'd)

2.10.1 Financial assets (cont'd)

(b) Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortised cost, using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in 'interest income' which is included investment income in the income statement. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortisation process.

Loans and receivables in the Group include loan to subsidiary, loans to employees and loans to policy holders under insurance contracts.

2.10.2 Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired; Or

The Group retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

The Group has transferred substantially all the risks and rewards of the asset; Or

The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.10 Financial assets and liabilities (cont'd)

2.10.3 Impairment of financial assets

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

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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 recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the profit or loss.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Group's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

2.10 Financial assets and liabilities (cont'd)

2.10.3 Impairment of financial assets (cont'd)

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of 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 on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Available-for-sale financial assets
For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. The Company treats 'significant' generally as 20% and 'prolonged' generally as greater than six months. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest/investment income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

Financial assets carried at cost
For financial assets carried at cost, if there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

2.10 Financial assets and liabilities (cont'd)

2.10.4 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there have separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

2.10.5 Reclassification of financial assets

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

2.10.6 Financial liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value.

The Group's financial liabilities include trade and other payables as well as borrowings.

2.10 Financial assets and liabilities (cont'd)

2.10.6 Financial liabilities (cont'd)

Subsequent measurement
The Group's financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Interest bearing loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the income statement.

2.10.7 Derecognition of financial liabilities

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

2.10.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

2.10.9 Fair value of financial instruments

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

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

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

2.10 Financial assets and liabilities (cont'd)

2.10.9 Fair value of financial instruments (cont'd)

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

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

2.11 Trade receivables

Trade receivable are initially recognized at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect the amount due under the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognized when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit or loss.

2.12 Other receivables and prepayments

Other receivables and prepayments principally consist of prepayments, accrued income and sundry debtors and are carried at amortised cost.

2.13 Inventory

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost and other cost incurred in bringing the inventories to their present location and condition. Impairment adjustments, which are recognized in profit or loss, are made for obsolete, slow moving or defective stock where appropriate in order to reduce their cost to the net realisable values.

2.14 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Fair values are evaluated annually by an accredited independent valuation expert.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

2.15 Intangible assets

Intangible assets comprise computer software licenses, which are with finite lives, are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

The Group chooses to use the cost less amortization and impairment model for the measurement after recognition.

Amortisation is calculated on a straight line basis over the useful lives as follows:
- Computer Software :5 years

2.16 Property, plant and equipment

Property, plant and equipment, including owner-occupied property, is stated at cost, excluding the costs of day-today servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

2.16 Property, plant and equipment (cont'd)

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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

Depreciation is provided on a straight line basis over the useful lives of the following classes of assets:

Office furniture	5 years
Computer:	4 years
Equipment	4 years
Motor vehicles	4 years

The assets' residual values, and useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the income statement as an expense.

An item of property, plant and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

2.17 Leasing

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005, in accordance with the transitional requirements of IFRIC 4.

Group as a lessee

Finance leases that transfer to Unic Insurance Plc substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the income statement.

2.17 Leasing (cont'd)

Group as a lessee (cont'd)

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term. Contingent rentals are recognized as an expense in the period in which they are incurred.

Group as a Lessor

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

2.18 Statutory deposits

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost.

2.19 Trade payables

Trade payables which comprise insurance payables are recognized when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs.

Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method.

Insurance payables are derecognised when the obligation under the liability is settled, cancelled or expired.

2.20 Provisions

Provisions are liabilities that are uncertain in amount and timing.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized 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.

2.20 Provisions (cont'd)

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Retirement benefit obligations

Defined contributory scheme

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the Pension Reform Act 2004, the Group operates a defined contribution scheme; employees are entitled to join the scheme on confirmation of their employment. The employee and the Group contribute 7.5% of the employee's total emoluments (basic, housing and transport allowances). The Group's contribution each year is charged against income and is included in staff cost. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due.

Defined benefit staff gratuity scheme

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

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

2.23 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in Nigeria. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in the income statement.

Deferred tax

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits.

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit 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 recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2.24 Issued and paid share capital

The issued ordinary shares of the Company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividends on ordinary share capital

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

2.25 Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

2.26 Contingency reserve

Contingency reserve is done in accordance with the provisions of the Insurance Act, CAP II7 LFN 2003:

The contingency reserve is credited with the higher of an amount equal to 1% of the gross premium or 10% of the profits.

2.27 Asset revaluation reserve

Subsequent to initial recognition, an item of property, plant and equipment and, in certain circumstances, an intangible asset, may be revalued to fair value. However, if such item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognized in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognized as an expense, in which case it is recognized in income statement. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognized in income statement

2.28 Retained earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the Company.

2.29 Available-for-sale reserve

The available-for-sale reserve comprises the cumulative net change in the fair value of the group's available-for-sale investments. Net fair value movements are recycled to income statements if an underlying available-for-sale investment is either derecognized or impaired.

2.30 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

2.31 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group's executive committee as its chief operating decision maker.

3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments — Company as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and, therefore, accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of insurance contract liabilities and investment contract liabilities

The liability for life insurance contracts and investment contracts is based either on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The company bases mortality and morbidity on standard industry mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide range changes to life style, could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments.

3. Significant accounting judgements, estimates and assumptions (cont'd)

Estimates and assumptions (cont'd)

Valuation of insurance contract liabilities and investment contract liabilities (cont'd)
Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation, if appropriate.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.

The carrying value at the reporting date of insurance contract liabilities is ₦370,122,000 (2011: ₦367,419,000) and of investment contract liabilities is ₦658,081,000 (2011:₦ 616,595,000). Further details are as disclosed in Notes 12 and 13 to the financial statements.

Impairment of available-for-sale investments
The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be verified from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair value. The judgements include considerations of liquidity and model inputs such as volatility for discount rates, prepayment rates and default rate assumptions for asset-backed securities.

Valuation of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2012. A valuation methodology based on discounted cash flow model was used as there is a lack of comparable market data because of the nature of the properties.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate.

Revaluation of property, plant and equipment
The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2012. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

3. Significant accounting judgements, estimates and assumptions (cont'd)

Estimates and assumptions (cont'd)

Valuation of pension benefit obligation
The cost of defined benefit staff gratuity scheme and other post-employments benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 17 to the financial statements.

The carrying value at the reporting date of gratuity benefit obligation is ₦15,830,000 (2011: ₦18,716,000).

Deferred tax assets and liabilities
Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations by the taxable entity.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

The carrying value at the reporting date of deferred tax liability is disclosed in Note 19.

4. New and amended standards and interpretations

Standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (OCI)
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

4. New and amended standards and interpretations (cont'd)

IAS 19 Employee Benefits (Amendment)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group has elected to recognize actuarial gains and losses in OCI in the current year in line with the existing IAS 19. Based on initial assessment, the Directors do not expect IAS 19 (revised) to have any material impact on the financial position and performance of the Company. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group presents separate financial statements in addition to the consolidated financial statements. The Directors do not expect IAS 27 as revised to have any material impact on the financial statements of the Group. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. IAS 28 (revised) is not expected to have any material impact on the Group as it does not hold any interest in associates or joint ventures. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendments dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This standard is not expected to have any impact on the financial statement of the Group.

This is the same relief as was given to existing preparers of IFRS financial statements.

IFRS 7 Financial Instruments: Disclosures — Offsetting financial assets and financial liabilities
The amendment requires additional disclosures about rights of set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on the Group's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set off in accordance with IAS 32. Based on initial assessment, the application of this standard is not expected to have material impact on the financial position and performance of the Group. However, the Directors anticipate that the application of these amendments may require additional disclosures about right of set-off.

The standard is effective for annual periods beginning on or after 1 January 2013.

4. New and amended standards and interpretations (cont'd)

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 Consolidated Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Directors do not expect IFRS 11 to have any material impact on the Group as it does not currently hold interests in any joint arrangement.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 Disclosure of Involvement with Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The Directors are currently assessing the impact IFRS 12 could have on the Group.

A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The directors are currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Annual improvements project – effective 1 January 2013

The Annual Improvements to IFRSs 2009 – 2011 Cycle include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to IFRSs include:

* Amendments to IAS 1 Presentation of Financial Statements;
* Amendments to IAS 16 Property, plant and equipment;
* Amendments to IAS 32 Financial Instruments: Presentation; and
* Amendments to IAS 34 Interim Financial Reporting

IAS 1 Presentation of Financial Statements
The amendments to IAS 1 clarify that an entity is required to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position.

The amendments also clarify that additional comparative information is not necessary for periods beyond the minimum comparative financial statement requirements of IAS 1. However, if additional comparative information is provided, the information should be presented in accordance with IFRSs, including related note disclosure of comparative information for any additional statements included beyond the minimum comparative financial statement requirements. Presenting additional comparative information voluntarily would not trigger a requirement to provide a complete set of financial statements. The directors do not anticipate that the amendments to IAS 1 will have a significant effect on the Group's financial statements.

IAS 16 Property, plant and equipment
The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. The directors do not anticipate that the amendments to IAS 16 will have a significant effect on the Group's financial statements.

IAS 32 Financial Instruments: Presentation
The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes. The directors anticipate that the amendments to IAS 32 will have no effect on the Group's financial statements as the Group has already adopted this treatment.

IAS 34 Interim Financial Reporting
The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments.

Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity’s previous annual financial statements for that reportable segment.

5. First-time adoption of IFRS

These financial statements, for the year ended 31 December 2012, are the first that Unic Insurance Plc has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2011, Unic Insurance Plc prepared its consolidated financial statements in accordance with Nigerian generally accepted accounting practice (Nigerian GAAP).

Accordingly, the Group has prepared consolidated and separate financial statements which comply with IFRS applicable for periods ending on 31 December 2012, together with the comparative period data as at and for the year ended 31 December 2011, as described in the accounting policies. In preparing these consolidated financial statements, Unic's opening statement of financial position was prepared as at 1 January 2011, Unic's date of transition to IFRS.

An explanation of how the transition from Nigerian GAAP to IFRS has affected the Company and Group's financial position, financial performance and cash flows is set out in Note 44 to the consolidated financial statements.

In preparing these financial statements in accordance with IFRS 1, the Group has applied the mandatory exceptions from full retrospective application of IFRS. The optional exemptions from full retrospective application selected by the Group are summarized below.

Exceptions from full retrospective application - followed by the Group

The Group applied the following mandatory exceptions from retrospective application:

Derecognition of financial assets and liabilities exception
Financial assets and liabilities derecognized before 1 January 2011 are not re-recognized under IFRS.

Hedge accounting exception
This exception requires the Group to apply hedge accounting only if the hedge relationship meets all the hedge accounting criteria under IAS 39. The Group has not applied hedge accounting under IFRS.

Classification and measurement of financial assets exception
The assessment of whether the Group's financial assets meet the requirements to be measured at amortised cost or at fair value, as set out in IFRS 9, was not performed at 1 January 2011 as the Group did not early adopt IFRS 9.

Estimates exception
Estimates under IFRS at 1 January 2011 are consistent with estimates made for the same date under Nigerian GAAP, unless there is evidence that those estimates were in error.

The Group applied the following optional exemptions from retrospective application:

Deemed Cost
The Group has elected to apply the exemption to carry investment balances at the carrying value under previous GAAP (Nigerian GAAP) at transition date.

IFRS 7 Disclosure
The Group has elected to apply the exemption in respect of the disclosure of information on the transfer of financial assets in the opening as well as the comparative financial statements.

UNIC INSURANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

		GROUP			COMPANY		
				1 January			1 January
		2012	2011	2011	2012	2011	2011
Assets	**Note**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	1	79,195	51,035	87,817	67,983	35,128	76,925
Financial assets	2	1,379,183	1,342,490	1,513,381	1,401,883	1,473,137	1,511,134
Trade receivables	3	456,667	621,511	552,847	2,823	58,589	107,774
Reinsurance assets	4	3,158	2,010	4,242	3,158	2,010	4,242
Other receivables and prepayments	5	170,166	177,287	172,684	8,351	51,968	38,156
Inventory	6	1,979	3,992	7,346	-	-	-
Investments in subsidiaries	7	-	-	-	15,000	2,302,485	2,302,485
Investment properties	8	1,284,400	1,202,500	1,608,002	2,950,900	1,202,500	1,608,002
Intangible assets	9	36,143	65,216	94,020	36,143	65,216	94,020
Property, plant and equipment	10	2,393,209	2,382,956	2,521,609	588,698	150,885	214,179
Statutory deposits	11	220,000	220,000	220,000	220,000	220,000	220,000
Total assets		6,024,100	6,068,997	6,781,948	5,294,939	5,561,918	6,176,917
Liabilities							
Insurance contract liabilities	12	370,122	456,484	439,465	370,122	456,484	439,465
Investment contract liabilities	13	658,081	616,595	698,471	658,081	616,595	698,471
Trade payables	14	618,596	542,983	566,974	401,565	461,394	481,668
Provisions and other payables	15	605,882	717,503	510,527	406,148	420,190	323,050
Borrowings	16	643,319	616,102	1,306,375	541,693	491,162	1,055,462
Retirement benefit obligations	17	75,390	61,022	54,700	74,930	60,541	54,110
Income tax liabilities	18.3	75,494	65,580	69,026	42,384	34,527	40,026
Deferred tax liabilities	19	192,810	81,501	104,816	98,920	81,501	102,423
Total liabilities		3,239,694	3,157,770	3,750,354	2,593,843	2,622,394	3,194,675
Equity							
Issued and paid share capital	20	1,291,148	1,291,148	1,291,148	1,291,148	1,291,148	1,291,148
Share premium	21	878,055	878,055	878,055	878,055	878,055	878,055
Statutory contingency reserve	22.1	511,741	509,148	495,937	511,741	509,148	495,937
Asset revaluation reserve		238,464	-	-	-	-	-
Retained earnings	22.2	(153,468)	210,110	366,454	1,686	238,407	317,102
Available-for-sale reserve	22.3	18,466	22,766	-	18,466	22,766	-
Total equity		2,784,406	2,911,227	3,031,594	2,701,096	2,939,524	2,982,242
Total liabilities and equity		6,024,100	6,068,997	6,781,948	5,294,939	5,561,918	6,176,917

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Alhaji Nurudeen O. Jenmi	Friday Orjieh	Akeem B. Agbedejobi
Director	**Managing Director/CEO**	**Chief Financial Officer**
FRC/2013/ICAN/4839	FRC/2013/CIIN/2411	FRC/2014/ICAN/6867

See notes to the consolidated financial statements.

UNIC INSURANCE PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	GROUP 2012 ₦'000	GROUP 2011 ₦'000	COMPANY 2012 ₦'000	COMPANY 2011 ₦'000
Gross premium written		**259,313**	**464,309**	**259,313**	**464,309**
Gross premium income	23.1	318,900	592,873	318,900	592,873
Reinsurance expenses	23.2	(9,599)	(6,557)	(9,599)	(6,557)
Net premium income	23	309,301	586,316	309,301	586,316
Fees and commission income	24	71,636	109,537	71,636	109,537
Net underwriting income		380,937	695,853	380,937	695,853
Claims expenses	25	(137,389)	(340,325)	(137,389)	(340,325)
Underwriting expenses	26	(91,075)	(227,030)	(91,075)	(227,030)
Change in life insurance contract liability		43,874	(28,259)	43,874	(28,259)
Underwriting results		196,347	100,239	196,347	100,239
Investment income	27	231,401	120,972	211,930	93,505
Net fair value gains	28	91,400	347,000	174,492	347,000
Net realised gains	29	49,152	153,481	51,152	152,730
Other operating income	30	584,073	628,818	(25)	1,057
Management expenses	31	(1,339,179)	(1,292,227)	(742,813)	(589,386)
Results of operating activities		(186,806)	58,283	(108,917)	105,145
Finance costs	32	(150,674)	(211,294)	(96,935)	(182,378)
Loss before taxation		(337,480)	(153,011)	(205,852)	(77,233)
Income tax (expenses)/credits	18.1	(23,505)	9,878	(28,276)	11,749
Loss for the year		(360,985)	(143,133)	(234,128)	(65,484)
Other comprehensive income/(loss):					
Net (losses)/gains on available-for-sale assets	33.1	(4,300)	22,766	(4,300)	22,766
Revaluation surplus on land and buildings	33.2	238,464	-	-	-
Other comprehensive income/(loss) for the year net of tax		234,164	22,766	(4,300)	22,766
Total comprehensive loss for the year, net of tax		(126,821)	(120,367)	(238,428)	(42,718)
Loss per share:					
Basic and diluted loss per share (kobo)	34	(14)	(6)	(9)	(3)

See notes to the consolidated financial statements.

