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UNAUDITED CONSOLIDATED FINANCIAL REPORTS

FOR THE THIRD QUARTER ENDED

30TH SEPTEMBER 2023

Consolidated and separate statement of financial position
As at 30 September 2023

<i>In thousands of naira</i>	Note	Group 30-Sep-23 Unaudited	Group 31-Dec-22 Audited	Company 30-Sep-23 Unaudited	Company 31-Dec-22 Audited
Assets					
Cash and cash equivalents	5	23,019,106	22,044,849	1,184,255	1,855,128
Trade receivables	7	2,430,579	1,653,611	-	-
Financial assets:	6	169,791,214	136,467,520	5,020,200	3,842,238
- Fair value through profit or loss		75,674,915	82,577,385	951,807	528,078
- Fair value through OCI		21,952,811	2,645,972	391,000	391,000
- Debt securities at amortised cost		72,163,488	51,244,163	3,677,393	2,923,160
Reinsurance assets	8	16,652,072	9,394,263	-	-
Inventories	9	3,515,754	5,265,758	-	-
Deferred acquisition costs	10	1,940,895	987,566	-	-
Other receivables and prepayments	11	5,044,360	5,846,664	4,155,364	2,334,405
Right-of-use-assets	19	18,640	28,397	-	-
Investment in subsidiaries	12	-	-	15,373,012	15,373,012
Investments in joint ventures	14	125,647	125,647	-	-
Equity accounted investee	13	3,259,127	3,290,257	3,109,987	3,109,987
Investment properties	15	11,913,734	11,901,485	7,081,416	7,081,416
Property, plant and equipment	17	13,441,046	13,279,230	325,283	401,425
Intangible assets	16	251,423	239,712	10,472	16,755
Statutory deposits	18	3,288,134	2,672,415	-	-
Total assets		254,691,731	213,197,374	36,259,989	34,014,366
Liabilities and equity					
Liabilities					
Current income tax payable	25	2,216,865	3,346,153	1,120,786	1,294,989
Trade payables	23	17,089,868	12,134,504	-	-
Other payables	24	12,601,905	11,637,870	1,485,225	1,523,843
Insurance contract liabilities	20	127,156,491	100,079,820	-	-
Investment contract liabilities	21	10,990,597	9,070,212	-	-
Interest bearing loans and borrowings	22	2,146,881	2,179,173	-	-
Deferred tax liabilities	26	2,629,225	2,066,875	659,695	636,163
Total liabilities		174,831,832	140,514,607	3,265,706	3,454,995
Equity					
Issued share capital	27	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	28	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	29	45,943,114	39,114,585	23,640,993	21,206,081
Contingency reserve	29	14,219,839	13,594,424	-	-
Fair value reserves	29	90,207	477,604	-	-
Revaluation reserve	29	630,498	630,498	-	-
Equity attributable to owners of the parent		70,236,948	63,170,401	32,994,283	30,559,371
Non-controlling interests		9,622,951	9,512,366	-	-
Total equity		79,859,899	72,682,767	32,994,283	30,559,371
Total equity and liabilities		254,691,731	213,197,374	36,259,989	34,014,366

The accounts were approved by the Board of directors on 27 October 2023 and signed on its behalf by:

Dr. (Mrs.) Omobola Johnson
Chairman
FRC/2018/IODN/00000018366

Wole Oshin
Managing Director
FRC/2013/CIIN/00000003054

Ademola Ajuwon
Chief Financial Officer
FRC/2013/ICAN/00000002068

Consolidated and separate statements of profit or loss and other comprehensive income
For the period ended 30 September 2023