UNIC INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 31 DECEMBER 2012

GROUP	Issued share capital	Share premium	Statutory contin-gency reserve	Asset revalutai-on reserve	Retained earnings	Available-for-sale reserve	Total equity
For year ended 31 December 2012	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2012	1,291,148	878,055	509,148	-	210,110	22,766	2,911,227
Loss for the year	-	-	-	-	(360,985)	-	(360,985)
Other comprehensive income	-	-	-	238,464	-	(4,300)	234,164
Transfer between reserves	-	-	2,593	-	(2,593)	-	-
At 31 December 2012	1,291,148	878,055	511,741	238,464	(153,468)	18,466	2,784,406
For year ended 31 December 2011							
At 1 January 2011	1,291,148	878,055	495,937	-	366,454	-	3,031,594
Loss for the year	-	-	-	-	(143,133)	-	(143,133)
Other comprehensive income	-	-	-	-	-	22,766	22,766
Transfer between reserves	-	-	13,211	-	(13,211)	-	-
At 31 December 2011	1,291,148	878,055	509,148	-	210,110	22,766	2,911,227

COMPANY	Issued share capital	Share premium	Statutory contin-gency reserve	Asset revalutai-on reserve	Retained earnings	Available-for-sale reserve	Total equity
For year ended 31 December 2012							
At 1 January 2012	1,291,148	878,055	509,148	-	238,407	22,766	2,939,524
Loss for the year	-	-	-	-	(234,128)	-	(234,128)
Other comprehensive income	-	-	-	-	-	(4,300)	(4,300)
Transfer between reserves	-	-	2,593	-	(2,593)	-	-
At 31 December 2012	1,291,148	878,055	511,741	-	1,686	18,466	2,701,096
For year ended 31 December 2011							
At 1 January 2011	1,291,148	878,055	495,937	-	317,102	-	2,982,242
Loss for the year	-	-	-	-	(65,484)	-	(65,484)
Other comprehensive income	-	-	-	-	-	22,766	22,766
Transfer between reserves	-	-	13,211	-	(13,211)	-	-
At 31 December 2011	1,291,148	878,055	509,148	-	238,407	22,766	2,939,524

UNIC INSURANCE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR YEAR ENDED 31 DECEMBER 2012

		GROUP		COMPANY	
		2012	2011	2012	2011
Cash flows from operating activities	Note	₦'000	₦'000	₦'000	₦'000
Loss before taxation		(337,480)	(153,011)	(205,852)	(77,233)
Adjustments for non-cash items:					
- Impairment losses		230,973	70,760	268,896	66,754
- Depreciation	10	115,922	192,108	62,161	63,392
- Amortisation of intangible assets	9	29,073	28,804	29,073	28,804
- Loss on disp. of property, plant and equipment		2,000	4,533	-	5,284
- Loss/(profit) on disp. of investment properties		990	(161,311)	990	(161,311)
- (Profit)/loss on disp. of equities		(52,142)	3,297	(52,142)	3,297
- Fair value gains on investment properties		(91,400)	(347,000)	(174,492)	(347,000)
- Exchange rate differential		25	(1,057)	25	(1,057)
- Dividend income		(31,138)	(25,924)	(31,138)	(25,924)
- Interest income		(126,479)	(34,569)	(126,297)	(34,555)
- Finance costs		150,674	211,294	96,935	182,378
Changes in working capital:					
Decrease in trade receivables		28,157	43,635	28,157	43,635
(Increase)/decrease in reinsurance assets		(1,148)	2,232	(1,148)	2,232
Decrease/(increase) in other receivables and prepayments		43,617	(13,812)	43,617	(13,812)
Increase in loans and receivables		(77,774)	(90,709)	(77,774)	(90,709)
Increase in inventory		(61)	(652)	-	-
(Decrease)/increase in insurance contract liabilities		(86,362)	17,019	(86,362)	17,019
Increase/(decrease) in investment contract liabilities		41,486	(81,876)	41,486	(81,876)
(Decrease)/increase in trade and other payables		(73,871)	78,183	(73,871)	76,866
Increase in retirement benefit obligation		14,389	6,431	14,389	6,431
Income tax paid		(4,481)	(16,883)	(3,000)	(14,672)
Net cash utilised by operating activities		(225,030)	(268,508)	(246,347)	(352,057)
Cash flows from investing activities					
Purchase of property, plant and equipment		(23,733)	(60,805)	(1,243)	(7,448)
Proceeds on disposal of property, plant and equipment		72,538	2,067	1,269	2,067
Proceeds on sale of investments		77,033	79,534	77,033	79,534
Proceeds on sale of investment properties		8,510	913,813	8,510	913,813
Interest received		126,479	34,569	126,297	34,555
Dividend received		31,138	25,924	31,138	25,924
Net cash provided in investing activities		291,965	995,102	243,004	1,048,445
Cash flows from financing activities					
Finance costs		(45,315)	(187,339)	(15,398)	(216,715)
Dividend paid		(1,380)	(1,096)	(1,380)	(1,096)
Finance lease		2,470	(28,670)	2,470	(28,670)
Bank loans		(25,913)	(574,202)	27,826	(545,286)
Net cash utilised by financing activities		(70,138)	(791,307)	13,518	(791,767)
Net (decrease)/increase in cash and cash equivalents		(3,203)	(64,713)	10,175	(95,379)
Cash and cash equivalents at beginning of the year		(137,698)	(74,042)	(144,460)	(50,138)
Effect of change in exchange rate		(25)	1,057	(25)	1,057
Cash and cash equivalents at end of the year	**36**	(140,926)	(137,698)	(134,310)	(144,460)

See notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Cash and cash equivalents

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Cash-in-hand	4,867	4,744	8,005	-	-	3,577
Balances held with local banks	45,747	16,752	58,718	39,402	5,589	52,254
Balances held in domicilliary accounts	3,326	8,231	1,846	3,326	8,231	1,846
Short-term placements	25,255	22,882	20,822	25,255	22,882	20,822
Impairment on cash and cash equivalents	-	(1,574)	(1,574)	-	(1,574)	(1,574)
Total cash and cash equivalents	**79,195**	**51,035**	**87,817**	**67,983**	**35,128**	**76,925**

Short-term placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company. All deposits are subject to an average variable interest rate of 10% (2011:12.5%) (1 January 2011:12.5%).

The carrying amounts disclosed above reasonably approximate fair value at the reporting date. The cash and cash equivalents position for cash flow purposes, net of the Group's overdraft is as shown in note 36.

2 Financial assets

	GROUP			COMPANY		
			At 1 January			At 1 January
The Group's financial assets are summarised by categories	2012	2011	2011	2012	2011	2011
as follows:	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Available-for-sale (Note 2.1)	424,229	515,919	638,097	424,229	515,919	638,097
Loans and receivables (Note 2.2)	954,954	826,571	875,284	977,654	957,218	873,037
Total financial assets	**1,379,183**	**1,342,490**	**1,513,381**	**1,401,883**	**1,473,137**	**1,511,134**
Total current	**569,422**	**593,982**	**464,363**	**522,921**	**623,921**	**462,116**
Total non-current	**814,012**	**849,216**	**1,049,018**	**878,962**	**849,216**	**1,049,018**

2.1 Available-for-sale financial assets

Quoted equity securities at fair value	50,714	64,904	133,683	50,714	64,904	133,683
Unquoted securities at cost	373,515	451,015	504,414	373,515	451,015	504,414
Total available-for-sale financial assets	424,229	515,919	638,097	424,229	515,919	638,097

2 Financial assets - continued

2.2 Loans and receivables	GROUP 2012 =N='000	GROUP 2011 =N='000	GROUP At 1 January 2011 =N='000	COMPANY 2012 =N='000	COMPANY 2011 =N='000	COMPANY At 1 January 2011 =N='000
Loans to policy holders	3,433	5,560	11,487	3,433	5,560	11,487
Loans to related parties	944,426	754,285	732,030	968,632	884,932	729,783
Advances under finance lease	61,925	67,225	126,317	61,925	67,225	126,317
Staff Loans and advances	18,125	19,063	26,300	16,619	19,063	26,300
Impairment on loans and receivables	(72,955)	(19,562)	(20,850)	(72,955)	(19,562)	(20,850)
Total loans and receivables at amortized cost	954,954	826,571	875,284	977,654	957,218	873,037

The carrying amounts of loans and receivables as disclosed above approximate fair value at the reporting date.

Impairment on loans and receivables						
At the begining of the year	19,562	20,850	20,850	19,562	20,850	20,850
Impairment charge during the year	57,338	6,528	-	57,338	6,528	-
Written off during the year	(3,945)	(7,816)	-	(3,945)	(7,816)	-
	72,955	19,562	20,850	72,955	19,562	20,850

2.3 Determination of fair value and fair value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Available-for-sale financial assets	Level 1 =N='000	Level 2 =N='000	Level 3 =N='000	Total fair value =N='000
2012				
Equity securities	50,714	-	-	50,714
2011				
Equity securities	64,904	-	-	64,904
2010				
Equity securities	133,683	-	-	133,683

3 Trade receivables

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Insurance receivables	-	-	3,379	-	-	3,379
Unic health receivables	62,057	90,214	133,849	62,057	90,214	133,849
Other trade receivables	453,844	562,922	445,073	-	-	-
Impairment on trade receivables	(59,234)	(31,625)	(29,454)	(59,234)	(31,625)	(29,454)
	456,667	621,511	552,847	2,823	58,589	107,774

Trade receivables are non-interest bearing and are generally on terms of 30 and 90 days.

As at 31 December 2012, trade receivables of an initial value of N62,057,000 (2011:N90,214,000, 1 January 2011:N133,849) were impaired and provided for. See below for movements in provision for impairment on trade receivables.

	GROUP			COMPANY		
			At 1 January			At 1 January
Movement in provision for impairment on trade receivables	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
At the begining of the year	31,625	29,454	29,454	31,625	29,454	29,454
Impairment charge during the year	27,609	5,550	-	27,609	5,550	-
Written off during the year	-	(3,379)	-	-	(3,379)	-
	59,234	31,625	29,454	59,234	31,625	29,454

4 Reinsurance assets

Claims recoverable	-	-	80,725	-	-	80,725
Reinsurer's share of outstanding claims	3,158	2,010	4,242	3,158	2,010	4,242
Impairment on reinsurance assets	-	-	(80,725)	-	-	(80,725)
	3,158	2,010	4,242	3,158	2,010	4,242

At 31 December 2012, the Group conducted an impairment review of the reinsurance assets but no impairment loss resulted from this exercise (2011:Nil, 1 January 2011:N80,725,000). The carrying amounts disclosed above approximate fair value at the reporting date.

5 Other receivables and prepayments

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Deposit for shares	-	-	31,981	-	-	31,981
Other debit balances	27,557	125,264	48,560	4,994	134,696	40,033
Statutory recoverable (WHT)	138,319	132,905	116,144	-	-	-
Prepayments	4,290	2,296	17,472	3,357	450	7,615
Impairment on other receivables	-	(83,178)	(41,473)	-	(83,178)	(41,473)
Total other receivables and prepayments	**170,166**	**177,287**	**172,684**	**8,351**	**51,968**	**38,156**

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

6 Inventory

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Drugs and consumables stock	11,545	11,545	11,545	-	-	-
Medical equipment stock	8,729	8,729	8,729	-	-	-
Food and beverages	1,979	1,918	1,266	-	-	-
Impairment on obsolete stock	(20,274)	(18,200)	(14,194)	-	-	-
Total inventories at lower of cost and realisable value	**1,979**	**3,992**	**7,346**	-	-	-
Impairment on obsolete stock						
At the begining of the year	18,200	14,194	14,194	-	-	-
Impairment charge during the year	2,074	4,006	-	-	-	-
At end of the year	20,274	18,200	14,194	-	-	-

7 Investment in subsidiaries

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Critical Rescue International (CRI) (Note 7.1)	-	-	-	5,000	5,000	5,000
VGC Recreational Investment Trust Limited (Note 7.2)	-	-	-	10,000	10,000	10,000
Deposit for shares - CRI	-	-	-	-	704,077	704,077
Deposit for shares - VGC	-	-	-	-	1,583,408	1,583,408
At the end of the year	-	-	-	15,000	2,302,485	2,302,485

7.1 Critical Rescue International

Critical Rescue International (CRI) was incorporated in October 2011 as a wholly owned subsidiary. Its Principal activities include the provision of medical emergency rescue assistance and other medical related services. The amount of allotted investment is N5million.

7.2 VGC Recreational Investment Trust Limited

VGC Recreational Investment Trust Limited a wholly owned subsidiary was incorporated on 3 February 2005 as a private limited liability company and commenced business in October 2006. The Principal activity of the company is the management of recreational clubs and the provision of recreational facilities. The amount of allotted investment is N10million.

8 Investment properties

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
At 1 January	1,202,500	1,608,002	1,608,002	1,202,500	1,608,002	1,608,002
Transfer*	-	-	-	1,583,408	-	-
Fair value gains	91,400	347,000	-	174,492	347,000	-
Disposals during the year	(9,500)	(752,502)	-	(9,500)	(752,502)	-
At 31 December	1,284,400	1,202,500	1,608,002	2,950,900	1,202,500	1,608,002

** This transfer relates to the fair value of assets transferred from the subsidiary in lieu of deposits for shares previously held in VGC, a subsidiary company.*

8 Investment properties - continued

Investment properties are stated at fair value, which has been determined based on valuations performed by Messrs Ubosi Eleh & Co.who are accredited independent valuers, as at 31 December 2012, 31 December 2011 and 30 June 2010. These valuers are specialists in valuing these types of investment properties. The fair value of the properties has not been determined on transactions observable in the market because of the nature of the property and the lack of comparable data. Instead, a valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the income statement.

The group enters into operating leases for its investment properties. The rental income arising during the year amounted to N33,500,000 (year ended 31 December 2011: N28,475,000) which is included in investment income. Direct operating expenses arising in respect of such properties during the period are included in within operating and administrative expenses.

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

9 Intangible assets - Group and Company

	=N='000
At 1 January 2011	94,020
Amortization	(28,804)
At 31 December 2011	65,216
Amortization	(29,073)
At 31 December 2012	36,143

The group purchases its computer softwares from reputable international software vendor.

Computer software amortisation profile is in line with the Group's policy on intangible assets. As at 31 December 2012, this asset was tested for impairment, and management has determined that no impairment is required in respect of this asset (2011: Nil).

10 Property, plant and equipment
Group

	Building/ leasehold improvements	Assets under lease	Motor vehicles	Computer equipment	Household furniture and fittings	Capital Work-in-progress	Total
Cost/Valuation	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
At 1 January 2011	1,524,737	227,733	232,279	873,926	115,394	716,081	3,690,150
Additions	25,000	-	-	12,173	2,761	20,871	60,805
Disposals	-	(34,525)	(51,216)	-	(1,368)	-	(87,109)
At 31 December 2011	1,549,737	193,208	181,063	886,099	116,787	736,952	3,663,846
Additions	2,934	-	316	17,674	2,809	-	23,733
Impairment (Note 31)	-	-	-	-	-	(164,952)	(164,952)
Revaluations	340,663	-	-	-	-	-	340,663
Transfer*	(122,128)						(122,128)
Disposals	-	(9,004)	(1,945)	-	-	(72,000)	(82,949)
At 31 December 2012	1,771,206	184,204	179,434	903,773	119,596	500,000	3,658,213
Accumulated depreciation							
At 1 January 2011	160,128	169,354	183,114	547,299	108,646	-	1,168,541
Charge for the year	35,344	19,393	27,981	105,911	3,479	-	192,108
Disposals	-	(27,604)	(51,215)	-	(940)		(79,759)
At 31 December 2011	195,472	161,143	159,880	653,210	111,185	-	1,280,890
Charge for the year	8,932	17,682	17,568	68,708	3,032	-	115,922
Transfer*	(122,128)						(122,128)
Disposals	-	(7,735)	(1,945)	-	-	-	(9,680)
At 31 December 2012	82,276	171,090	175,503	721,918	114,217	-	1,265,004
Net book value							
At 31 December 2012	1,688,930	13,114	3,931	181,855	5,379	500,000	2,393,209
At 31 December 2011	1,354,265	32,065	21,183	232,889	5,602	736,952	2,382,956
At 1 January 2011	1,364,609	58,379	49,165	326,627	6,748	716,081	2,521,609

** This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued assets.*

Revaluation of land and building

The Group engaged Messrs Ubosi Eleh & Co.who are accredited independent valuers, as at 31 December 2012 to assess the value of its land and buildings.

10 Property, plant and equipment - continued

Revaluation of land and building

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

	2012	2011	At 1 January 2011
	=N='000	=N='000	=N='000
Cost	1,552,671	1,549,737	1,524,737
Accumulated depreciation	(204,404)	(195,472)	(160,128)
Net carrying amount	**1,348,267**	**1,354,265**	**1,364,609**

Company	Assets under lease	Motor vehicles	Computer equipment	Household furniture and fittings	Capital Work-in-progress	Total
Cost	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
At 1 January 2011	227,733	58,993	313,288	24,819	-	624,833
Additions	-	-	6,168	1,280	-	7,448
Disposals	(34,525)	(43,776)	-	(1,368)	-	(79,669)
At 31 December 2011	193,208	15,217	319,456	24,731	-	552,612
Additions	-	108	979	156	-	1,243
Transfers	-	-	-	-	500,000	500,000
Disposals	(9,004)	-	-	-	-	(9,004)
At 31 December 2012	184,204	15,325	320,435	24,887	500,000	1,044,851
Accumulated depreciation						
At 1 January 2011	169,354	53,238	165,480	22,582	-	410,654
Charge for the year	19,393	2,950	40,548	501		63,392
Disposals	(27,604)	(43,775)	-	(940)		(72,319)
At 31 December 2011	161,143	12,413	206,028	22,143	-	401,727
Charge for the year	17,682	2,824	40,872	783		62,161
Disposals	(7,735)	-	-	-	-	(7,735)
At 31 December 2012	171,090	15,237	246,900	22,926	-	456,153
Net book value						
At 31 December 2012	13,114	88	73,535	1,961	500,000	588,698
At 31 December 2011	32,065	2,804	113,428	2,588	-	150,885
At 1 January 2011	58,379	5,755	147,808	2,237	-	214,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

11 Statutory deposits

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Minimum statutory deposit	220,000	220,000	220,000	220,000	220,000	220,000

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost and are deemed to have long-term maturity profile. Interest income is earned at an average of 5.6%(2011:5.6%) per annum and this is included within investment income.

12 Insurance contract liabilities

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Outstanding claims (Note 12.1)	196,978	181,027	61,471	196,978	181,027	61,471
Provision for unearned premiums - Unic Health (Note 12.2)	39,069	98,657	227,221	39,069	98,657	227,221
Life fund (Note 12.3)	134,075	176,800	150,773	134,075	176,800	150,773
	370,122	456,484	439,465	370,122	456,484	439,465

Insurance contract liabilities are tested by certified professional actuary at each reporting date for adequacy of the insurance liabilities recognised in the financial statements. HR Nigeria Limited acted as consultants and actuaries during the period.

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
12.1 Movement in outstanding claims	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
At begining of the year	181,027	61,471	61,471	181,027	61,471	61,471
Change during the year	15,951	119,556	-	15,951	119,556	-
At end of the year	196,978	181,027	61,471	196,978	181,027	61,471
12.1 Movement in unearned premiums - Unic Health						
At begining of the year	98,657	227,221	227,221	98,657	227,221	227,221
Premium written in the year	96,497	235,922	-	96,497	235,922	-
Premium earned during the year	(156,085)	(364,486)	-	(156,085)	(364,486)	-
At end of the year	39,069	98,657	227,221	39,069	98,657	227,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

12 Insurance contract liabilities - continued

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
12.3 Movement in life fund	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
At begining of the year	176,800	150,773	150,773	176,800	150,773	150,773
Change during the year	(42,725)	26,027	-	(42,725)	26,027	-
At end of the year	134,075	176,800	150,773	134,075	176,800	150,773

13 Investment contract liabilities

Deposit administration	462,052	500,450	542,322	462,052	500,450	542,322
Investment plan	196,029	116,145	156,149	196,029	116,145	156,149
	658,081	616,595	698,471	658,081	616,595	698,471

13.1 Movement in deposit administration

At begining of the year	500,450	542,322	542,322	500,450	542,322	542,322
Additions during the year	363,259	361,870	-	363,259	361,870	-
Guaranteed interest	25,873	68,920	-	25,873	68,920	-
Withdrawals during the year	(427,530)	(472,662)	-	(427,530)	(472,662)	-
At end of the year	462,052	500,450	542,322	462,052	500,450	542,322

13.2 Movement in investment plan

At begining of the year	116,145	156,149	156,149	116,145	156,149	156,149
Additions during the year	151,471	1,777	-	151,471	1,777	-
Guaranteed interest	10,522	12,405	-	10,522	12,405	-
Withdrawals during the year	(82,109)	(54,186)	-	(82,109)	(54,186)	-
At end of the year	196,029	116,145	156,149	196,029	116,145	156,149

14 Trade payables

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Insurance payables	19,246	14,027	13,358	19,246	14,027	13,358
Unic Health providers	282,754	387,004	403,112	282,754	387,004	403,112
NHIS Capitation	99,565	60,363	65,198	99,565	60,363	65,198
Other trade payables	217,031	81,589	85,306	-		
	618,596	542,983	566,974	401,565	461,394	481,668

This represents the amount payable to insurance and reinsurance companies.