In thousands of naira	Note	Group	Group	Group	Group	Company	Company	Company	Company
		Q3 ended	Q3 ended	Year to date	Year to date	Q3 ended	Q3 ended	Year to date	Year to date
		30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Gross Revenue		32,148,553	27,034,114	91,032,390	75,532,111	2,824,067	985,768	7,716,582	5,080,737
Interest income	31	5,498,092	3,957,405	14,890,742	10,866,205	55,135	52,671	138,789	91,543
Operating and Investment Income	30	26,650,461	23,076,709	76,141,648	64,665,906	2,768,932	933,097	7,577,793	4,989,194
Operating Expenses	32	(18,058,202)	(15,295,423)	(48,194,356)	(42,548,595)	-	-	-	-
Change in Provision for Outstanding Claims and Life Fund Estimate	32(iii)	(3,661,397)	(2,189,539)	(19,368,008)	(12,004,173)	-	-	-	-
Net income		10,428,954	9,549,152	23,470,026	20,979,343	2,824,067	985,768	7,716,582	5,080,737
Net fair value gains/(losses)	33	(1,272,647)	(4,862,155)	337,307	(6,295,127)	321,579	(41,684)	558,216	(162,399)
Net realised gains	34	455,565	204,702	564,783	2,026,328	71,972	-	72,491	28,515
Impairment allowance	36	(129,906)	(25,575)	(548,552)	(45,246)	-	-	-	-
Finance costs	37	(54,499)	(27,803)	(161,718)	(121,648)	-	-	-	-
Management expenses	35	(3,136,370)	(2,887,122)	(9,645,189)	(7,760,853)	(295,570)	(315,315)	(984,021)	(982,233)
Share of result of equity accounted investee	13	85,888	(451,316)	235,679	(1,209,793)	-	-	-	-
Profit before taxation		6,376,985	1,499,883	14,252,336	7,573,004	2,922,048	628,769	7,363,268	3,964,620
Income tax expenses	25	(869,974)	(516,966)	(2,460,253)	(1,839,226)	(276,180)	(321,854)	(811,051)	(458,854)
Profit from continuing operation		5,507,011	982,917	11,792,083	5,733,778	2,645,868	306,915	6,552,217	3,505,766
Profit/(Loss) from discontinued operation	39	-	28,287	-	-	-	-	-	-
Profit for the period		5,507,011	1,011,204	11,792,083	5,733,778	2,645,868	306,915	6,552,217	3,505,766
Other comprehensive income (OCI):									
Items that will not be reclassified to profit or loss									
Equity-accounted investee -share of OCI	13	(2,589)	-	(131)	(6,818)	-	-	-	-
Net gain/(loss) on equity instrument at FVOCI	38	(1,579,176)	(3,612)	(328,431)	(137,157)	-	-	-	-
Other comprehensive income for the period net of tax		(1,581,765)	(3,612)	(328,562)	(143,975)	-	-	-	-
Total comprehensive income for the period		3,925,246	1,007,592	11,463,521	5,589,803	2,645,868	306,915	6,552,217	3,505,766
Profit for the period attributable to:									
- Owners of the parent		5,294,372	1,016,301	11,571,249	5,572,488	2,645,868	306,915	6,552,217	3,505,766
- Non-controlling interests		212,639	(5,097)	220,834	161,290	-	-	-	-
		5,507,011	1,011,204	11,792,083	5,733,778	2,645,868	306,915	6,552,217	3,505,766
Total comprehensive income attributable to:									
- Owners of the parent		3,691,770	901,665	11,152,060	5,483,876	2,645,868	306,915	6,552,217	3,505,766
- Non-controlling interests		233,476	105,927	311,461	105,927	-	-	-	-
		3,925,246	1,007,592	11,463,521	5,589,803	2,645,868	306,915	6,552,217	3,505,766
Earnings/(loss) per share:									
Basic/diluted earnings per share (kobo)	40	90	17	197	95	45	9	111	60

Group	Attributable to owners of the Parent								
	Issued share capital	Share premium	Retained earnings	Contingency reserve	Revaluation Reserve	Fair Value Reserve	Total	Non-controlling interests	Total equity
<i>In thousands of naira</i>									
At 1 January 2023	2,940,933	6,412,357	39,114,585	13,594,424	630,498	477,604	63,170,401	9,512,366	72,682,767
Profit for the period	-	-	11,571,249	-	-	-	11,571,249	220,834	11,792,083
Other comprehensive income	-	-	-	-	-	(387,397)	(387,397)	58,835	(328,562)
Transfer between reserves	-	-	(625,415)	625,415	-	-	-	-	-
	2,940,933	6,412,357	50,060,419	14,219,839	630,498	90,207	74,354,253	9,792,035	84,146,288
Dividend Paid	-	-	(4,117,305)	-	-	-	(4,117,305)	(169,084)	(4,286,389)
At 30 September 2023	2,940,933	6,412,357	45,943,114	14,219,839	630,498	90,207	70,236,948	9,622,951	79,859,899

	Issued share capital	Share premium	Retained earnings	Contingency reserve	Revaluation Reserve	Fair Value Reserve	Total	Non-controlling interests	Total equity
At 1 January 2022	2,940,933	6,412,357	31,653,284	12,961,014	685,081	504,196	55,156,865	9,180,499	64,337,364
Profit for the period	-	-	5,572,488	-	-	-	5,572,488	161,290	5,733,778
Other comprehensive income	-	-	-	-	-	(55,723)	(55,723)	(88,253)	(143,976)
Gain on reclassification of asset of disposal group held for sale	-	-	364,617	-	-	-	364,617	350,318	714,935
Transfer between reserves	-	-	(471,366)	471,366	-	-	-	-	-
	2,940,933	6,412,357	37,119,023	13,432,380	685,081	448,473	61,038,247	9,603,854	70,642,101
Dividend Paid	-	-	(2,940,932)	-	-	-	(2,940,932)	(206,657)	(3,147,589)
At 30 September 2022	2,940,933	6,412,357	34,178,091	13,432,380	685,081	448,473	58,097,315	9,397,197	67,494,512

Company	Attributable to owners of the Company			
	Issued share capital	Share premium	Retained earnings	Total
<i>In thousands of naira</i>				
At 1 January 2023	2,940,933	6,412,357	21,206,081	30,559,371
Profit for the period	-	-	6,552,217	6,552,217
Dividend Paid	-	-	(4,117,305)	(4,117,305)
At 30 September 2023	2,940,933	6,412,357	23,640,993	32,994,283
At 1 January 2022	2,940,933	6,412,357	19,187,018	28,540,308
Profit or loss for the period	-	-	3,505,766	3,505,766
Dividend Paid	-	-	(2,940,932)	(2,940,932)
At 30 September 2022	2,940,933	6,412,357	19,751,852	29,105,142

Consolidated and separate statement of cash flows
For the period ended 30 September 2023

<i>In thousands of naira</i>	Note	Group 30-Sep-23	Group 30-Sep-22	Company 30-Sep-23	Company 30-Sep-22
Cash flows from operating activities					
Profit/(loss) before taxation		14,252,336	7,573,004	7,363,268	3,964,620
<i>Adjustments for non-cash items:</i>					
– Fair value (gain)/loss	33	6,519,390	6,539,624	(556,955)	162,386
– Depreciation	17	545,755	412,540	94,965	49,116
– Depreciation on right-of-use assets	19	39,626	30,193	-	-
– Impairment charge	36	548,552	45,246	-	-
– Amortisation of intangible assets and deferred expense	16	35,424	57,539	6,283	6,283
– Profit on disposal of property, plant and equipment		12,042	(6,605)	(519)	(1,200)
– (Gain)/loss on disposal equities & other investment	34	(481,432)	(1,474,340)	(71,972)	(27,315)
– Exchange rate differential		(6,856,697)	(244,497)	(1,261)	13
– Share of result of equity accounted investee	13	(235,679)	1,209,793	-	-
– WHT on dividend		-	-	688,519	-
– Dividend income		(742,398)	(714,446)	(7,281,440)	(3,694,529)
– Interest income		(1,547,355)	(845,704)	(129,750)	(63,431)
– Investment income		(13,343,387)	(10,020,501)	(9,039)	(28,113)
– Net gain/(losses) on fair value through OCI assets		387,397	55,723	-	-
Changes in working capital:					
(Increase)/Decrease in reinsurance assets		(7,257,809)	(5,584,116)	-	-
(Increase)/Decrease in other receivables and prepayment		(109,533)	(1,158,269)	(500,998)	(1,080,040)
Decrease in trade receivables		(776,968)	(333,035)	-	-
Increase/(Decrease) in deferred acquisition cost		(953,329)	(706,375)	-	-
Increase/ (Decrease) in insurance contract liabilities		27,076,671	19,668,894	-	-
Increase /(Decrease) in investment contract liabilities		1,920,385	(567,911)	-	-
Increase / (Decrease) in other liabilities		964,035	1,094,306	(38,618)	1,877,021
Increase / (Decrease) in trade payable		4,955,364	(3,054,481)	-	-
Increase / (Decrease) in inventories		1,750,004	1,039,175	-	-
Increase / (Decrease) in statutory deposit		(615,719)	(313,392)	-	-
Increase / (Decrease) in borrowings		(32,292)	(112)	-	-
Income tax paid		(2,163,619)	(1,089,714)	(49,885)	(14,006)
Net cash provided/(utilised) by operating activities		23,890,764	11,612,539	(487,402)	1,150,805
Cash flows from investing activities					
Purchase of property, plant and equipment	17	(740,815)	(462,625)	(25,347)	(157,526)
Purchase of ROU asset	19	(29,869)	(17,455)	-	-
Proceeds on disposal of property, plant and equipment		21,202	18,689	7,043	1,200
Proceed on disposal of long term investment securities		-	-	202,607	-
Purchase of intangible		(47,135)	(24,494)	-	-
Net (Purchase)/redemption to investments (financial assets)		(40,311,089)	(16,544,386)	(751,642)	352,098
Purchase of investment properties	15	(12,249)	(5,247)	-	-
Dividend received		742,398	714,446	4,361,123	3,694,529
Investment income received		14,890,742	10,866,205	138,789	91,544
Net cash provided/(used) in investing activities		(25,486,815)	(5,454,866)	3,932,573	3,981,845
Cash flows from financing activities					
Dividend Paid during the period		(4,286,389)	(3,147,589)	(4,117,305)	(2,940,932)
		(4,286,389)	(3,147,589)	(4,117,305)	(2,940,932)
Net increase/(decrease) in cash and cash equivalents		(5,882,440)	3,010,084	(672,134)	2,191,718
Cash and cash equivalents at beginning of the period		22,044,849	17,176,184	1,855,128	(13)
Effect of change in exchange rate		6,856,697	244,497	1,261	601,326
Cash and cash equivalents at end of the period		23,019,106	20,430,765	1,184,255	2,793,031