15 Provisions and other payables

	GROUP 2012 =N='000	GROUP 2011 =N='000	GROUP At 1 January 2011 =N='000	COMPANY 2012 =N='000	COMPANY 2011 =N='000	COMPANY At 1 January 2011 =N='000
Non trade payable	150,876	145,527	124,468	150,876	145,527	124,468
Statutory payables	10,708	10,424	9,904	10,708	10,424	9,904
Information Technology development levy	6,649	6,649	5,493	6,649	6,649	5,493
Dividend payable	230	1,610	2,706	-	1,380	2,476
Payable to AWOGEN	10,400	20,400	34,250	10,400	20,400	34,250
Finance lease obligation (Note 15.1)	10,270	7,800	40,845	10,270	7,800	36,470
Rent received in advance	102,428	119,317	46,475	101,000	118,000	46,475
Other creditors and accruals	314,321	405,776	246,386	116,245	110,010	63,514
	605,882	717,503	510,527	406,148	420,190	323,050

15.1 Movement in finance lease obligation is as shown below:

	GROUP 2012 =N='000	GROUP 2011 =N='000	GROUP At 1 January 2011 =N='000	COMPANY 2012 =N='000	COMPANY 2011 =N='000	COMPANY At 1 January 2011 =N='000
At begining of the year	7,800	40,845	40,845	7,800	36,470	36,470
Movement during the year	2,470	(33,045)	-	2,470	(28,670)	-
At end of the year	10,270	7,800	40,845	10,270	7,800	36,470

15.1 Movement in rent received in advance is as shown below:

	GROUP 2012 =N='000	GROUP 2011 =N='000	GROUP At 1 January 2011 =N='000	COMPANY 2012 =N='000	COMPANY 2011 =N='000	COMPANY At 1 January 2011 =N='000
At begining of the year	119,317	46,475	46,475	118,000	46,475	46,475
Received in advance	35,900	106,946	-	16,500	100,000	-
Released to income statement (Note 27)	(52,789)	(34,104)	-	(33,500)	(28,475)	-
At end of the year	102,428	119,317	46,475	101,000	118,000	46,475

16 Borrowings

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Bank overdraft	220,121	188,733	161,859	202,293	179,588	127,063
Bank loans (Note 16.1)	423,198	427,369	1,072,977	339,400	311,574	856,860
Short-term loans	-	-	71,539	-	-	71,539
	643,319	616,102	1,306,375	541,693	491,162	1,055,462

16.1 Bank loans

These represent the outstanding balances on loans taken from banks to fund additional investments and operation by the Company and its subsidiary. The loans are renewable medium-term tenored at interest rates ranging between 20% and 25%. They are secured against certain financial assets of the Group and also by way of legal mortgage on some of the Group's properties.

17 Retirement benefit obligations

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Defined contribution scheme (Note 17.1)	59,560	42,306	34,711	59,100	41,825	34,121
Defined benefit staff gratuity scheme (Note 17.2)	15,830	18,716	19,989	15,830	18,716	19,989
	75,390	61,022	54,700	74,930	60,541	54,110

17.1 Defined contribution scheme

In accordance with the provisions of the Pensions Act 2004, the Company and its staff operate a contributory pension scheme. The contribution by employees and the Company are 7.5% and 7.5% respectively of the employees' basic salary, housing and transport allowances. The contribution made and transfered to the pension fund administrator during the period are as follows;

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Balance at start of period	42,306	34,711	15,485	41,825	34,121	14,941
Provisions during the period	17,700	7,950	19,665	17,275	7,704	19,180
Transfer to PFA	(446)	(355)	(439)	-	-	-
	59,560	42,306	34,711	59,100	41,825	34,121

17 Retirement benefit obligations - continued

17.2 ***Defined benefit staff gratutity scheme***

The company operates a defined benefit staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of five years and gross salary on date of retirement.

Statement of financial position obligation for:

	GROUP/COMPANY		
			At 1 January
The amounts recognised in the balance sheet are determined as follows:	2012 =N='000	2011 =N='000	2011 =N='000
Define benefits obligation at the end of the year	15,830	18,716	19,989
Fair value of plan assets	-	-	-
Funded statusDeficit	15,830	18,716	19,989
Past service costs	-	-	-
Asset ceiling limitation	-	-	-
	15,830	18,716	19,989

	2012	2011
The movement in the defined benefit obligation over the year is as follows:		
At beginning of the year	18,716	19,989
Service cost	-	-
Interest cost	2,272	2,056
Actuarial (gains)/losses - Assumption	741	(1,943)
Actuarial (gains)/losses - Experience	2,703	(1,386)
Benefit paid by the fund	(8,602)	-
At end of the year	15,830	18,716
The amounts recognised in the income statement are as follows:		
Current service cost	-	-
Interest cost	2,272	2,056
Expected return on plan assets	-	-
Amortisation	-	-
Total, included in staff costs	2,272	2,056
The principal actuarial assumptions used in determining the pension benefit obligations were as follows:		
Discount rate (per annum)	12.0%	13.0%
Average pay increase (per annum)	0.0%	0.0%
Average rate of inflation (per annum)	10.0%	10.0%

18 Income tax liabilities

The major components of income tax expenses for the years ended 31 December 2012 and 2011 are:

	GROUP		COMPANY	
	2012	2011	2012	2011
18.1 Per consolidated statement of profit or loss:	=N='000	=N='000	=N='000	=N='000
Income tax based on profit for the year	14,045	13,190	10,857	9,173
Education tax for the year	350	247		-
Underprovision in prior year	-	-	-	-
	14,395	13,437	10,857	9,173
Deferred taxation:				
Relating to origination and reversal of timing differences	9,110	(23,315)	17,419	(20,922)
Income tax charged/(credited) to profit and loss	23,505	(9,878)	28,276	(11,749)
18.2 Per statement of other comprehensive income:				
Deferred tax relates to items charged or credited directly to other comprehensive income during the year:				
Gain on revaluation of land and buildings	102,199	-	-	-
Income tax charged directly to other comprehensive income	102,199	-	-	-
Reconciliation of tax charge:				
Profit before taxation				
Tax at Nigerian's statutory income tax rate	(101,244)	(45,903)	(61,756)	(23,170)
Disallowed expenses	273,262	244,904	251,924	231,529
Tax exempt income	(168,831)	(194,984)	(190,169)	(208,359)
Tax effect of capital allowance	(8,309)	(2,393)	-	-
Impact of minimum tax	10,857	9,173	10,857	9,173
Education tax levy	350	247	-	-
Tax rate differential on fair value gains	16,553	(21,304)	16,553	(21,304)
Tax rate differential on employee benefits obligations	866	382	866	382
Total tax charge/(credit) for the year	23,505	(9,878)	28,276	(11,749)

18 Income tax liabilities - continued

18.3 Per statement of financial position:	GROUP 2012 =N='000	GROUP 2011 =N='000	GROUP At 1 January 2011 =N='000	COMPANY 2012 =N='000	COMPANY 2011 =N='000	COMPANY At 1 January 2011 =N='000
At 1 January	65,580	69,026	-	34,527	40,026	-
Charged to income statement	14,395	13,437	-	10,857	9,173	-
Withholding tax credit	-	-	-	-	-	-
Payments during the year	(4,481)	(16,883)	69,026	(3,000)	(14,672)	40,026
At the end of the year	75,494	65,580	69,026	42,384	34,527	40,026

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act CAP C21 LFN 2004 (as amended). The charge for education tax is based on the provisions of the Education Tax Act CAP E4 LFN 2004. Minimum tax requirement was used for the Company for the year as the Company has assessable loss for the year.

19 Deferred tax liabilities

	GROUP 2012 =N='000	GROUP 2011 =N='000	GROUP At 1 January 2011 =N='000	COMPANY 2012 =N='000	COMPANY 2011 =N='000	COMPANY At 1 January 2011 =N='000
Deferred tax liabilities						
Fair value gains on land and buildings	102,199	-	-	-	-	-
Fair value gains on investment properties	95,360	87,116	108,420	103,669	87,116	108,420
Accelerated depreciation for tax purposes	-	-	2,393	-	-	-
	197,559	87,116	110,813	103,669	87,116	108,420
Deferred tax assets						
Employee benefits	(4,749)	(5,615)	(5,997)	(4,749)	(5,615)	(5,997)
	(4,749)	(5,615)	(5,997)	(4,749)	(5,615)	(5,997)
Net deferred tax (assets)/liabilities	192,810	81,501	104,816	98,920	81,501	102,423
Reconciliation of deferred tax liability is as shown below:						
At the beginning of the year	81,501	104,816	104,816	81,501	102,423	102,423
Recognised in profit or loss	9,110	(23,315)	-	17,419	(20,922)	-
Recognised in other comprehensive income	102,199	-	-	-	-	-
At the end of the year	192,810	81,501	104,816	98,920	81,501	102,423

19 Deferred tax liabilities - continued

The Group has tax losses which arose in Unic Insurance Plc of =N=2.23bn that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elswhere in the Group,and there are no other tax planning opportunities of other evidence of recoverability in the near future.

20 Issued share capital and reserves

	GROUP			COMPANY		
			At 1 January			At 1 January
	2012	2011	2011	2012	2011	2011
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Authorised						
4,000,000,000 Ordinary shares of 50k each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid						
2,582,296,000 Ordinary shares of 50k each	1,291,148	1,291,148	1,291,148	1,291,148	1,291,148	1,291,148
21 Share premium						
At 31 December	878,055	878,055	878,055	878,055	878,055	878,055

22 Reserves

22.1 Statutory contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap I17 LFN 2004.

22.2 Retained earnings

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

22.3 Available-for-sale reserve

The available-for-sale reserve shows the fair value measurement of available-for-sale financial assets. Gains or losses on remeasurement are recognised in equity and only recognised in statement of profit or loss upon derecognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

	GROUP		COMPANY	
23 Net premium income	2012	2011	2012	2011
	=N='000	=N='000	=N='000	=N='000
23.1 Gross premium income				
Gross premium written:				
Unic Health	96,497	235,922	96,497	235,922
Life	162,816	228,387	162,816	228,387
Change in unearned premium provision	59,587	128,564	59,587	128,564
	318,900	592,873	318,900	592,873
23.2 Reinsurance expenses				
Premium ceded to reinsurers	(9,599)	(6,557)	(9,599)	(6,557)
Change in reinsurance costs	-	-	-	-
	(9,599)	(6,557)	(9,599)	(6,557)
Total net premium income	309,301	586,316	309,301	586,316
24 Fees and commission income				
Policyholder administration and investment management services	40,898	39,956	40,898	39,956
Reinsurance commission income	2,880	2,672	2,880	2,672
Commission on agency	27,858	66,909	27,858	66,909
	71,636	109,537	71,636	109,537
25 Claims expenses				
Gross claims expenses:				
Unic Health	66,333	159,250	66,333	159,250
Life	71,056	181,075	71,056	181,075
	137,389	340,325	137,389	340,325
26 Underwriting expenses				
Acquisition costs	54,680	145,705	54,680	145,705
Guaranteed interest on investment contracts	36,395	81,325	36,395	81,325
	91,075	227,030	91,075	227,030
27 Investment income				
Rental income properties	52,789	34,104	33,500	28,475
Interest income	126,029	34,119	125,847	34,105
Available for sale:				
Dividend income	31,138	25,924	31,138	25,924
Interest on leased assets	450	450	450	450
Other investment income	20,995	26,375	20,995	4,551
	231,401	120,972	211,930	93,505

	GROUP		COMPANY	
	2012	2011	2012	2011
	=N='000	=N='000	=N='000	=N='000
28 Net fair value gains/(losses)				
Fair value gains on investment properties	91,400	347,000	174,492	347,000
	-	-		
	91,400	347,000	174,492	347,000
29 Net realised gains/(losses)				
On property and equipment:				
(Loss)/gain on disposal of property and equipment	(2,000)	(4,533)	-	(5,284)
(Loss)/profit on disposal of investment property	(990)	161,311	(990)	161,311
Available for sale:				
Realised loss on sale of equity securities	52,142	(3,297)	52,142	(3,297)
	49,152	153,481	51,152	152,730
30 Other operating income				
Foreign exchange (loss)/gain	(25)	1,057	(25)	1,057
Health care and recreational services	565,129	624,322	-	-
Other income	18,969	3,439	-	-
	584,073	628,818	(25)	1,057
31 Management expenses				
Employee benefits expense	158,397	195,149	110,867	140,780
Auditors' remuneration	15,000	15,000	10,000	10,000
Amortisation of intangible assets	29,073	28,804	29,073	28,804
Depreciation on property, plant and equipment	115,922	192,108	62,161	63,392
Legal and professional expenses	51,519	88,639	25,689	61,371
Impairment loss on trade receivables	27,609	5,550	27,609	5,550
Impairment losses on loans and receivables	57,338	6,528	57,338	6,528
Impairment on other receivables	(83,499)	(7,438)	(82,627)	(7,438)
Impairment on investments	62,499	62,114	266,576	62,114
Impairment on property, plant and equipment (Note 10)	164,952	-	-	-
Impairment on obsolete stock	2,074	4,006	-	-
Bank and other service charges	20,518	34,806	10,852	23,484
Health expenses	168,582	153,372	168,582	153,372
Cost of services	254,400	307,343	-	-
Office rent and administrative expenses	247,874	172,637	48,286	35,905
Marketing and selling expenses	21,474	18,426	-	-
Other operating expenses	25,447	15,183	8,407	5,524
	1,339,179	1,292,227	742,813	589,386
32 Finance costs				
Interst on bank Loans	121,309	190,325	74,570	165,396
Loan service charges	29,365	20,969	22,365	16,982
	150,674	211,294	96,935	182,378

33 Other comprehensive income/(loss):

	GROUP		COMPANY	
	2012	2011	2012	2011
33.1 Net (losses)/gains on available-for-sale assets	=N='000	=N='000	=N='000	=N='000
Unrealised gains on available-for-sale financial instruments during the year	14,876	22,766	14,876	22,766
Recycling to profit or loss for impairment	(19,176)	-	(19,176)	-
	(4,300)	22,766	(4,300)	22,766
33.2 Revaluation surplus on land and buildings				
Arising during the year	340,663	-	-	-
Income tax effect	(102,199)	-	-	-
	238,464	-	-	-
Other comprehensive income/(loss) for the year, net of tax	234,164	22,766	(4,300)	22,766

34 Loss per share:

Basic losses per share amounts is calculated by dividing the net loss for the year attributable to ordinary share holders by the weighted average number of ordinary shares outstanding at the reporting date.

The following reflects the losses and share data used in the basic losses per share computations:

	GROUP		COMPANY	
	2012	2011	2012	2011
Net loss attributable to ordinary shareholders (=N='000)	(360,985)	(143,133)	(234,128)	(65,484)
Weighted average number of ordinary shares in issue as at year end ('000)	2,582,296	2,582,296	2,582,296	2,582,296
Basis losses per ordinary share (kobo)	(14)	(6)	(9)	(3)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

35 Loss on ordinary activities before taxation is stated after charging:

	GROUP		COMPANY	
	2012	2011	2012	2011
	=N='000	=N='000	=N='000	=N='000
Loss on sale of property, plant and equipment	2,000	4,533	-	5,284
Loss/(profit) on sale of investment property	990	(161,311)	990	(161,311)
Directors' emoluments	18,260	18,260	18,030	18,030
Auditors' remuneration	15,000	15,000	10,000	10,000
Depreciation of property, plant and equipment	115,922	192,108	62,161	63,392
Amortisation of intangible assets	29,073	28,804	29,073	28,804
Exchange loss/(gain)	25	(1,057)	25	(1,057)

36 Cash and cash equivalents for the purpose of statements of cash flows consist of the following:

	GROUP		COMPANY	
	2012	2011	2012	2011
	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents	79,195	51,035	67,983	35,128
Bank overdrafts	(220,121)	(188,733)	(202,293)	(179,588)
	(140,926)	(137,698)	(134,310)	(144,460)

37 Related party disclosures

The financial statements include the financial statements of Unic Insurance Plc and the subsidiaries listed in the following table:

Group undertaking	Primary business operations	% equity interest 2012	% equity interest 2011
VGC Recreational Investment and Trusts Limited	Provision of recreational facilities for public use.	100	100
Critical Rescue International Limited	Provision of medical emergency rescue assistant, medical consultancy and advisory services.	100	100

37.1 Balances with related parties

Receivables from and payable to related parties are as follows:

	2012	2011
	=N='000	=N='000
Receivable from:		
Nigerian German Chemicals (Loan)	944,426	754,285
Critical Rescue International Limited	134,980	244,371
Payable to:		
VGC Recreational Investment and Trusts Limited	110,774	113,724

37 Related party disclosures - continued

37.3 Compensation to key management personnel

Key management personnel of the Company includes all directors, executive and non-executive, and senior management. The summary of the compensation of key management personnel for the year is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
	=N='000	=N='000	=N='000	=N='000
Salaries	62,496	62,496	62,496	62,496
Fees	-	-	-	-
Other short-term employment benefits	-	-	-	-
	62,496	62,496	62,496	62,496

Fees and other emoluments disclosed above include amounts paid to:

Chairman	660	660	600	600
Highest paid director	1,595	1,595	1,425	1,425

The number of directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:	Number	Number	Number	Number
₦100,001 - ₦500,000	7	7	7	7
₦500,001 - ₦1,000,000	-	-	-	-
₦1,000,001 and above	2	2	2	2
	9	9	9	9

Employees

The average number of persons employed by the Company during the year was as follows:

Executive directors	2	4	2	4
Management	16	7	16	7
Non-management	156	200	8	52
	174	211	26	63

Staff costs	=N='000	=N='000	=N='000	=N='000
Wages and salaries	315,045	228,294	103,580	174,755
Pension and gratuity costs	22,166	20,491	11,095	19,661
	337,211	248,785	114,675	194,416

37 Related party disclosures - continued

Staff costs - continued

The number of employees of the Company, other than directors, who received emoluments in the following ranges (excluding pension contribtions and certain benefits) were:

	GROUP		COMPANY	
	2012 Number	2011 Number	2012 Number	2011 Number
N500,001 - N750,000	93	93	23	23
N750,001 - N1,000,000	81	118	3	40
N1,000,001 - N1,250,000	-	-	-	-
N1,250,001 - N1,500,000	-	-	-	-
N1,500,001 - N1,750,000	-	-	-	-
N1,750,001 - N2,000,000	-	-	-	-
N2,000,001 - N2,250,000	-	-	-	-
N2,250,001 - N2,500,000	-	-	-	-
N2,500,001 - N2,750,000	-	-	-	-
N2,750,001 - N3,000,000	-	-	-	-
N3,000,001 and above	-	-	-	-
	174	211	26	63

Other than as disclosed above, there were no other related party transactions during the year.

38 Contingencies and commitments

38.1 Pending litigation

In the ordinary course of business, there are pending litigations involving the Company for which no provision has been made amounting to N57,770,137 (2011 : N116,639,761). However, the actions are being defended and the Directors are of the opinion that no material liability would arise there from.

38.2 Guarantees and bonds

As at 31 December 2012, there were outstanding guarantees on bonds of N234 million given on behalf of one of the company's subsidiaries. (2011 : N234 million).

38.3 Capital commitments and operating leases

The Company has no capital commitments at the reporting date.

The company has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have remaining terms of less than one year. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum lease rentals receivables under non-cancellable operating leases as at 31 December are as follows:

	2012 =N='000	2011 =N='000	2012 =N='000	2011 =N='000
Within one year	52,789	52,789	33,500	33,500
After one year but not more than five year	50,667	59,333	50,667	59,333
More than five years	33,333	41,667	33,333	41,667
	136,789	153,789	117,500	134,500

39 Events after the reporting date

There are no post balance sheet events which could have had material effect on the state of affairs of the Company as at 31 December 2012 and the loss for the year ended on that date which have not been adequately provided for or disclosed in the financial statements.

40 Admissible assets

The admissible assets representing insurance and investment contract liabilities are included in the Statement of Financial Position as follows:

	2012	2011
	=N='000	=N='000
Cash and cash equivalents	67,983	35,128
Financial assets	1,401,883	1,473,137
Investment properties	2,950,900	1,202,500
Property, plant and equipment	588,698	150,885

41 Compliance with Insurance regulations

The company contravened certain sections of the Insurance Act 2003 and Operational guidelines 2011 issued by the National Insurance Commission (NAICOM). Details of the contravention and penalty paid is as follows:

		=N='000
(1)	Violation of NAICOM Operational guideline on investment limit	500
(2)	Violation of Operational guideline on hypothecation of assets representing insurance funds	500
(3)	Reinstatement of year 2011 accounts	100
(4)	Investment in more than 25% of shareholders' funds in associate, subsidiaries and related companies exceeding the limit set by the Commission	500
		1,600

42 Segment information

For management purpose, the group is organized into business units based on their products and services and four reportable operating segments as follows;

Following the management approach of IFRS the Group is organized into four operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable segments by product lines. These segments and their respective operations are as follows:

> The Life Insurance segments offers savings, protection products and other long-term contracts both with and without insurance risk. It comprises a wide range of whole life, term assurance, and guaranteed pension. Revenue from this segment is derived primarily from insurance premium, fees, and commission income and investment income.

> Unic Health is a Health maintenance segment for prepaid health plans to cater for the health needs of individuals and corporate organizations.

> The investment Management services provides investment savings products for the future.

> Recreational services and others are those which do not fall into the categories listed above.

Transfer prices between operating segments are set at arm’s length basis in a manner similar to transactions with third parties.

42 Segment information - continued

Segment income statement for the year ended 31 December 2012	Life insurance =N='000	Unic health =N='000	Investment management services =N='000	Recreational services and others =N='000	Total segments =N='000	Adjustments and eliminations =N='000	Consolidated =N='000
Gross premium income	146,613	138,071	-	-	284,684	34,216	318,900
Reinsurance expenses	(9,599)	-	-	-	(9,599)	-	(9,599)
Net premium income	137,014	138,071	-	-	275,085	34,216	309,301
Fees and commission income	43,778	27,858	-	-	71,636	-	71,636
Net underwriting income	180,792	165,929	-	-	346,721	34,216	380,937
Claims expenses	(71,056)	(66,333)	-	-	(137,389)	-	(137,389)
Underwriting expenses	(54,680)	-	(36,395)	-	(91,075)	-	(91,075)
Change in life insurance contract liability	43,874	-	-	-	43,874	-	43,874
Underwriting results	98,930	99,596	(36,395)	-	162,131	34,216	196,347
Investment income	108,084	-	103,846	19,471	231,401	-	231,401
Gains and losses and other operating income	115,066	-	110,553	1,043,746	1,269,365	(544,740)	724,625
Depreciation and amortisation	(91,234)	-	-	(53,761)	(144,995)	-	(144,995)
Impairment of property, plant and equipment	-	-	-	(164,952)	(164,952)	-	(164,952)
Impairment of available-for-sale financial assets	(62,499)	-	-	-	(62,499)	-	(62,499)
Other operating and administrative expenses	(214,454)	(168,582)	(206,044)	(581,730)	(1,170,810)	204,077	(966,733)
Results of operating activities	(46,107)	(68,986)	(28,040)	262,774	119,641	(306,447)	(186,806)
Finance costs	(96,935)	-	-	(53,739)	(150,674)	-	(150,674)
Loss before taxation	(143,042)	(68,986)	(28,040)	209,035	(31,033)	(306,447)	(337,480)

(Loss)/profit for each segment does not include finance costs on group borrowings or certain corporate expenses such as depreciation on buildings occupied by the subsidiaries.

No impairment losses in respect of intangibles have been recognised during the year.

42 Segment information - continued

Segment income statement for the year ended 31 December 2011	Life insurance =N='000	Unic health =N='000	Investment management services =N='000	Recreational services and others =N='000	Total segments =N='000	Adjustments and eliminations =N='000	Consolidated =N='000
Gross premium income	283,845	201,357	-	-	485,202	107,671	592,873
Reinsurance expenses	(6,557)	-	-	-	(6,557)	-	(6,557)
Net premium income	277,288	201,357	-	-	478,645	107,671	586,316
Fees and commission income	42,466	67,071	-	-	109,537	-	109,537
Net underwriting income	319,754	268,428	-	-	588,182	107,671	695,853
Claims expenses	(181,075)	(159,250)		-	(340,325)	-	(340,325)
Underwriting expenses	(145,705)	-	(81,325)	-	(227,030)	-	(227,030)
Change in life insurance contract liability	(28,259)	-	-	-	(28,259)	-	(28,259)
Underwriting results	(35,285)	109,178	(81,325)	-	(7,432)	107,671	100,239
Investment income	47,688	-	45,817	5,643	99,148	21,824	120,972
Gains and losses and other operating income	255,401	-	245,386	628,512	1,129,299	-	1,129,299
Depreciation and amortisation	(92,196)	-	-	(128,716)	(220,912)	-	(220,912)
Impairment of available-for-sale financial assets	(62,114)	-	-	-	(62,114)	-	(62,114)
Other operating and administrative expenses	(143,670)	(153,372)	(138,034)	(552,301)	(987,377)	(21,824)	(1,009,201)
Results of operating activities	(30,176)	(44,194)	71,844	(46,862)	(49,388)	107,671	58,283
Finance costs	(182,378)			(28,916)	(211,294)	-	(211,294)
Loss before taxation	(212,554)	(44,194)	71,844	(75,778)	(260,682)	107,671	(153,011)

(Loss)/profit for each segment does not include finance costs on group borrowings or certain corporate expenses such as depreciation on buildings occupied by the subsidiaries.

No impairment losses in respect of intangibles have been recognised during the year.

42 Segment information - continued

Segment statement of financial position at 31 December 2012

	Unic Insurance =N='000	Critical Rescue International =N='000	VGC Recreational Investments =N='000	Total segments =N='000	Adjustments and eliminations =N='000	Consolidated =N='000
Financial instruments	1,401,883	1,506	110,774	1,514,163	(134,980)	1,379,183
Trade receivables	2,823	451,383	2,461	456,667	-	456,667
Reinsurance assets	3,158	-	-	3,158	-	3,158
Other assets	3,850,932	287,780	25,237	4,163,949	(15,000)	4,148,949
Intangible assets	36,143	-	-	36,143	-	36,143
Segment operating assets	5,294,939	740,669	138,472	6,174,080	(149,980)	6,024,100
Insurance contract liabilities	370,122	-	-	370,122	-	370,122
Investment contract liabilities	658,081	-	-	658,081	-	658,081
Other liabilities	1,565,640	647,481	39,460	2,252,581	(41,090)	2,211,491
Segment operating liabilities	2,593,843	647,481	39,460	3,280,784	(41,090)	3,239,694

Segment statement of financial position at 31 December 2011

	Unic Insurance =N='000	Critical Rescue International =N='000	VGC Recreational Investments =N='000	Total segments =N='000	Adjustments and eliminations =N='000	Consolidated =N='000
Financial instruments	1,473,137	-	113,724	1,586,861	(244,371)	1,342,490
Trade receivables	58,589	440,723	2,046	501,358	120,153	621,511
Reinsurance assets	2,010	-	-	2,010	-	2,010
Other assets	3,962,966	1,057,557	1,339,177	6,359,700	(2,321,930)	4,037,770
Intangible assets	65,216	-	-	65,216	-	65,216
Segment operating assets	5,561,918	1,498,280	1,454,947	8,515,145	(2,446,148)	6,068,997
Insurance contract liabilities	456,484	-	-	456,484	-	456,484
Investment contract liabilities	616,595	-	-	616,595	-	616,595
Other liabilities	1,549,315	1,346,198	1,620,326	4,515,839	(2,431,148)	2,084,691
Segment operating liabilities	2,622,394	1,346,198	1,620,326	5,588,918	(2,431,148)	3,157,770

42 Segment information - continued

Segment statement of financial position at 31 December 2010

	Unic Insurance =N='000	Critical Rescue International =N='000	VGC Recreational Investments =N='000	Total segments =N='000	Adjustments and eliminations =N='000	Consolidated =N='000
Financial instruments	1,511,134	-	116,842	1,627,976	(114,595)	1,513,381
Trade receivables	107,774	445,073	-	552,847	-	552,847
Reinsurance assets	4,242	-	-	4,242	-	4,242
Other assets	4,459,747	1,061,953	1,398,243	6,919,943	(2,302,485)	4,617,458
Intangible assets	94,020	-	-	94,020	-	94,020
Segment operating assets	6,176,917	1,507,026	1,515,085	9,199,028	(2,417,080)	6,781,948
Insurance contract liabilities	439,465	-	-	439,465	-	439,465
Investment contract liabilities	698,471	-	-	698,471	-	698,471
Other liabilities	2,056,739	1,330,285	1,627,474	5,014,498	(2,402,080)	2,612,418
Segment operating liabilities	3,194,675	1,330,285	1,627,474	6,152,434	(2,402,080)	3,750,354

Adjustments and eliminations

Reconciliation of loss	2012 =N='000	2011 =N='000
Segment loss	**3,183**	**(153,011)**
Gain on repayment of deposit for shares	(257,571)	-
Fair value gains on investment property occupied by subsidiary	(83,092)	-
	-	-
Group loss	**(337,480)**	**(153,011)**

42 Segment information - continued

Reconciliation of assets	2012 =N='000	2011 =N='000	As at 1 January 2011 =N='000
Segment operating assets	6,174,080	8,515,145	9,199,028
Group operating assets	6,174,080	8,515,145	9,199,028

43 Risk management framework

The Board of the Company appreciates that risks are inherent in all aspects of the Company's operations and that it cannot totally eliminate risks. It therefore acknowledges the role of risk management as critical to the achievement of the objectives of the Company in order to meet the varied expectations of its stakeholders.

The purpose of Unic Enterprise Risk Management (ERM) framework is to provide the internal stakeholders with the guidance that ensures that all decisions made and activities conducted with regard to risk management are in congruence with the entity's goals and business units' objectives.

The specific benefits being envisaged as gain from the Group's ERM framework are:

- Give reasonable assurance to our policyholders and the regulators about our ability to pay promptly, claims arising now and in the future
- Communicate the risks being taken by the company to the investors and ensure that the objectives of the organization are aligned with the expectations of capital providers.
- Reduce UNIC susceptibility to systemic risks generated by other sector in the financial system
- Make our capital requirements more risk-sensitive and to improve the alignment of our company's capital standards and
- Provide the means to promote and demonstrate best practices in governance and risk management, and deliver more efficient use of capital.

Enterprise Risk Management Culture and Philosophy

At Unic, the Group recognizes that in complex and competitive business environment, the need to give a reasonable assurance to shareholders and other stakeholders on the attainment of their expectations cannot be compromised.

Our risk management philosophy and culture represent our share values, attitude and practice of how we consider risk in our day –to-day operation across all levels. As insurers, we anticipate risks and in advance, respond appropriately.

- We regard every one of our employees as a risk manager and we all take individual and collective ownership of the ERM responsibilities
- We observe prudence in underwriting and limit risks to our appetite and set tolerances beyond which we object to unguided exposures
- We weigh the risk and reward inherent in our daily transactions and pursue those that support value creation to all customers and shareholders
- We have no tolerance for infractions of laws and regulations and we detest business relationship with disreputable business entities and individuals
- We have recorded visible improvement in our risk management strategy that has helped us sustain our leadership position in the Nigeria insurance market and meet stakeholders' expectations

43 Risk management framework (continued)

Risk management strategy

Our risk management methodology recognizes that there cannot be total elimination of risk but we are to reduce both the severity and probability of the occurrence of risk events through appropriate responses. We have deployed an ERM policy that focuses on taking enterprise-level view of interrelationship among various risks with a view to providing an effective responses to managing the material risks that present the greatest treats to our existence and operations as an insurance and investment

We adopt the following strategies in managing risk in UNIC:
- Incorporate risk management principles into all functions and ensure an environment in which the Board and senior management set the tone for effective controls
- Establish well defined risk management process for risk identification, assessment, controlling, monitoring and reporting
- Entrench a structures and disciplined approach to assets balancing that will prevent concentration of risk in any sector, industry, instrument, product or entity
- Formulation of policies and procedures that ensures that appropriate risk responses, as well as other entity directives, internal policies and control procedures are carried out.
- Ensure good corporate governance and pursue zero tolerance for non-compliance with regulatory compliance

External perspectives

UNIC has continued to be in the forefront of many industry initiatives that seek to ensure setting and adhering to global best practice. This informed its involvement at the trade, association and regulatory levels in setting the tone for compliance with legislations, regulations, guidelines and standards designed for global ratings among insurers. The interest of regulators and notable rating agencies in bringing about the required reforms that will make insurance business more attractive to investors, informed UNIC pro-activeness to becoming one of the early adapters of the international Financial Reporting Standards and the Solvency II requirements in the insurance industry.

The Board on its part has continued to ensure that shared commitment to code of Good corporate Governance as an integral part of its ERM policy is embedded into plans of the company at the strategic, tactical and operational level.

Risk governance, roles and responsibilities

Our risk governance focuses on directing and controlling the management of risks within the company by spelling out the roles and responsibilities for the board, management and employees. The policy adopts the three-lines-of-defense model of risk management governance that revolves round the Board, Risk management Committee and the Audit Committee.

43 Risk management framework (continued)

Roles and responsibilities

The Board

The board has the ultimate responsibility for the risk and the related control environment and as such is responsible for the following:

- To appraise the risk management process and the risk appetite/tolerate level and the risk management strategy escalated to it, from time to time
- To appraise the risk management process and the internal control for effectiveness, appropriateness and adequacy
- To ensure that the company's ERM framework is subject to periodic audit by competent personnel independent of the company's risk management functions

Board risk and technical committee

- To establish appropriate structure that recognized the required level of independence between the risk management officers and those engaged in the normal insurance operations
- Put in place, a well-resourced risk management department with clearly defined responsibilities and authorities for the company's risk management activities
- Develop risk management initiatives and regularly review the company's methodology for risk identification, assessment, measurement, mitigation and report escalation.

- Design and document risk policies and procedures that reflect changes in entity-risk portfolio and ensure their enterprise-wide implementation.

Business Units

Many of the operational risks reside in the business units and risk owners/champions in these units have responsibilities for risk management in the respective risks, business units will be accountable for the following;

- To carry out a weekly review of risks profile in the department/unit in compliance with the entity's risk policies and procedures
- Apply appropriate control measures to manage identified risks and solicit the involvement of the Risk management & compliance department in the escalation of material risk management committee
- Be involved in all activities designed to propagate risk management culture within the company and in building firewalls against emerging exposures that may affect the achievement of the company's objectives
- Produce risk management reports input for consolidation into the overall report repository domiciled in the Risk Management & Compliance Department
- Provide information towards the development of new approaches to risk management in its domain and collaborate with RMCD to prepare appropriate risk mitigations plans for the unit.

43 Risk management framework (continued)

Risk Management and Compliance Division

- Responsible for facilitation and co-ordination of risk management activities across the company
- Provision of technical assistance and guidance to business units. It will be responsible for raising awareness of risk management across the company.
- Review and analyses the company's business and investment proposals to ensure that risks have been adequately identified and proper mitigating factors put in place.

- Develop key Indicators (KPIs) for monitoring key drivers associated with identified major risks and regular liaison with regulators on compliance issues
- Prepare for the Risk Management Committee's review, necessary exception reports with recommendations for improvement of the entire risk management and reporting system.
- Monitor compliance with the company's ERM policies/procedures on risk limit and access the impact of regulatory requirement will have on the company's operations.

Internal Audit

- To adopt a risk-based approach to planning and executing the internal audit process/activities by directing internal auditing resources at those areas most important to the organization
- Evaluate the adequate and effectiveness of controls encompassing the organization's governance, operations and information systems
- Develop internal audit plans that identify and access risks relevant to the activity under review and ensure that the internal auditing objectives reflect the results of the risk assessment
- To contribute to the effectiveness of the enterprise risk management, by participating in separate evaluations of internal controls and the ERM program, and recommending improvements
- To provide advice in the design and improvement of control systems and risk mitigation strategies
- To challenge the basis of management's risk assessments and evaluate the adequacy and effectiveness of risk treatment strategies.

43 Risk management framework (continued)

Capital Management Policies, Objectives and Approach

(a) Strategic risks

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

- To maintain the required level of financial stability thereby providing a degree of security to policyholders
- 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
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of asset and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders value

UNIC operations are also subjected to regulatory requirements within the jurisdictions in which it operates. The minimum paid up capital requirement as specified by national Insurance Commission (NAICOM) for life insurance business in Nigeria is =N=2 billion and insurers are also mandated to maintain 10% of this paid up capital with the central Bank as statutory Deposit. In addition, quarterly and annual returns must be submitted to NAICOM on a regular basis.

The regulations prescribed by NAICOM not only prescribe approval and monitoring of activities, but also impose certain restrictive provision (e.g., solvency margin) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Group has met the requirements throughout the financial year.

43 Risk management framework (continued)

(b) Approach to capital management

UNIC seeks to optimize the structure and sources of capital to ensure that it consistently maximizes returns to the shareholders and policyholders.

UNIC approach to managing capital involves managing assets, and risk in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objective and ensure that the Group is focused on the creation of value for shareholders.

The Group's primary source of capital used by is equity shareholders' funds and borrowings. UNIC also utilizes, where efficient to do so, sources of capital such as reinsurance in addition to more traditional sources of funding.

The capital requirement are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Group has developed a framework to identify the risks and quality their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.

(c) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's process, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the company's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

43 Risk management framework (continued)

(c) Operational Risks (contiuned)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- Requirement for appropriate segregation of duties, including the independent authorization of transactions
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other requirements.
- Documentation of controls and procedures
- Requirements for periodic assessment of operational risks and the adequacy of control and procedures to address the risks
- Development of contingency plans.
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective.

Compliance with the Group's standard is supported by a program of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

(d) Financial risks

The Group has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risk
- Market risks
- Currency risks

43 Risk management framework (continued)

(d) Financial risks (continued)

Credit risks

Credit risks arise from a counterparty's inability to fully meet its on and/ off-balance sheet contractual obligations. Exposure to this risk results from financial transactions with a counter party including issuer, debtor, investee, borrower, broker, policy holder, reinsurer or guarantor. The Group has policies in place to mitigate its credit risks.

(i) The Group's Enterprise Risk Management policy sets out the assessment and determination of what constitutes credits risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Net exposure limits are set for each counterparty or group of counterparties, geographical and industry segment (i.e., limits are set for investment and cash deposits, foreign exchange trade exposures and minimum credit for investments that may be held).