Notes to the consolidated and separate financial statements
For the period ended 30 September 2023

1 Corporate information

- a) Custodian Investment Plc. ("the Company") is the investment holding company that resulted from the successful merger of Custodian and Allied Insurance Plc and Crusader (Nigeria) Plc. Custodian Investment Plc was incorporated on 22 August 1991 as a private limited liability company under the name Accident and General Insurance Company Limited. It changed its name to Custodian and Allied Insurance Plc on 5 February 1993, became a public limited liability company on 29 September 2006 and later changed its name to Custodian Investment Plc on 24 May 2018.

The Company is quoted on the Nigerian Stock Exchange and has its registered office at 16A Commercial Avenue, Sabo Yaba Lagos, Nigeria.

The financial statements of Custodian Investment Plc have been prepared on a going concern basis. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements of the Company and the consolidated and separate financial statements of the Group are as at, and for the period ended, 31 August 2023.

b) Principal activities

Custodian Investment Plc is an investment holding company with significant interests in life and non-life insurance, pension fund administration, trusteeship and property holding companies. The subsidiaries are:

- Custodian and Allied Insurance Limited - a wholly owned subsidiary that carries on general insurance business,
- Custodian Life Assurance Limited - a wholly owned subsidiary that underwrites life insurance risks, such as those associated with death, disability and health liability. The Company also issues a diversified portfolio of investment contracts to provide its customers with fund management solutions for their savings and other long-term needs.
- Custodian Trustees Limited - a wholly owned subsidiary that carries on the business of Trusteeship and Company Secretarial services.
- Crusader Sterling Pensions Limited - a subsidiary that is involved in the administration and management of Pension Fund Assets. This is not a wholly owned subsidiary.
- UPDC Plc - a subsidiary that engages in the acquisition, development, sale and management of a diverse mix of commercial, residential, hospitality and retail property assets across Nigeria. The group owns 51% UPDC.

c) Going Concern

These consolidated and separate financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially the scope of its business operations. The management believes that the going concern assumption is appropriate for the Group and Company due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short-term obligations will be financed in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group is carried out to ensure that there are no going concern threats to the operation of the Group.

d) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB).