(ii) The Group further restricts its credit risk exposure by entering into master netting arrangements with which it enters into significant volumes of transactions. However, such arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with such balances is reduced in the event of s default, when such balances are settled on a net basis. The group's reinsurance treaty contracts involve netting arrangements.

(iii)The group's set guidelines determine when to obtain collateral and guarantees. The Group also maintains strict control limits by amount and terms on financial assets. The amount subject to credit risk are limited to the fair value of 'in the money' financial assets against which the Group either obtains collateral from counterparties or requires margin deposits. Collateral may be sold or repledged by the Group and is repayable if the contract terminates or the contract's fair value falls.

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

(v) The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings and worthiness.

(vi) The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts and receivables from them to reduce the risk of doubtful debts.

Credit exposure

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

43 Risk management framework (continued)

Industry analysis

	Financial services =N='000	Govern-ment =N='000	Other =N='000	Total =N='000
31 December 2012				
Cash and cash equivalents	67,983	-	-	67,983
Available-for-sale financial assets	424,229	-	-	424,229
Trade receivables	-	-	2,823	2,823
Other receivables and prepayments	-	-	8,351	8,351
Reinsurance assets	-	-	3,158	3,158
Loans and receivables	-	-	977,654	977,654
Statutory Deposit	-	220,000	-	220,000
	492,212	220,000	991,986	1,704,198
31 December 2011				
Cash and cash equivalents	35,128	-	-	35,128
Available-for-sale financial assets	515,919	-	-	515,919
Trade receivables	-	-	58,589	58,589
Other receivables and prepayments	-	-	51,968	51,968
Reinsurance assets	-	-	2,010	2,010
Loans and receivables	-	-	957,218	957,218
Statutory Deposit	-	220,000	-	220,000
	551,047	220,000	1,069,785	1,840,832
31 December 2010				
Cash and cash equivalents	76,925	-	-	76,925
Available-for-sale financial assets	638,097	-	-	638,097
Trade receivables	-	-	107,774	107,774
Other receivables and prepayments	-	-	38,156	38,156
Reinsurance assets	-	-	4,242	4,242
Loans and receivables	-	-	873,037	873,037
Statutory Deposit	-	220,000	-	220,000
	715,022	220,000	1,023,209	1,958,231

43 Risk management framework (continued)

The table below provides information regarding the credit risk exposure of the company by classifying assets according to the company credit ratings of counter parties.

	Neither past due nor impaired				
	Investment Grade	Non Investment Grade: Satisfactory	Non Investment Grade: Unsatisfactory	Past due but not impaired	Total
31 December 2012	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents	25,255	42,728	-	-	67,983
Available-for-sale financial assets	424,229	-	-	-	424,229
Trade receivables	-	-	-	2,823	2,823
Other receivables and prepayments	-	-	-	8,351	8,351
Reinsurance assets	-	-	-	3,158	3,158
Loans and receivables	-	977,654	-	-	977,654
Statutory Deposit	220,000	-	-	-	220,000
	669,484	1,020,382	-	14,332	1,704,198
31 December 2011					
Cash and cash equivalents	22,882	12,246	-	-	35,128
Available-for-sale financial assets	515,919	-	-	-	515,919
Trade receivables	-	-	-	58,589	58,589
Other receivables and prepayments	-	-	-	51,968	51,968
Reinsurance assets	-	-	-	2,010	2,010
Loans and receivables	-	957,218	-	-	957,218
Statutory Deposit	220,000	-	-	-	220,000
	758,801	969,464	-	112,567	1,840,832

43 Risk management framework (continued)

The table below provides information regarding the credit risk exposure of the company by classifying assets according to the company credit ratings of counter parties.

	Neither past due nor impaired				
	Investment Grade	Non Investment Grade: Satisfactory	Non Investment Grade: Unsatisfactory	Past due but not impaired	Total
31 December 2010	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents	76,925	-	-	-	76,925
Available-for-sale financial assets	638,097	-	-	-	638,097
Trade receivables	-	-	-	107,774	107,774
Other receivables and prepayments	-	-	-	38,156	38,156
Reinsurance assets	-	-	-	4,242	4,242
Loans and receivables	-	873,037	-	-	873,037
Statutory Deposit	220,000	-	-	-	220,000
	935,022	873,037	-	150,172	1,958,231

43 Risk management framework (continued)

(d) Financial risks (continued)

Liquidity risks

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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

- A company liquidity risk policy which set out assessment and determination of what constitutes liquidity risk for the company. Compliance with the policy is monitored and exposes and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

The following table shows details of the expected maturity profile of the company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance contract liabilities. Unearned premiums are excluded from this analysis. The table includes both interest and principal cash flows.

43 Risk management framework (continued)

(d) Financial risks (continued)

31 December 2012	Up to 1 year =N='000	1 - 3 years =N='000	3 - 5 years =N='000	Over 5 years =N='000	Total =N='000
Financial and Insurance assets					
Available-for-sale					
- Quoted equity securities	-	-	-	50,714	50,714
- Unquoted securities	-	-	-	373,515	373,515
Loans and receivables	522,921	134,440	320,293	-	977,654
Reinsurance assests	3,158	-	-	-	3,158
Trade receivables	2,823	-	-	-	2,823
Other receivables	8,351	-	-	-	8,351
Cash and cash equivalents	67,983	-	-	-	67,983
	605,236	134,440	320,293	424,229	1,484,198
Financial and Insurance liabilities					
Insurance contract liabilities	32,686	74,986	93,732	168,718	370,122
Investment contract liabilities	85,551	98,712	118,454	355,364	658,081
Trade payables	401,565	-	-	-	401,565
Provisions and other payables	406,148	-	-	-	406,148
Borrowings	202,293	339,400	-	-	541,693
	1,128,243	513,098	212,186	524,082	2,377,609

43 Risk management framework (continued)

(d) Financial risks (continued)

31 December 2011	Up to 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
	=N='000	=N='000	=N='000	=N='000	=N='000
Financial and Insurance assets					
Available-for-sale					
- Quoted equity securities	-	-	-	64,904	64,904
- Unquoted securities	-	-	-	451,015	451,015
Loans and receivables	623,921	333,297	-	-	957,218
Reinsurance assests	2,010	-	-	-	2,010
Trade receivables	58,589	-	-	-	58,589
Other receivables	51,968	-	-	-	51,968
Cash and cash equivalents	35,128	-	-	-	35,128
	771,616	333,297	-	515,919	1,620,832
Financial and Insurance liabilities					
Insurance contract liabilities	42,095	34,436	103,888	187,000	367,419
Investment contract liabilities	80,152	92,483	110,999	332,961	616,595
Trade payables	461,394	-	-	-	461,394
Provisions and other payables	420,190	-	-	-	420,190
Borrowings	179,588	311,574	-	-	491,162
	1,183,419	438,493	214,887	519,961	2,356,760

43 Risk management framework (continued)

(d) Financial risks (continued)

1 January 2011	Up to 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
	=N='000	=N='000	=N='000	=N='000	=N='000
Financial and Insurance assets					
Available-for-sale					
- Quoted equity securities	-	-	-	133,683	133,683
- Unquoted securities	-	-	-	504,414	504,414
Loans and receivables	462,116	164,104	246,817	-	873,037
Reinsurance assests	-	-	-	-	-
Trade receivables	107,774	-	-	-	107,774
Other receivables	38,156	-	-	-	38,156
Cash and cash equivalents	76,925	-	-	-	76,925
	684,971	164,104	246,817	638,097	1,733,989
Financial and Insurance liabilities					
Insurance contract liabilities	20,380	68,318	85,399	37,181	211,278
Investment contract liabilities	90,801	213,114	120,231	274,325	698,471
Trade payables	481,668	-	-	-	481,668
Provisions and other payables	323,050	-	-	-	323,050
Borrowings	523,115	233,756	298,591	-	1,055,462
	1,439,014	515,188	504,221	311,506	2,769,929

43 Risk management framework (continued)

Maturity analysis on expected maturity bases

The table below summarises the expected utilisation of assets and liabilities.

31 December 2012	Current	Non- current	Total
	₦ 000	₦ 000	₦ 000
Assets			
Cash and cash equivalents	67,983	-	67,983
Financial assets			
Available-for-sale	-	424,229	424,229
Loan and receivables	522,921	454,733	977,654
Trade receivables	2,823	-	2,823
Reinsurance assets	3,158	-	3,158
Other receivables and prepayments	8,351	-	8,351
Investment in subsidiaries	-	15,000	15,000
Investment properties	-	2,950,900	2,950,900
Intangible assets	-	36,143	36,143
Property, plant and equipment	-	588,698	588,698
Statutory deposit	-	220,000	220,000
Total Assets	605,236	4,689,703	5,294,939
Liabilities			
Insurance contracts liabilities	32,686	337,436	370,122
Investment contracts liabilities	85,551	572,530	658,081
Trade payables	401,565	-	401,565
Provisions and other payables	406,148	-	406,148
Borrowings	202,293	339,400	541,693
Retirement benefit obligations	-	74,930	74,930
Current income tax	42,384	-	42,384
Deferred tax liabilities	-	98,920	98,920
Total liabilities	1,170,627	1,423,216	2,593,843

43 Risk management framework (continued)

31 December 2011	Current	Non- current	Total
	₦ 000	₦ 000	₦ 000
Assets			
Cash and cash equivalents	35,128	-	35,128
Financial assets			
Available-for-sale	-	515,919	515,919
Loan and receivables	623,921	333,297	957,218
Trade receivables	58,589	-	58,589
Reinsurance assets	-	2,010	2,010
Other receivables and prepayments	51,968	-	51,968
Investment in subsidiaries	-	2,302,485	2,302,485
Investment properties	-	1,202,500	1,202,500
Intangible assets	-	65,216	65,216
Property, plant and equipment	-	150,885	150,885
Statutory deposit	-	220,000	220,000
Total Assets	769,606	4,792,312	5,561,918
Liabilities			
Insurance contracts liabilities	42,095	414,389	456,484
Investment contracts liabilities	80,152	536,443	616,595
Trade payables	461,394	-	461,394
Provisions and other payables	420,190	-	420,190
Borrowings	179,588	311,574	491,162
Retirement benefit obligations	-	60,541	60,541
Current income tax	34,527	-	34,527
Deferred tax liabilities	-	81,501	81,501
Total liabilities	1,217,946	1,404,448	2,622,394

43 Risk management framework (continued)

1 January 2011	Current	Non- current	Total
	₦ 000	₦ 000	₦ 000
Assets			
Cash and cash equivalents	76,925	-	76,925
Financial assets			
Available-for-sale	-	638,097	638,097
Loan and receivables	462,116	410,921	873,037
Trade receivables	107,774	-	107,774
Reinsurance assets	-	4,242	4,242
Other receivables and prepayments	38,156	-	38,156
Investment in subsidiaries	-	2,302,485	2,302,485
Investment properties	-	1,608,002	1,608,002
Intangible assets	-	94,020	94,020
Property, plant and equipment	-	214,179	214,179
Statutory deposit	-	220,000	220,000
Total Assets	684,971	5,491,946	6,176,917
Liabilities			
Insurance contracts liabilities	20,380	419,085	439,465
Investment contracts liabilities	90,801	607,670	698,471
Trade payables	481,668	-	481,668
Provisions and other payables	323,050	-	323,050
Borrowings	198,602	856,860	1,055,462
Retirement benefit obligations	-	54,110	54,110
Current income tax	40,026	-	40,026
Deferred tax liabilities	-	102,423	102,423
Total liabilities	1,154,527	2,040,148	3,194,675

43 Risk management framework (continued)

Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- The Group's enterprise risk management policy sets out the assessment and determination of what constitute market risk. Compliance with the policy is monitored and exposures and breaches are reported to the company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policy holder's liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.
- The Group stipulates diversification benchmarks by type of instrument and geographical area, as the Group is exposed to guaranteed bonuses, cash and annuity options when interest rate falls.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's principal transactions are carried out in Naira and its exposure to foreign exchange risk arises primarily with respect to US dollar.

The Group's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. The main foreign exchange risk arises from recognized assets and liabilities denominated in currencies other than those in which insurance and involvement contract liabilities are expected to be settled. The currency risk is effectively managed by the company.

44 Transition to IFRS

Reconciliation of equity as at 1 January 2011 - Group		Nigerian GAAP	Reclassi-fications	Remeasure-ments	IFRS as at 1 January 2011
Assets	Notes	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents	A (i, ii, iii)	-	87,817	-	87,817
Cash and cash balances	i	66,699	(66,699)	-	-
Short-term investments	ii	20,822	(20,822)	-	-
Financial assets	B (iii, iv, v, vi)	-	1,502,435	10,946	1,513,381
Debtors and prepayments	iii	1,421,495	(1,421,495)	-	-
Trade receivables	C (iii)	-	552,847	-	552,847
Reinsurance assets	D (xvii)	-	-	4,242	4,242
Long-term investments	iv	1,408,906	(1,408,906)	-	-
Loan to policy holders	v	2,161	(2,161)	-	-
Advances under finance lease	vi	118,591	(118,591)	-	-
Deposit for shares	vii	-	-	-	-
Other receivables and prepayments	E (iii, iv, xv)	-	138,276	34,408	172,684
Inventory	F (iii)	-	7,346	-	7,346
Investment in subsidiaries	viii	-	-	-	-
Investment properties	x	616,000	1,147,677	(155,675)	1,608,002
Deferred tax assets	xi	-	-	-	-
Intangible assets	ix (xii)	179,236	(85,216)	-	94,020
Fixed assets	xii	2,841,447	(2,841,447)	-	-
Property, plant and equipment	G (iii, ix, x, xii)	-	2,526,374	(4,765)	2,521,609
Statutory deposits		220,000	-	-	220,000
Total assets		**6,895,357**	**(2,565)**	**(110,844)**	**6,781,948**
Liabilities					
Bank overdrafts	xiii	183,724	(183,724)	-	-
Bank loans	xiv	1,257,441	(1,257,441)	-	-
Creditors and accruals	xv	1,037,276	(1,037,276)	-	-
Outstanding claims	xvi	61,471	(61,471)	-	-
Insurance funds	xvii	400,502	(400,502)	-	-
Insurance contract liabilities	H (xvi, xvii)	-	461,973	(22,508)	439,465
Liability for administered deposits	xviii	542,322	(542,322)	-	-
Liability for investment products	xix	156,149	(156,149)	-	-
Life fund investment property revaluation reserve	xx	335,162	(335,162)	-	-
Investment contract liabilities	I (xviii, xix)	-	698,471	-	698,471
Trade payables	J (xv)	-	566,974	-	566,974
Provisions and other payables	K (xv, xxi, xxii)	-	510,527	-	510,527
Borrowings	L (xiii, xiv, xv)	-	1,310,685	(4,310)	1,306,375
Dividend payable	xxi	2,476	(2,476)	-	-
Retirement benefit obligations	M (xv)	-	95,659	(40,959)	54,700
Taxation/Income tax liabilities		69,026	-	-	69,026
Information technology levy	xxii	5,493	(5,493)	-	-
Deferred tax liabilities	N (x)	39,575	-	65,241	104,816
Total liabilities		**4,090,617**	**(337,727)**	**(2,536)**	**3,750,354**
Equity					
Issued share capital		1,291,148	-	-	1,291,148
Share premium		878,055	-	-	878,055
Statutory contingency reserve		495,937	-	-	495,937
Revenue reserve	xxiii	-	-	-	-
Retained earnings	O (x, xx, xxv, xvii)	(908,434)	1,383,196	(108,308)	366,454
Investments revaluation reserve	xxiv	-	-	-	-
Fixed assets revaluation reserve	xxv	1,048,034	(1,048,034)	-	-
Available-for-sale reserve	P (xxiv)		-	-	-
Total equity		**2,804,740**	**335,162**	**(108,308)**	**3,031,594**
Total equity and liabilities		**6,895,357**	**(2,565)**	**(110,844)**	**6,781,948**

44 Transition to IFRS (continued)

Reconciliation of equity as at 31 December 2011 - Group	Notes	Nigerian GAAP =N='000	Reclassi-fications =N='000	Remeasure-ments =N='000	IFRS as at 31 December 2011 =N='000
Assets					
Cash and cash equivalents	A (i, ii, iii)	-	51,035	-	51,035
Cash and cash balances	i	28,153	(28,153)	-	-
Short-term investments	ii	22,882	(22,882)	-	-
Financial assets	B (iii, iv, v, vi)	-	1,339,471	3,019	1,342,490
Debtors and prepayments	iii	1,594,943	(1,594,943)	-	-
Trade receivables	C (iii)	-	621,511	-	621,511
Reinsurance assets	D (xvii)	-	-	2,010	2,010
Long-term investments	iv	1,256,016	(1,256,016)	-	-
Loan to policy holders	v	3,572	(3,572)	-	-
Advances under finance lease	vi	24,121	(24,121)	-	-
Deposit for shares	vii	-	-	-	-
Other receivables and prepayments	E (iii, iv, xv)	-	185,872	(8,585)	177,287
Inventory	F (iii)	-	3,992	-	3,992
Investment in subsidiaries	viii	-	-	-	-
Investment properties	x	492,000	579,104	131,396	1,202,500
Deferred tax assets	xi	5,316	(5,316)	-	-
Intangible assets	ix (xii)	62,815	2,401	-	65,216
Fixed assets	xii	2,238,669	(2,238,669)	-	-
Property, plant and equipment	G (iii, ix, x, xii)	-	2,387,721	(4,765)	2,382,956
Statutory deposits		220,000	-	-	220,000
Total assets		**5,948,487**	**(2,565)**	**123,075**	**6,068,997**
Liabilities					
Bank overdrafts	xiii	188,734	(188,734)	-	-
Bank loans	xiv	427,107	(427,107)	-	-
Creditors and accruals	xv	1,343,465	(1,343,465)	-	-
Outstanding claims	xvi	181,027	(181,027)	-	-
Insurance funds	xvii	435,067	(435,067)	-	-
Insurance contracts liabilities	H (xvi, xvii)	-	616,094	(159,610)	456,484
Liability for administered deposits	xviii	500,450	(500,450)	-	-
Liability for investment products	xix	116,145	(116,145)	-	-
Life fund investment property revaluation reserve	xx	232,762	(232,762)	-	-
Investment contracts liabilities	I (xviii, xix)	-	616,595	-	616,595
Trade payables	J (xv)	-	542,983	-	542,983
Provisions and other payables	K (xv, xxi, xxii)	-	717,503	-	717,503
Borrowings	L (xiii, xiv, xv)	-	615,841	261	616,102
Dividend payable	xxi	1,380	(1,380)	-	-
Retirement benefit obligations	M (xv)	-	88,443	(27,421)	61,022
Taxation/Income tax liabilities		65,580	-	-	65,580
Information technology levy	xxii	6,649	(6,649)	-	-
Deferred tax liabilities	N (x)	-	-	81,501	81,501
Total liabilities		**3,498,366**	**(235,327)**	**(105,269)**	**3,157,770**
Equity					
Issued share capital		1,291,148	-	-	1,291,148
Share premium		878,055	-	-	878,055
Statutory contingency reserve		509,148	-	-	509,148
Revenue reserve	xxiii	-	-	-	-
Retained earnings	O (x, xx, xxv, xvii)	(832,678)	823,159	219,629	210,110
Investments revaluation reserve	xxiv	14,051	(14,051)	-	-
Fixed assets revaluation reserve	xxv	590,397	(590,397)	-	-
Available-for-sale reserve	P (xxiv)	-	14,051	8,715	22,766
Total equity		**2,450,121**	**232,762**	**228,344**	**2,911,227**
Total equity and liabilities		**5,948,487**	**(2,565)**	**123,075**	**6,068,997**

44 Transition to IFRS (continued)

Reconciliation of equity as at 1 January 2011 - Company	Notes	Nigerian GAAP =N='000	Reclassi-fications =N='000	Remeasure-ments =N='000	IFRS as at 1 January 2011 =N='000
Assets					
Cash and cash equivalents	A (i, ii, iii)	-	76,925	-	76,925
Cash and cash balances	i	56,103	(56,103)	-	-
Short-term investments	ii	20,822	(20,822)	-	-
Financial assets	B (iii, iv, v, vi)	-	1,614,383	(103,249)	1,511,134
Debtors and prepayments	iii	1,003,084	(1,003,084)	-	-
Trade receivables	C (iii)	-	107,774	-	107,774
Reinsurance assets	D (xvii)	-	-	4,242	4,242
Long-term investments	iv	636,477	(636,477)	-	-
Loan to policy holders	v	2,161	(2,161)	-	-
Advances under finance lease	vi	118,591	(118,591)	-	-
Deposit for shares	vii	2,185,598	(2,185,598)	-	-
Other receivables and prepayments	E (iii, iv, xv)	-	38,156	-	38,156
Inventory	F (iii)	-	-	-	-
Investment in subsidiaries	viii	5,000	2,185,598	111,887	2,302,485
Investment properties	x	616,000	1,147,677	(155,675)	1,608,002
Deferred tax assets	xi	-	-	-	-
Intangible assets	ix (xii)	179,236	(85,216)	-	94,020
Fixed assets	xii	1,276,640	(1,276,640)	-	-
Property, plant and equipment	G (iii, ix, x, xii)	-	214,179	-	214,179
Statutory deposits		220,000	-	-	220,000
Total assets		**6,319,712**	**-**	**(142,795)**	**6,176,917**
Liabilities					
Bank overdrafts	xiii	129,803	(129,803)	-	-
Bank loans	xiv	856,860	(856,860)	-	-
Creditors and accruals	xv	963,357	(963,357)	-	-
Outstanding claims	xvi	61,471	(61,471)	-	-
Insurance funds	xvii	400,502	(400,502)	-	-
Insurance contracts liabilities	H (xvi, xvii)	-	461,973	(22,508)	439,465
Liability for administered deposits	xviii	542,322	(542,322)	-	-
Liability for investment products	xix	156,149	(156,149)	-	-
Life fund investment property revaluation reserve	xx	335,162	(335,162)	-	-
Investment contracts liabilities	I (xviii, xix)	-	698,471	-	698,471
Trade payables	J (xv)	-	481,668	-	481,668
Provisions and other payables	K (xv, xxi, xxii)	-	323,050	-	323,050
Borrowings	L (xiii, xiv, xv)	-	1,058,202	(2,740)	1,055,462
Dividend payable	xxi	2,476	(2,476)	-	-
Retirement benefit obligations	M (xv)	-	95,069	(40,959)	54,110
Taxation/Income tax liabilities		40,026	-	-	40,026
Information technology levy	xxii	5,493	(5,493)	-	-
Deferred tax liabilities	N (x)	-	-	102,423	102,423
Total liabilities		**3,493,621**	**(335,162)**	**36,216**	**3,194,675**
Equity					
Issued share capital		1,291,148	-	-	1,291,148
Share premium		878,055	-	-	878,055
Statutory contingency reserve		495,937	-	-	495,937
Revenue reserve	xxiii	-	-	-	-
Retained earnings	O (x, xx, xxv, xvii)	(887,083)	1,383,196	(179,011)	317,102
Investments revaluation reserve	xxiv	-	-	-	-
Fixed assets revaluation reserve	xxv	1,048,034	(1,048,034)	-	-
Available-for-sale reserve	P (xxiv)	-	-	-	-
Total equity		**2,826,091**	**335,162**	**(179,011)**	**2,982,242**
Total equity and liabilities		**6,319,712**	**-**	**(142,795)**	**6,176,917**

44 Transition to IFRS (continued)

Reconciliation of equity as at 31 December 2011 - Company

Assets	Notes	Nigerian GAAP =N='000	Reclassifications =N='000	Remeasurements =N='000	IFRS as at 31 December 2011 =N='000
Cash and cash equivalents	A (i, ii, iii)	-	35,128	-	35,128
Cash and cash balances	i	12,246	(12,246)	-	-
Short-term investments	ii	22,882	(22,882)	-	-
Financial assets	B (iii, iv, v, vi)	-	1,606,137	(133,000)	1,473,137
Debtors and prepayments	iii	1,140,802	(1,140,802)	-	-
Trade receivables	C (iii)	-	58,589	-	58,589
Reinsurance assets	D (xvii)	-	-	2,010	2,010
Long-term investments	iv	514,299	(514,299)	-	-
Loan to policy holders	v	3,572	(3,572)	-	-
Advances under finance lease	vi	58,021	(58,021)	-	-
Deposit for shares	vii	2,185,598	(2,185,598)	-	-
Other receivables and prepayments	E (iii, iv, xv)	-	51,968	-	51,968
Inventory	F (iii)	-	-	-	-
Investment in subsidiaries	viii	5,000	2,185,598	111,887	2,302,485
Investment properties	x	492,000	579,104	131,396	1,202,500
Deferred tax assets	xi	-	-	-	-
Intangible assets	ix (xii)	62,815	2,401	-	65,216
Fixed assets	xii	732,390	(732,390)	-	-
Property, plant and equipment	G (iii, ix, x, xii)	-	150,885	-	150,885
Statutory deposits		220,000	-	-	220,000
Total assets		**5,449,625**	**-**	**112,293**	**5,561,918**
Liabilities					
Bank overdrafts	xiii	179,588	(179,588)	-	-
Bank loans	xiv	311,574	(311,574)	-	-
Creditors and accruals	xv	961,517	(961,517)	-	-
Outstanding claims	xvi	181,027	(181,027)	-	-
Insurance funds	xvii	435,067	(435,067)	-	-
Insurance contracts liabilities	H (xvi, xvii)	-	616,094	(159,610)	456,484
Liability for administered deposits	xviii	500,450	(500,450)	-	-
Liability for investment products	xix	116,145	(116,145)	-	-
Life fund investment property revaluation reserve	xx	232,762	(232,762)	-	-
Investment contracts liabilities	I (xviii, xix)	-	616,595	-	616,595
Trade payables	J (xv)	-	461,394	-	461,394
Provisions and other payables	K (xv, xxi, xxii)	-	420,190	-	420,190
Borrowings	L (xiii, xiv, xv)	-	491,162	-	491,162
Dividend payable	xxi	1,380	(1,380)	-	-
Retirement benefit obligations	M (xv)	-	87,962	(27,421)	60,541
Taxation/Income tax liabilities		34,527	-	-	34,527
Information technology levy	xxii	6,649	(6,649)	-	-
Deferred tax liabilities	N (x)	-	-	81,501	81,501
Total liabilities		**2,960,686**	**(232,762)**	**(105,530)**	**2,622,394**
Equity					
Issued share capital		1,291,148	-	-	1,291,148
Share premium		878,055	-	-	878,055
Statutory contingency reserve		509,148	-	-	509,148
Revenue reserve	xxiii				
Retained earnings	O (x, xx, xxv, xvii)	(793,860)	823,159	209,108	238,407
Investments revaluation reserve	xxiv	14,051	(14,051)		-
Fixed assets revaluation reserve	xxv	590,397	(590,397)	-	-
Available-for-sale reserve	P (xxiv)		14,051	8,715	22,766
Total equity		**2,488,939**	**232,762**	**217,823**	**2,939,524**
Total equity and liabilities		**5,449,625**	**-**	**112,293**	**5,561,918**

44 Transition to IFRS (continued)

Reconciliation of total comprehensive income for the year ended 31 December 2011 - Group	Notes	Nigerian GAAP =N='000	Reclassi-fications =N='000	Remeasure-ments =N='000	IFRS as at 31 December 2011 =N='000
Gross written premium	xxi(xx)	-	464,309	-	464,309
Change in provision for unexpired risk	a	-	20,893	107,671	128,564
Net operating profit	xx	215,127	(215,127)	-	-
Reinsurance outwards/expenses	xxii(xx)	-	(6,557)	-	(6,557)
Net premium income		215,127	263,518	107,671	586,316
Commision received	i	-	-		-
Fees and commission income	b (i, ii,xx)	-	109,537		109,537
Investment and other income	ii	616,063	(616,063)		-
Net underwriting income		831,190	(243,008)	107,671	695,853
Claims incurred/expense	xxiii(xx)	-	(340,325)		(340,325)
Acquisition cost	iii	-	-		-
Maintenance cost	iv	-	-		-
Management expenses - Life Revenue	v	-	-		-
Guaranteed interest	vi	-	-		-
Underwriting expense	c (iii, v, vi, xx)	-	(227,030)		(227,030)
Change in life insurance contract liability	d (vii, xx)	-	(55,458)	27,199	(28,259)
Accretion to Life fund	vii	-	-		-
Transfer to profit and loss account-Life fund accou	viii	-	-		-
Underwriting results		831,190	(865,821)	134,870	100,239
Loss on Deposit administration fund	ix	-	-		-
Loss on Investment product fund	x	-	-		-
Loss from Unic Health	xi	-	-		-
Loss on Life revenue account	xii (viii)	-	-		-
Investment income	xiii (ii, xvii, xx)	-	748,941	(627,969)	120,972
Net fair value gains	e	-	-	347,000	347,000
Net realized gains	f (xiii)	-	153,481		153,481
Other operating income	xiv (xiii, xvii, xx)	-	628,818		628,818
Diminution in value of investments	xv	(53,399)	53,399		-
Provision for other receivables	xvi	3,287	(3,287)		-
Management expenses	xvii (v, xvi, xv, xx)	(761,269)	(508,808)	(22,150)	(1,292,227)
Transfer to profit and loss account	xviii	-	-		-
Results from operating activities		19,809	206,723	(168,249)	58,283
Finance costs	g (xvii)	-	(206,723)	(4,571)	(211,294)
Profit/(loss) before taxation		19,809	-	(172,820)	(153,011)
Taxation/income tax expenses	xix	31,454	-	(21,576)	9,878
Profit/(loss) after taxation		51,263	-	(194,396)	(143,133)
Net fair value loss	h	-	-	22,766	22,766
Total comprehensive income for the year		51,263	-	(171,630)	(120,367)

44 Transition to IFRS (continued)

Reconciliation of total comprehensive income for the year ended 31 December 2011 - Company

	Notes	Life profit and loss =N='000	Unic Health revenue =N='000	Life revenue =N='000	Investment plan revenue =N='000	Deposit admin revenue =N='000	Total =N='000	Reclassi-fications =N='000	Remeasu-rements =N='000	IFRS for year ended 31 Dec. 2011 =N='000
Gross written premium	xxi (xx)	-	235,922	228,387	-	-	464,309	-	-	464,309
Change in provision for unexpired risk	a	-	20,893	-	-	-	20,893	-	107,671	128,564
Gross premium income		-	256,815	228,387	-	-	485,202	-	107,671	592,873
Reinsurance outwards/expenses	xxii (xx)	-	-	(6,557)	-	-	(6,557)	-	-	(6,557)
Net premium income		-	256,815	221,830	-	-	478,645	-	107,671	586,316
Commision received	i	-	67,071	2,672	-	-	69,743	(69,743)	-	-
Fees and commission income	b (i, ii, xx)	-	-	-	-	-	-	109,537	-	109,537
Investment and other income	ii	-	-	139,503	33,496	116,334	289,333	(289,333)	-	-
Net underwriting income		-	323,886	364,005	33,496	116,334	837,721	(249,539)	107,671	695,853
Claims incurred/expense	xxiii (xx)	-	(159,250)	(181,075)	-	-	(340,325)	-	-	(340,325)
Acquisition cost	iii	-	(10,116)	(21,157)	(22,259)	(7,661)	(61,193)	61,193	-	-
Maintenance cost	iv	-	(48,048)	(17,581)	(4,222)	(14,661)	(84,512)	84,512	-	-
Management expenses - Life Revenue	v	-		(111,426)	(12,664)	(43,983)	(168,073)	168,073	-	-
Guaranteed interest	vi	-	-	-	(12,405)	(68,920)	(81,325)	81,325	-	-
Underwriting expense	c (iii, v, vi, xx)	-	-	-	-	-	-	(227,030)	-	(227,030)
Change in life insurance contract liability	d (vii, xx)	-	-	-	-	-	-	(55,458)	27,199	(28,259)
Accretion to Life fund	vii	-	-	(55,458)	-	-	(55,458)	55,458	-	-
Transfer to profit and loss account-Life fund account	viii	-	-	22,692	-	-	22,692	(22,692)	-	-
Underwriting results		-	106,472	-	(18,054)	(18,891)	69,527	(104,158)	134,870	100,239
Loss on Deposit administration fund	ix	(18,891)	-	-	-	-	(18,891)	18,891	-	-
Loss on Investment product fund	x	(18,054)	-	-	-	-	(18,054)	18,054	-	-
Loss from Unic Health	xi	(5,557)	-	-	-	-	(5,557)	5,557	-	-
Loss on Life revenue account	xii (viii)	(22,692)	-	-	-	-	(22,692)	22,692	-	-
Investment income	xiii (ii, xvii, xx)	-	41,342	-	-	-	41,342	701,982	(649,819)	93,505
Net fair value gains	e	-	-	-	-	-	-	-	347,000	347,000
Net realized gains	f (xiii)	-	-	-	-	-	-	152,730	-	152,730
Other operating income	xiv (xiii, xvii, xx)	606,230	-	-	-	-	606,230	(605,173)	-	1,057
Diminution in value of investments	xv	(53,399)	-	-	-	-	(53,399)	53,399	-	-
Provision for other receivables	xvi	3,287	-	-	-	-	3,287	(3,287)	-	-
Management expenses	xvii (v, xvi, xv, xx)	(375,318)	(153,371)	-	-	-	(528,689)	(38,547)	(22,150)	(589,386)
Transfer to profit and loss account	xviii	-	5,557	-	18,054	18,891	42,502	(42,502)	-	-
Results from operating activities		115,606	-	-	-	-	115,606	179,638	(190,099)	105,145
Finance costs	g (xvii)	-	-	-	-	-	-	(179,638)	(2,740)	(182,378)
Profit before taxation		115,606	-	-	-	-	115,606	-	(192,839)	(77,233)
Taxation/income tax expenses	xix	(9,173)	-	-	-	-	(9,173)	-	20,922	11,749
Profit after taxation		106,433	-	-	-	-	106,433	-	(171,917)	(65,484)
Net fair value loss	h	-	-	-	-	-	-	-	22,766	22,766
Total comprehensive income for the year		106,433	-	-	-	-	106,433	-	(149,151)	(42,718)

Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
A Cash and cash equivalents	=N='000	=N='000	=N='000	=N='000
Cash and bank balances per Nigerian GAAP	28,153	66,699	12,246	56,103
Short-term investments per Nigerian GAAP	22,882	20,822	22,882	20,822
Accrued interest reclassified from debtors and prepayments	-	296	-	-
Per IFRS	51,035	87,817	35,128	76,925
B Financial assets				
Available-for-sale financial assets				
Reclassified from Long-term investments	514,299	636,477	514,299	636,477
Adjustment for fair value measurement on unquotes equities	1,620	1,620	1,620	1,620
Available-for-sale financial assets per IFRS	515,919	638,097	515,919	638,097
Loans and receivables				
Loan to policy holders per Nigerian GAAP	3,572	2,161	3,572	2,161
Accrued income on loan to policyholders reclassified from debtors and prep	679	679	679	679
Remeasurement of impairment on loan to policy holders	1,399	9,326	1,399	9,326
Advances under finance lease reclassified to Loans	24,121	118,591	58,021	118,591
Staff loans reclassified from debtors and prepayments (Note C)	8,615	10,867	8,615	13,176
Loan to related parties reclassified from debtors and prepayments (Note C)	556,539	534,656	789,304	644,295
Impairment adjustments for interest on loans and receivables using EIR	-	-	(136,019)	(114,195)
Accrued income on loan to related parties reclassified from debtors and prep	231,646	199,004	231,647	199,004
Loans and receivables per IFRS	826,571	875,284	957,218	873,037
Total financial assets per IFRS	1,342,490	1,513,381	1,473,137	1,511,134

Under the Nigerian GAAP, Unic insurance recognises its investment in unlisted equities at cost less provision for diminution. IFRS requires all available-for-sale investments to be measured at fair value however, where fair value cannot be reliably measured; the cost model may be used but should be subjected to impairment assessments at each reporting date. On transition to IFRS, provision for diminution of investment made under the Nigerian GAAP have been reversed and impairment assessment has been made. This resulted in an lesser impairment loss of ₦1.6m on transition and comparative date been recognised against retained earnings.

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

B Financial assets (continued)

Under Nigerian GAAP, impairment allowance on loans and receivables are made based on the outstanding number of days. Where the loan has exceeded a stipulated number of days, an impairment allowance is recognised. IFRS requires loan and receivables to be assessed for impairment when there is objective evidence that an impairment loss has been incurred on loans. The loss is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows. On transition to IFRS, an impairment allowance of ₦9.3m made on policy holders loan have been reversed into retained earnings. This is because the present value of the estimated future cash flows exceed its carrying amount, hence no need for a provision of impairment loss. Whereas impairment adjustment of ₦136m (₦114m) were made on loans receivables from related parties.

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
C Trade receivables	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	-	-	-	-
Unic health receivables reclassified from debtors and prepayments	58,589	497,357	58,589	107,774
Other trade receivables reclassified from debtors and prepayments	562,922	55,490	-	-
Per IFRS	621,511	552,847	58,589	107,774
D Reinsurance assets				
Measurement as shown in Actuarial valuation	2,010	4,242	2,010	4,242
	2,010	4,242	2,010	4,242
E Other receivables and prepayments				
Per Nigerian GAAP	-	-	-	-
Prepayments reclassified from debtors and prepayments	1,183	16,595	450	7,615
Reclassification of other assets from long-term investments	-	51,583	-	-
Reclassified to from debtors and prepayments	170,778	61,503	51,518	30,541
Reclassification of intangible assets not in use from PPE	11,160	11,160	-	-
Remeasurement on impairment charge on other receivables	(12,387)	30,606	-	-
Derecognition of provision made for vendors credit notes not sighted.	3,802	3,802	-	-
Reclassified to provisions and other payables	(2,565)	(2,565)	-	-
Per IFRS	171,971	172,684	51,968	38,156

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
F Inventory	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	-	-	-	-
Reclassified from debtors and prepayments	3,992	7,346	-	-
Per IFRS	3,992	7,346	-	-
G Property, plant and equipment				
Per Nigerian GAAP				
Reclassification from fixed assets	2,238,669	2,841,447	732,390	1,276,640
Reclassified to intangible assets	(2,401)	85,216	(2,401)	85,216
Reclassified to investment properties	(579,104)	(1,147,677)	(579,104)	(1,147,677)
Capital work-in-progress reclassified from Long-term investments	741,717	720,846	-	-
Being expenses on Capital W-I-P not to be capitalized	(4,765)	(4,765)	-	-
Derecognition of intangible assets not in use and not depreciated	(11,160)	(11,160)	-	-
Reclassification of capital assets from debtors and prepayments	-	37,702	-	-
Property, plant and equipment per IFRS	2,382,956	2,521,609	150,885	214,179

Under Nigerian GAAP,the Group's investments in the acquisition of Mc Ewen Hospital N741m (2010:N721m) was classified under debtors and prepayments as investment in equipmqnt. On transition to IFRS, this has been reclassied to Property,Plant and Equipment.