The consolidated and separate financial statements comply with the requirement of the Companies and Allied Matters Act, Insurance Act, CAP I17 LFN 2004, the Financial Reporting Council Act, 2011 and the Guidelines issued by the National Insurance Commission to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2 Significant accounting policies

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

2.1 Basis of preparation and measurement

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

The Group and the Company classifies their expenses by the nature of expense method.

The figures shown in the consolidated and separate financial statements are stated in thousands unless otherwise indicated.

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

The consolidated and separate statements of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities. Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the consolidated and separate financial statements
For the period ended 30 September 2023

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 Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model (management approach).

Financial assets and financial liabilities are offset and the net amount reported in the consolidated and separate statements 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 settle the liability simultaneously.

2.2 Basis of consolidation

Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this. For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

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

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

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. In the separate financial statements, investments in subsidiaries and associates are measured at cost.

Loss of Control

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset at fair value through other comprehensive income (FVTOCI) depending on the level of influence retained.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as Share of profit of an associate in profit or loss.

Notes to the consolidated and separate financial statements
For the period ended 30 September 2023

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

Non-controlling interests are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.3 Functional and presentation currency

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

2.4 Summary of significant accounting policies

a) Insurance contracts

Classification of insurance contracts

*The Reclassification/Revaluations relate to the reclassification of assets of Festival Hotel, Conference Centre & Spa which were previously accounted for as assets of disposal group classified as held for sale but now accounted for as a subsidiary. See note 16.

Recognition valuation and measurement

Insurance contract liabilities are recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract.

b) Premiums

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

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

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

c) Reinsurance

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

Premium ceded, claims reimbursed, and commission recovered are presented in the profit or loss and statement of financial position separately from the gross amounts. Premiums, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges.

In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred. Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date.

Such assets are deemed impaired if there is objective evidence, as result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

d) Claims incurred

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

Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made and disclosed separately, if material. The liability for Incurred but not Reported (IBNR) claims is calculated at the end of the reporting period, using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability was discounted for time value of money; and no further provision was made for equalisation or catastrophe reserves (as prohibited by IFRS 4).

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

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e) Acquisition costs

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

f) Deferred expenses

Deferred acquisition costs (DAC)

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

Subsequent to initial recognition, DAC for general insurance are amortized over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortized in the same manner as the underlying asset amortization is recorded in the profit or loss. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss.

DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognized when the related contracts are either settled or disposed of.

Deferred expenses - Reinsurance commissions

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

g) Interest

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

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

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

Revenue from contract with customers

The Group is also in the business of acquiring, developing, selling and managing high quality, serviced commercial and residential accommodation and retail space. These contracts are divided into three revenue streams namely:

- Sales of Goods - Sale of property stock
- Facilities management services provided to the customer: Rendering of services - Management fees and service charge surcharge

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below:

Sale of goods - Sale of Property Stock

Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The normal credit term is 30 to 90 days upon transfer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of property, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any)

Significant financing component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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Contract Balances

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

h) Rental income

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

i) Income tax expenses

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

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 statement of profit or loss.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax

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

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

When the deferred tax liability arises from the initial recognition of goodwill or 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 taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When 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, deferred tax assets are recognised 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 utilised.

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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are off set if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Notes to the consolidated and separate financial statements
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j) Foreign currency translation

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

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

k) Dividends

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other investment and sundry income

l) Earnings per share

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

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

m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, unrestricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

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

o) Financial instrument

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on Revenue from non-insurance contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Business model assessment

There are three business models available under IFRS 9:

- Hold to collect Financial assets with objective to collect contractual cash flows.
-
- Hold to Collect and sell (Financial assets held with the objective of both collecting contractual cash flows and selling financial assets).
-
- Other Financial Assets held with trading intent or that do not meet the criteria of either "Hold to Collect" or "Hold to Collect and sell."

The Assessment of the business model requires judgment based on the facts and circumstances as at the date of the assessment. Custodian Investment Plc has considered quantitative factors (e.g. expected frequency and volume of sales) and qualitative factors such as how the performance of the business model and financial assets held within the business model are evaluated and reported to management; the risk that affect the performance of the business, model and the financial assets held within the business model. In particular, the way in which those risks are managed; and how management received returns on the assets (i.e. whether the returns are based on fair value of the assets managed or on contractual cash flows collected).