The Group capitalised its security expenses for Mc Ewen Hospital (N4.8m). This does not qualify for capitalisation under IFRS since they do not generate additional asset and so do not meet the asset recognition creterion. Hence, this has been derecognised as at the date of transition. The Group's finance lease of computer equipments and IT Infrastructure has been reclassified under PPE.

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
H Insurance contract liabilities	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	-	-	-	-
Outstanding claims per Nigerian GAAP	181,027	61,471	181,027	61,471
Insurance funds per Nigerian GAAP	435,067	400,502	435,067	400,502
Actuarial valuation adjustment on insurance contract liabilities	(161,620)	(26,750)	(161,620)	(26,750)
Reclassification adjustment on reinsurance assets	2,010	4,242	2,010	4,242
	456,484	439,465	456,484	439,465
I Investment contract liabilities				
Per Nigerian GAAP	-	-	-	-
Liability for administered deposits	500,450	542,322	500,450	542,322
Liability for investment products	116,145	156,149	116,145	156,149
	616,595	698,471	616,595	698,471
J Trade payables				
Per Nigerian GAAP	-	-	-	-
Reclassified from creditors and accruals	542,983	566,974	461,394	481,668
	542,983	566,974	461,394	481,668
K Provisions and other payables				
Per Nigerian GAAP	-	-	-	-
Reclassified from creditors and accruals	712,039	505,123	412,161	315,081
Dividend payable reclassified to provisions and other payables	1,380	2,476	1,380	2,476
Information technology levy reclassified	6,649	5,493	6,649	5,493
Reclassified from other receivables and prepayments	(2,565)	(2,565)	-	-
	717,503	510,527	420,190	323,050

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
L Borrowings	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	-	-	-	-
Bank overdrafts	188,734	183,724	179,588	129,803
Bank loans	427,107	1,257,441	311,574	856,860
Reclassified from creditors and accruals	-	(130,480)	-	71,539
Reversal of management fee on borrowings	-	(2,740)	-	(2,740)
Being restructured fee deferred	(1,570)	(1,570)	-	-
Being recognition of additional interest incurred on restructuring	1,831	-	-	-
	616,102	1,306,375	491,162	1,055,462

Unic insurance expensed the transation cost of its borrowing in the year the loans are obtained. Under IFRS, the initial carrying amount of a financial liability that is not classified at fair value through profit or loss should be adjusted for transaction costs. Consequently, these costs are included in the calculation of the effective interest rate, in effect increasing the amount of interest expense recognised over the life of the instrument. On transition ,Management and processing fee on outstanding loans as at the date of transition have been reversed from retained earnings and amortised over the tenor of the loan using effective interest rate . The effective interest rate has been calculated by adjusting the carrying amount of loans with the management and processing fee which are intergral part of the loan.

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
M Retirement benefit obligations	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	-	-	-	-
Reclassified from creditors and accruals	88,443	95,659	87,962	95,069
Adjustment to retirement benefit obligation due to valuation	(27,421)	(40,959)	(27,421)	(40,959)
	61,022	54,700	60,541	54,110

Under Nigeria GAAP, retirement benefits obligation arising from the Group's gratuity scheme were not valued using the projected credit unit method and recognised on the face of the statement of financial position. On transitioning to IFRS, certain retirement benefits amount included in creditors and accruals were reclassified and seperately disclosed as retirement benefits. Also, per the actuarial valuation report, adjustment were made to retirement benefit obligations.

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
N Deferred tax liabilities	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	-	-	-	-
Reclassification from deferred tax assets	(5,316)	39,575	-	-
Being adjustment to reverse deferred tax charged on fixed assets	5,316	(37,182)	-	-
Deferred tax asset on gratuity	(5,615)	(5,997)	(5,615)	(5,997)
Adjustment to recognize deferred tax on fair value gains on IP	87,116	108,420	87,116	108,420
Per IFRS	81,501	104,816	81,501	102,423

The transition adjustments relating to Investment properties and retirement benefit obligations lead to different temporary differences. According to the accounting policies, the Group has to account for such differences. These deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings. The effect of the adjustments in 2011 has been recognised in the profit or loss statement for 2011.

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

O Retained earnings	Group 2011 =N='000	Group At 1 January 2011 =N='000	Company 2011 =N='000	Company At 1 January 2011 =N='000
Per Nigerian GAAP	-	-	-	-
Reclassification from revenue reserve	(832,678)	(908,434)	(793,860)	(887,083)
Reclassification of fair value gain (revaluation surplus) from Life fund investment property revaluation reserve	232,762	335,162	232,762	335,162
Reclassification of fair value gain (revaluation surplus) from fixed assets revaluation reserve	590,397	1,048,034	590,397	1,048,034
Being adjustment for impairment on investment property	(246,186)	(246,186)	(246,186)	(246,186)
Being adjustment to book actuarial valuation differences	161,620	26,750	161,620	26,750
Being adjustment for reversal of depreciation charged on fixed assets now reclassified as investment property	90,511	90,511	90,511	90,511
Reversal of depreciation charged on IP earlier classified as PPE	8,030	-	8,030	-
Being adjustment for fair value gains on investment properties	347,000	-	347,000	-
Being reversal of accumulated depreciation on fixed assets disposed	(67,959)	-	(67,959)	-
Derecognition of provision made for vendors credit notes not sighted.	3,802	3,802	-	-
Being expenses on Capital W-I-P not to be capitalized	(4,765)	(4,765)	-	-
Remeasurement on impairment charge on other receivables	(12,387)	30,606	-	-
Being restructured fee deferred	1,570	1,570	-	-
Being recognition of additional interest incurred on restructuring	(1,831)	-	-	-
Being adjustment to reverse deferred tax charged on fixed assets	(5,316)	37,182		
Adjustment for fair value measurement on unquotes equities	1,620	1,620	1,620	1,620
Remeasurement of impairment on loan to policy holders	1,399	9,326	1,399	9,326
Reversal of diminution on investments in VGC	-	-	101,887	101,887
Reversal in diminution for investments in CRI	-	-	10,000	10,000
Impairment adjustment of interest on loan facility using EIR	-	-	(136,019)	(114,195)
Adjustment for impairment on equities earlier included in revaluation surplus on	(8,715)	-	(8,715)	-
Deferred tax asset on gratuity	5,615	5,997	5,615	5,997
Adjustment to recognize deferred tax on fair value gains on IP	(87,116)	(108,420)	(87,116)	(108,420)
Reversal of management fee on borrowings	-	2,740	-	2,740
Adjustment to retirement benefit obligation due to valuation	27,421	40,959	27,421	40,959
Retained earnings under IFRS	210,110	366,454	238,407	317,102

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
P **Available-for-sale reserve**	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	-	-	-	-
Investments revaluation reserve	14,051	-	14,051	-
Adjustment for impairment on equities earlier included in revaluation surplus on equities	8,715	-	8,715	-
Per IFRS	22,766	-	22,766	-
i **Cash and cash equivalents**				
Per Nigerian GAAP	28,153	66,699	12,246	56,103
Reclassification to cash and cash equivalent	(28,153)	(66,699)	(12,246)	(56,103)
Per IFRS	-	-	-	-
ii **Short-term investments**				
Per Nigerian GAAP	22,882	20,822	22,882	20,822
Reclassification to cash and cash equivalent	(22,882)	(20,822)	(22,882)	(20,822)
Per IFRS	-	-	-	-
iii **Debtors and prepayments**				
Per Nigerian GAAP	1,594,943	1,421,495	1,140,802	1,003,084
Prepayments reclassified to other receivables and prepayments	(1,183)	(16,595)	(450)	(7,615)
Staff loans reclassified to loans and receivables (See Note B)	(8,615)	(10,867)	(8,615)	(13,176)
Loan to related parties reclassified to loans and receivables	(556,539)	(534,656)	(789,304)	(644,295)
Accrued income on loans to related parties reclassified to loans and receivables	(231,646)	(199,004)	(231,647)	(199,004)
Accrued income on loans to policy holders parties reclassified to loans and recei	(679)	(679)	(679)	(679)
Accrued income on deposits reclassified to cash and equivalenst	-	(296)	-	-
Unic health receivables reclassified to trade receivables	(58,589)	(497,357)	(58,589)	(107,774)
Other receivables reclassified to trade receivables	(562,922)	(55,490)	-	-
Reclassification to recognise capital assets to PPE	-	(37,702)	-	-
Reclassified to other receivables and prepayments	(170,778)	(61,503)	(51,518)	(30,541)
Reclassified to inventory	(3,992)	(7,346)	-	-
	-	-	-	-

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
iv Long-term investments	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	1,256,016	1,408,906	514,299	636,477
Capital work-in-progress reclassified to PPE	(741,717)	(720,846)	-	-
Available-for-sale assets reclassified to Financial assets	(514,299)	(636,477)	(514,299)	(636,477)
Other assets reclassified to other receivables and prepayments	-	(51,583)	-	-
	-	-	-	-
v Loan to policy holders				
Per Nigerian GAAP	3,572	2,161	3,572	2,161
Reclassification to financial assets-(loan and receivables)	(3,572)	(2,161)	(3,572)	(2,161)
Per IFRS	-	-	-	-
vi Advances under finance lease				
Per Nigerian GAAP	24,121	118,591	58,021	118,591
Reclassification to financial assets-(loan and receivables)	(24,121)	(118,591)	(58,021)	(118,591)
Per IFRS	-	-	-	-
vii Deposit for shares				
Per Nigerian GAAP			2,185,598	2,185,598
Reclassification to investment in subsidiary	-	-	(2,185,598)	(2,185,598)
Per IFRS	-	-	-	-
viii Investments in subsidiaries				
Per Nigerian GAAP	-	-	5,000	5,000
Deposit for shares per Nigerian GAAP	-	-	2,185,598	2,185,598
Adjustment to impairment on deposit for shares	-	-	101,887	101,887
Adjustment to impairment on investment in subsidiary	-	-	10,000	10,000
Per IFRS	-	-	2,302,485	2,302,485

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

viii Investments in subsidiaries (continued)

IFRS requires financial assets including investments in subsidiaries to be tested for impairment when there is an indication that the investments may be impaired. Where the recoverable amount is lesser than the carrying amount on investment, the carrying amount should be written down to the recoverable amount. There is no guidance under the Nigerian GAAP however, Unic insurance made a provision for diminution of investments in its subsidiary. On transition to IFRS, the present value of the subsidiaries estimated future cash flows using the subsidiary's incremental borrowing rate was lesser than its carrying amount. No impairment loss was recognised on investment in subsidiary since the recoverable amout is more than the carrying amount. The dimunition in provision has now been reversed.

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
ix Intangible assets	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	62,815	179,236	62,815	179,236
Reclassified from fixed assets	2,401	(85,216)	2,401	(85,216)
	65,216	94,020	65,216	94,020

x Investment properties				
Per Nigerian GAAP	492,000	616,000	492,000	616,000
Being reclassification from fixed assets	579,104	1,147,677	579,104	1,147,677
Being adjustment for impairment on investment property	(246,186)	(246,186)	(246,186)	(246,186)
Being reversal of depreciation charged on investment property	90,511	90,511	90,511	90,511
Reversal of depreciation charged on IP earlier classified as PPE	8,030	-	8,030	-
Fair value gains arising during the year	347,000	-	347,000	-
Reversal of accum. Depreciation charged on Investment property on disp	(67,959)	-	(67,959)	-
	1,202,500	1,608,002	1,202,500	1,608,002

IFRS requires properties which are leased for the generation of cash flows to be recognised as investment properties. Land held either for long-term capital appreciation or for a currently undetermined future use is also classified as investment properties under IFRS. On transition to IFRS, Unic Insurance has reclassified its land held for capital appreciation purposes as investment properties. Other properties which were leased out as operating lease have also been reclassified as investment properties. Unic insurances also elected to use the fair value as deemed cost for its investment property. This resulted in the transfer of revaluations surplus on assets now classified as investment properties for IFRS transitional purposes to retain earnings. Also an impairment charge resulted on certain investment properties.

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

x Investment properties (continued)

The accumulated depreciation of these assets has also been transferred to retain earnings/income statement. The above resulted in the reclassification of land and building leased under oprating leased to be investment properties.

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
xxi **Deferred tax assets**	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	5,316	39,575		
Reclassification to deferred asset liabilities	(5,316)	(39,575)	-	-
Per IFRS	-	-	-	-
xii **Fixed assets**				
Per Nigerian GAAP	2,238,669	2,841,447	732,390	1,276,640
Reclassification to PPE	(2,238,669)	(2,841,447)	(732,390)	(1,276,640)
Per IFRS	-	-	-	-
xiii **Bank overdrafts**				
Per Nigerian GAAP	188,734	183,724	179,588	129,803
Reclassification to borrowings	(188,734)	(183,724)	(179,588)	(129,803)
Per IFRS	-	-	-	-
xiv **Bank loans**				
Per Nigerian GAAP	427,107	1,257,441	311,574	856,860
Reclassification to borrowings	(427,107)	(1,257,441)	(311,574)	(856,860)
Per IFRS	-	-	-	-

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

		Group		Company	
			At 1 January		At 1 January
		2011	2011	2011	2011
xv	**Creditors and accruals**	=N='000	=N='000	=N='000	=N='000
	Per Nigerian GAAP	1,343,465	1,037,276	961,517	963,357
	Reclassified to trade payables	(542,983)	(566,974)	(461,394)	(481,668)
	Reclassified to provisions and other payables	(712,039)	(505,123)	(412,161)	(315,081)
	Reclassified to retirement benefit obligations	(88,443)	(95,659)	(87,962)	(95,069)
	Reclassified to interest bearing loans and borrowings	-	130,480	-	(71,539)
		-	-	-	-
xvi	**Outstanding claims**				
	Per Nigerian GAAP	181,027	61,471	181,027	61,471
	Reclassification to insurance contract liabilities	(181,027)	(61,471)	(181,027)	(61,471)
	Per IFRS	-	-	-	-
xvii	**Insurance funds**				
	Per Nigerian GAAP	435,067	400,502	435,067	400,502
	Reclassification to insurance contract liabilities	(435,067)	(400,502)	(435,067)	(400,502)
	Per IFRS	-	-	-	-
xviii	**Liability for administered deposits**				
	Per Nigerian GAAP	500,450	542,322	500,450	542,322
	Reclassification to investment contract liabilities	(500,450)	(542,322)	(500,450)	(542,322)
	Per IFRS	-	-	-	-
xix	**Liability for investment products**				
	Per Nigerian GAAP	116,145	156,149	116,145	156,149
	Reclassification to investment contract liabilities	(116,145)	(156,149)	(116,145)	(156,149)
	Per IFRS	-	-	-	-

44 Transition to IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2011 and 31 December 2011 (continued)

	Group		Company	
		At 1 January		At 1 January
	2011	2011	2011	2011
xx **Life fund investment property revaluation reserve**	=N='000	=N='000	=N='000	=N='000
Per Nigerian GAAP	232,762	335,162	232,762	335,162
Reclassification to retained earning	(232,762)	(335,162)	(232,762)	(335,162)
Per IFRS	-	-	-	-
xxi **Dividend payable**				
Per Nigerian GAAP	1,380	2,476	1,380	2,476
Reclassification to provisions and other payables	(1,380)	(2,476)	(1,380)	(2,476)
Per IFRS	-	-	-	-
xxii **Information technology levy**				
Per Nigerian GAAP	6,649	5,493	6,649	5,493
Reclassification to provisions and other payables	(6,649)	(5,493)	(6,649)	(5,493)
Per IFRS	-	-	-	-
xxiii **Revenue reserve**				
Per Nigerian GAAP	(832,678)	(908,434)	(793,860)	(887,083)
Reclassification to retained earning	832,678	908,434	793,860	887,083
Per IFRS	-	-	-	-
xxiv **Investments revaluation reserve**				
Per Nigerian GAAP	14,051	-	14,051	-
Reclassification to available for sales reserve	(14,051)	-	(14,051)	-
Per IFRS	-	-	-	-
xxv **Fixed assets revaluation reserve**				
Per Nigerian GAAP	590,397	1,048,034	590,397	1,048,034
Reclassification to retained earning	(590,397)	(1,048,034)	(590,397)	(1,048,034)
Per IFRS	-	-	-	-

44 Transition to IFRS (continued)

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2011

	Group 2011 =N='000	Company 2011 =N='000
a Change in provision for unexpired risk		
Per Nigerian GAAP	-	20,893
Reclassification from net operating profit	20,893	-
Change based on actuarial valuation	107,671	107,671
Per IFRS	128,564	128,564
b Fees and commission income		
Per Nigerian GAAP	-	-
Reclassification from net operating profit	69,743	69,743
Reclassification of fees included in investment and other income	39,794	39,794
Per IFRS	109,537	109,537
c Underwriting expense		
Per Nigerian GAAP	-	-
Reclassification from net operating profit	227,030	-
Reclassification from Acquisition cost	-	61,193
Reclassification from Maintenance cost	-	84,512
Reclassification from Guaranteed interest	-	81,325
Per IFRS	227,030	227,030
d Change in Life insurance contract liability		
Per Nigerian GAAP	-	-
Accretion to Life fund reclassified from net operating profit	55,458	55,458
Adjustment arising from actuarial valuation	(27,199)	(27,199)
Change in Life insurance contract liability per IFRS	28,259	28,259

44 Transition to IFRS (continued)

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2011 - continued

	Group 2011 =N='000	Company 2011 =N='000
e Net fair value gains		
Per Nigerian GAAP	-	-
Being fair value gains on Investment properties	347,000	347,000
Per IFRS	347,000	347,000
f Net realized gains/(losses)		
Per Nigerian GAAP	-	-
Loss on disposal of property and equipment reclassified from investment income	(5,284)	(5,284)
Reclassification from management expenses	751	-
Gain on disposal of investment property reclassified from investment income	161,311	161,311
Loss on sale of equity securities reclassified from investment income	(3,297)	(3,297)
Per IFRS	153,481	152,730
g Finance costs		
Per Nigerian GAAP	-	-
Interest expense reclassified from management expenses	206,723	179,638
Being recognition of additional management fee on bank overdrafts	2,740	2,740
Being recognition of additional interest incurred on restructuring	1,831	-
Per IFRS	211,294	182,378
h Net fair value loss		
Fair value loss on investments	22,766	22,766
	22,766	22,766

44 Transition to IFRS (continued)

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2011 - continued

	Group 2011	Company 2011
	=N='000	=N='000
i Commision received		
Per Nigerian GAAP	-	69,743
Reclassification to fees and commission income	-	(69,743)
Per IFRS	-	-
ii Investment and other income		
Per Nigerian GAAP	616,062	330,675
Reclassification from other oprating income	-	606,230
Fees reclassified to Fees and commission income	(39,794)	(39,794)
Reclassified to investment income under IFRS	(576,268)	(897,111)
	-	-
iii Acquisition cost		
Per Nigerian GAAP	-	61,193
Reclassification to underwriting expenses	-	(61,193)
Per IFRS	-	-
iv Maintenance cost		
Per Nigerian GAAP	-	84,512
Reclassification to underwriting expenses	-	(84,512)
Per IFRS	-	-
v Management expenses - life revenue account		
Per Nigerian GAAP	-	528,689
Reclassification to management expenses	-	(528,689)
Per IFRS	-	-
vi Guaranteed interest		
Per Nigerian GAAP	-	81,325
Reclassification to underwriting expenses	-	(81,325)
Per IFRS	-	-

44 Transition to IFRS (continued)

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2011 - continued

	Group 2011 =N='000	Company 2011 =N='000
vii Accretion to Life fund		
Per Nigerian GAAP	-	55,458
Reclassification to Change in life insurance contract liability	-	(55,458)
Per IFRS	-	-
viii Transfer to profit and loss account-Life fund account		
Per Nigerian GAAP	-	22,692
Reclassified to Loss on Life revenue account	-	(22,692)
Per IFRS	-	-
ix Loss on Deposit administration fund		
Per Nigerian GAAP	-	(18,891)
Reclassification to 'Transfer of life fund profit to profit and loss account.	-	18,891
Per IFRS	-	-
x Loss on Investment product fund		
Per Nigerian GAAP	-	(18,054)
Reclassification to 'Transfer of life fund profit to profit and loss account.	-	18,054
Per IFRS	-	-
xi Loss from Unic Health		
Per Nigerian GAAP	-	(5,557)
Reclassification to 'Transfer of life fund profit to profit and loss account.	-	5,557
Per IFRS	-	-
xii Loss on Life revenue account		
Per Nigerian GAAP	-	(22,692)
Reclassification from 'Transfer of life fund profit to profit and loss account.	-	22,692
Per IFRS	-	-

44 Transition to IFRS (continued)

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2011 - continued

		Group 2011 =N='000	Company 2011 =N='000
xiii	**Investment income**		
	Per Nigerian GAAP	-	-
	Reclassification from net operating profit	326,486	-
	Investment and other income reclassified from revenue accounts	576,268	897,111
	Net realized gains and losses on investment propert, PPE, and equity security reclassified	(152,730)	(152,730)
	Exchange gain reclassified to other operating income	(1,057)	(1,057)
	Reversal of revaluation surplus on IP and PPE through retained earnings	(560,036)	(560,036)
	Being reversal of accumulated depreciation on assets disposed	(67,959)	(67,959)
	Adjustment to reverse interest charged on facility using effective interest rate	-	(21,824)
	Per IFRS	120,972	93,505
xiv	**Other operating income**		
	Per Nigerian GAAP	-	606,230
	Reclassification from net operating profit	284,511	-
	Reclassification to investment income	-	(606,230)
	Exchange gain reclassified from investment income	1,057	1,057
	Reclassification of expenses netted against operating income	343,250	-
	Per IFRS	628,818	1,057
xv	**Diminution in value of investments**		
	Per Nigerian GAAP	53,399	53,399
	Reclassification to management expenses	(53,399)	(53,399)
	Per IFRS	-	-
xvi	**Provision for other receivables**		
	Per Nigerian GAAP	(3,287)	(3,287)
	Reclassification to management expenses	3,287	3,287
	Per IFRS	-	-

44 Transition to IFRS (continued)

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2011 - continued

		Group 2011 =N='000	Company 2011 =N='000
xvii	**Management expenses**		
	Per Nigerian GAAP	761,268	321,445
	Reclassification from net operating profit	321,445	-
	Managment expenses in revenue accounts	-	375,317
	Diminution in value of investments	53,399	53,399
	Provision for other receivables	(3,287)	(3,287)
	Interest expense reclassified to finance costs	(206,723)	(179,638)
	Reclassification of expenses from operating income	343,224	-
	Reclassification to net realized gain	751	-
	Reversal of depreciation charged on IP earlier classified as fixed assets	(8,030)	(8,030)
	Adjustment for impairment on equities earlier included in investment revaluation reserve	8,715	8,715
	Reversal of provision gain on loan to policyholders	7,927	7,927
	Adjustment to accrue for retirement benefit obligation	13,538	13,538
	Per IFRS	1,292,227	589,386
xviii	**Transfer to profit and loss account**		
	Per Nigerian GAAP	-	-
	Reclassification from Loss on Deposit administration fund	18,891	18,891
	Reclassification fromLoss on Investment product fund	18,054	18,054
	Reclassification from Loss from Unic Health	5,557	5,557
	Reclassification to P or L	(42,502)	(42,502)
	Per IFRS	-	-
xix	**Income tax (credit)/expense**		
	Taxation per Nigerian GAAP	(31,454)	9,173
	Deferred tax asset on gratuity charged	382	382
	Being reversal of deferred tax liability on IP	(21,304)	(21,304)
	Being reversal of deferred tax credit on PPE	42,498	-
	Per IFRS	(9,878)	(11,749)

44 Transition to IFRS (continued)

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2011 - continued

		Group 2011 =N='000	Company 2011 =N='000
xx	**Net operating profit**		
	Per Nigerian GAAP	215,127	-
	Reclassified to gross written premium	(464,309)	-
	Reclassified to changes in provision for unexpired risk	(20,893)	-
	Reclassified to reinsurance expenses	6,557	-
	Reclassified to fees and commission income	(69,743)	-
	Reclassified to investment income	(326,486)	-
	Reclassified to claim incurred	340,325	-
	Reclassified to underwriting expenses	227,030	-
	Reclassification to management expenses	321,445	-
	Reclassification to other operating income	(284,511)	-
	Reclassified to changes in life insurance contract liability	55,458	-
	Per IFRS	-	-
xxi	**Gross written premium**		
	Per Nigerian GAAP	-	464,309
	Reclassification from net operating profit	464,309	-
	Per IFRS	464,309	464,309
xxii	**Reinsurance outwards/expenses**		
	Per Nigerian GAAP	-	6,557
	Reclassification from net operating profit	6,557	-
	Per IFRS	6,557	6,557
xxiii	**Claims incurred/expense**		
	Per Nigerian GAAP	-	340,325
	Reclassification from net operating profit	340,325	
	Per IFRS	340,325	340,325

UNIC INSURANCE PLC

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2012

GROUP	2012 =N='000	%	2011 =N='000	%
Gross premium income	318,900		592,873	
Fees and commission income	71,636		109,537	
Investment income	231,401		120,972	
Other income	724,625		1,129,299	
	1,346,562		1,952,681	
Claims incurred, commission paid and other operating expenses - Local	(1,229,976)		(1,478,337)	
Value added	116,586	100	474,344	100
Applied as follows:				
To pay employees:				
Salaries, wages and benefits	158,397	136	195,149	41
To pay Government:				
Taxes	14,395	12	13,437	3
To pay providers of capital:				
Interest on Loans	150,674	129	211,294	45
Retained for asset replacement and future expansion of business:				
- Depreciation and amortization	144,995	124	220,912	46
- Deferred taxation	9,110	8	(23,315)	(5)
- Loss for the year	(360,985)	(309)	(143,133)	(30)
	116,586	100	474,344	100

Value added is the wealth created by the efforts of the Company and its employees and the allocation between employees, shareholders, government and that retained in the future for the creation of more wealth.

UNIC INSURANCE PLC

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2012

COMPANY	2012		2011	
	=N='000	%	=N='000	%
Gross premium income	318,900		592,873	
Fees and commission income	71,636		109,537	
Investment income	211,930		93,505	
Other income	225,619		500,787	
	828,085		1,296,702	
Claims incurred, commission paid and other operating expenses - Local	(734,901)		(958,581)	
Value added	93,184	100	338,121	100
Applied as follows:				
To pay employees:				
Salaries, wages and benefits	110,867	119	140,780	42
To pay Government:				
Taxes	10,857	12	9,173	3
To pay providers of capital:				
Interest on Loans	96,935	104	182,378	54
Retained for asset replacement and future expansion of business:				
- Depreciation and amortization	91,234	97	92,196	26
- Deferred taxation	17,419	19	(20,922)	(6)
- Loss for the year	(234,128)	(251)	(65,484)	(19)
	93,184	100	338,121	100

Value added is the wealth created by the efforts of the Company and its employees and the allocation between employees, shareholders, government and that retained in the future for the creation of more wealth.

UNIC INSURANCE PLC

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION/BALANCE SHEET

	<----------------------------31 DECEMBER			-------------------------------->
	<---------------- IFRS	---------------->		<--------NGAAP	------------>
GROUP	2012	2011	2010	2009	2008
	=N='000	=N='000	=N='000	=N='000	=N='000
Assets					
Cash and cash equivalents	79,195	51,035	87,817	-	-
Cash and cash balances	-	-	-	79,891	79,546
Short-term investments	-	-	-	236,722	436,754
Financial assets	1,379,183	1,342,490	1,513,381	-	-
Debtors and prepayments	-	-	-	1,073,164	2,021,512
Trade receivables	456,667	621,511	552,847	-	-
Reinsurance assets	3,158	2,010	4,242	-	-
Long-term investments	-	-	-	1,745,269	1,294,233
Loan to policy holders	-	-	-	10,032	5,612
Advances under finance lease	-	-	-	125,252	116,930
Deposit for shares	-	-	-	247,000	-
Other receivables and prepayments	170,166	177,287	172,684	-	-
Inventory	1,979	3,992	7,346	-	-
Investment in subsidiaries	-	-	-	-	-
Investment properties	1,284,400	1,202,500	1,608,002	647,000	678,000
Deferred tax assets	-	-	-		
Intangible assets	36,143	65,216	94,020	152,288	
Fixed assets	-	-	-	3,121,984	3,302,563
Property, plant and equipment	2,393,209	2,382,956	2,521,609	-	-
Statutory deposits	220,000	220,000	220,000	220,000	220,000
	6,024,100	6,068,997	6,781,948	7,658,602	8,155,150
Liabilities					
Bank loans and overdrafts	-	-	-	1,323,075	1,416,509
Creditors and accruals	-	-	-	748,736	1,055,777
Outstanding claims	-	-	-	106,338	133,747
Insurance funds	-	-	-	382,036	239,922
Insurance contract liabilities	370,122	456,484	439,465	-	
Liability for administered deposits	-	-	-	271,028	258,453
Liability for investment products	-	-	-	533,886	113,800
Life fund investment property revaluatior	-	-	-	360,762	-
Investment contract liabilities	658,081	616,595	698,471	-	-
Trade payables	618,596	542,983	566,974	-	-
Provisions and other payables	605,882	717,503	510,527	-	-
Interest-bearing loans and borrowings	643,319	616,102	1,306,375	-	-
Dividend payable	-	-	-	4,797	6,738
Retirement benefit obligations	75,390	61,022	54,700	-	-
Taxation/Income tax liabilities	75,494	65,580	69,026	53,104	88,010
Information technology levy	-	-	-	5,493	5,493
Deferred tax liabilities	192,810	81,501	104,816	39,575	39,575
Total liabilities	3,239,694	3,157,770	3,750,354	3,828,830	3,358,024

UNIC INSURANCE PLC

FIVE YEAR FINANCIAL SUMMARY - Continued

STATEMENT OF FINANCIAL POSITION/BALANCE SHEET - Continued

	<---31 DECEMBER				--->
	<--- IFRS		--->	<---NGAAP	--->
GROUP	**2012**	**2011**	**2010**	**2009**	**2008**
	=N='000	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Equity					
Issued share capital	1,291,148	1,291,148	1,291,148	1,291,148	1,291,148
Share premium	878,055	878,055	878,055	878,055	878,055
Statutory contingency reserve	511,741	509,148	495,937	486,450	468,701
Property and plant revauation reserve	238,464	-	-	-	-
Revenue reserve/retained earnings	(153,468)	210,110	366,454	126,085	682,599
Investments revaluation reserve	-	-	-	-	8,227
Investment property revaluation reserve	-	-	-	-	386,362
Fixed assets revaluation reserve	-	-	-	1,048,034	1,082,034
Available-for-sale reserve	18,466	22,766	-	-	-
Total equity	2,784,406	2,911,227	3,031,594	3,829,772	4,797,126
Total equity and liabilities	6,024,100	6,068,997	6,781,948	7,658,602	8,155,150

STATEMENT OF PROFIT OR LOSS

	<---31 DECEMBER				--->
	<---IFRS--->		<---NGAAP		--->
GROUP	**2012**	**2011**	**2010**	**2009**	**2008**
	=N='000	**=N='000**	**=N='000**	**=N='000**	**=N='000**
(Loss)/profit before taxation	(337,480)	(153,011)	(1,007,110)	(189,255)	294,591
Taxation	(23,505)	9,878	(17,922)	(11,303)	(48,072)
(Loss)/profit after taxation	(360,985)	(143,133)	(1,025,032)	(200,558)	246,519
Extraordinary item	-	-	-	(338,207)	(95,381)
Transfer to contingency reserve	-	-	(9,487)	(17,749)	(21,917)
(Loss)/profit for the year	(360,985)	(143,133)	(1,034,519)	(556,514)	129,221
Other comprehensive income	234,164	22,766			
Total comprehensive loss	(126,821)	(120,367)			
Basic earnings/(loss) per share (kobo)	(14)	(6)	(40)	(21)	5
Net assets per share (kobo)	108	113	117	148	186

Note: The (losses)/earnings per share have been computed respectively for each year on the (loss)/profit after taxation and number of ordinary shares in issue at the end of each year. The net assets per share are based on the number of issued 50 Kobo ordinary shares at the end of each year.

UNIC INSURANCE PLC

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION/BALANCE SHEET

	31 DECEMBER				
	IFRS			NGAAP	
COMPANY	2012	2011	2010	2009	2008
	=N='000	=N='000	=N='000	=N='000	=N='000
Assets					
Cash and cash equivalents	67,983	35,128	76,925	-	-
Cash and cash balances	-	-	-	3,638,347	3,423,250
Short-term investments	-	-	-	10,032	5,612
Financial assets	1,401,883	1,473,137	1,511,134	-	-
Debtors and prepayments	-	-	-	1,672,236	1,972,233
Trade receivables	2,823	58,589	107,774	-	-
Reinsurance assets	3,158	2,010	4,242	-	-
Long-term investments	-	-	-	-	-
Loan to policy holders	-	-	-	-	-
Advances under finance lease	-	-	-	125,252	116,930
Deposit for shares	-	-	-	5,000	15,000
Other receivables and prepayments	8,351	51,968	38,156	-	-
Investment in subsidiaries	15,000	2,302,485	2,302,485	-	-
Investment properties	2,950,900	1,202,500	1,608,002	-	-
Deferred tax assets	-	-	-	-	-
Intangible assets	36,143	65,216	94,020	152,288	-
Fixed assets	-	-	-	1,386,904	1,609,547
Property, plant and equipment	588,698	150,885	214,179	-	-
Statutory deposits	220,000	220,000	220,000	220,000	220,000
	5,294,939	5,561,918	6,176,917	7,210,059	7,362,572
Liabilities					
Bank loans and overdrafts	-	-	-	639,375	1,049,309
Creditors and accruals	-	-	-	1,084,283	780,405
Outstanding claims	-	-	-	106,338	133,747
Insurance funds	-	-	-	382,036	239,922
Insurance contract liabilities	370,122	456,484	439,465	-	-
Liability for administered deposits	-	-	-	271,028	258,453
Liability for investment products	-	-	-	533,886	113,800
Life fund investment property revaluatior	-	-	-	360,762	-
Investment contract liabilities	658,081	616,595	698,471	-	-
Trade payables	401,565	461,394	481,668	-	-
Provisions and other payables	406,148	420,190	323,050	-	-
Interest-bearing loans and borrowings	541,693	491,162	1,055,462	-	-
Dividend payable	-	-	-	4,797	6,738
Retirement benefit obligations	74,930	60,541	54,110	-	-
Taxation/Income tax liabilities	42,384	34,527	40,026	53,025	59,485
Information technology levy	-	-	-	5,493	5,493
Deferred tax liabilities	98,920	81,501	102,423	-	-
Total liabilities	2,593,843	2,622,394	3,194,675	3,441,023	2,647,352

UNIC INSURANCE PLC

FIVE YEAR FINANCIAL SUMMARY - Continued

STATEMENT OF FINANCIAL POSITION/BALANCE SHEET - Continued

	<----31 DECEMBER				---->
	<---- IFRS		---->	<----NGAAP	---->
COMPANY	2012	2011	2010	2009	2008
	=N='000	=N='000	=N='000	=N='000	=N='000
Equity					
Issued share capital	1,291,148	1,291,148	1,291,148	1,291,148	1,291,148
Share premium	878,055	878,055	878,055	878,055	878,055
Statutory contingency reserve	511,741	509,148	495,937	486,450	468,701
Property and plant revaluation reserve	-	-	-	-	-
Revenue reserve/retained earnings	1,686	238,407	317,102	65,349	600,693
Investments revaluation reserve	-	-	-	-	8,227
Investment property revaluation reserve	-	-	-	-	386,362
Fixed assets revaluation reserve	-	-	-	1,048,034	1,082,034
Available-for-sale reserve	18,466	22,766	-	-	-
Total equity	2,701,096	2,939,524	2,982,242	3,769,036	4,715,220
Total equity and liabilities	5,294,939	5,561,918	6,176,917	7,210,059	7,362,572

STATEMENT OF PROFIT OR LOSS

	<----31 DECEMBER				---->
	<----IFRS	---->	<----NGAAP		---->
COMPANY	2012	2011	2010	2009	2008
	=N='000	=N='000	=N='000	=N='000	=N='000
(Loss)/profit before taxation	(205,852)	(77,233)	(933,631)	(515,229)	238,797
Taxation	(28,276)	11,749	(9,314)	(5,956)	(19,626)
(Loss)/profit after taxation	(234,128)	(65,484)	(942,945)	(521,185)	219,171
Extraordinary item	-	-	-	-	(95,381)
Transfer to contingency reserve	-	-	(9,487)	(14,159)	(21,917)
(Loss)/profit for the year	(234,128)	(65,484)	(952,432)	(535,344)	101,873
Other comprehensive (loss)/income	(4,300)	22,766			
Total comprehensive loss	(238,428)	(42,718)			
Basic (loss)/earnings per share (kobo)	(9)	(3)	(37)	(20)	8
Net assets per share (kobo)	105	114	115	146	183

Note: The (losses)/earnings per share have been computed respectively for each year on the (loss)/profit after taxation and number of ordinary shares in issue at the end of each year. The net assets per share are based on the number of issued 50 Kobo ordinary shares at the end of each year.