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Solely Payments of principal and Interest (SPPI)

If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification.

Contractual cash flows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like Liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with a basic lending arrangement.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes debt instruments (bonds), loans to staff, fixed deposits with banks and other receivables.

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

During the year under consideration, the Group did not have any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group has transferred its rights 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 (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) 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 rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises 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.

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.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at amortised cost, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moodys and Fitch as well as local ratings by Agosto and Co. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Group will sell the bond and purchase bonds meeting the required investment grade.

The Group's debt instruments at amortised cost comprise solely of quoted bonds that are graded in the top investment category and the credit ratings are tracked by the finance and investment teams via publications by International Credit Rating Agencies and trading exchange platforms.

The Group's fixed income investment portfolio consists of Investment grade and high speculative bonds and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises its receivables for write off when a debtor fails to make contractual payments greater than 360 days past due. Where financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in other to comply with the Group's procedures for recovery of amount due.

p) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Compound instruments

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method. Once the convertible security is not convertible to fixed numbers of ordinary shares, it cannot be considered a compound instrument.

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss (FVTPL)' or 'other financial liabilities'.

The Group does not have any financial liability that is measured at fair value through profit or loss during the period under review.

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are extinguished- i.e. when the obligation specified in the contract is discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

q) Fair value measurement

The Group measures financial instruments such as equity instruments, and non-financial assets such as investment properties, at fair value at each reporting date. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group.

The fair value of an asset or a liability is measured using the assumption that market participant would use when pricing the asset or liability, assuming that market participant's act in their economic best interest.

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

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

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.

External valuers are involved for valuation of significant assets, such as investment properties. 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.

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.

r) 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 of disposal 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 considered, 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.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. The Group assesses at each reporting date whether there is any objective evidence that non-financial asset or group of non-financial assets are impaired.

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s) Reinsurance assets

Reinsurance assets consist of short-term balances due from reinsurers as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurances contracts.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contract. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

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

The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party. These are deposit assets that are recognized based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective interest rate method when accrued.

t) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited independent external valuer applying a valuation model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The amount of consideration to be included in the gain or loss arising from derecognition of investment property is determined in accordance with the requirements for determining the transaction prices in IFRS 15.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If a property initially classified as property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

u) Intangible assets

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

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

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

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

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

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

v) Property, plant and equipment

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

Recognition and measurement

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

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Subsequent costs

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

Depreciation

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

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

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

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

Freehold property	33.3 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer equipment	4 years
Office equipment	4 years

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

Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

w) **Leases**

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

x) Statutory deposit

Statutory deposit represents a percentage of the paid-up capital of some of the subsidiary companies' deposit with Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at amortised cost. The deposit is however restricted.

y) Insurance Contract Liabilities

- Non-life insurance contract liabilities

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

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

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

Provision for unearned premium

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

Provision for outstanding claims

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

Provision for unexpired risk

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

• Life insurance contract liabilities

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature.

1) Types of Insurance Contracts

These contracts insure events associated with human life (for example, death). These are divided into the individual life, group life and Annuity contracts.

-Individual life contracts are usually long-term insurance contracts and span over one year while the group life insurance contracts usually cover a period of 12 months. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long tailed government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

Group life insurance contracts premium and claims

"Life insurance contracts protects the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There is no maturity or surrender benefits.

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

Claims expenses are charged to income as incurred based on the sum assured agreed at the inception of the policy. They include direct claims that arise from death or disability that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported.

(i) Annuity premium and claims

Annuity premiums relate to single premium payments and recognised as earned premium income in the period in which payments are received. Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to income statement as incurred. Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

(ii) Deferred policy acquisition costs (DAC)

Acquisition costs comprise all direct and indirect costs arising from the writing of life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial period and are deferred to the extent that they are recoverable out of future revenue margins. For the group life contracts, it is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium: while no assets are established in respect of deferred acquisition cost for individual life and annuity contracts.

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(iii) Deferred income

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

(iv) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance companies (as coinsurers) and reinsurance companies.

-Receivables and payables to agents, brokers and insurance companies (as coinsurers)

The Group's receivables and payables to agents, brokers and insurance companies (as coinsurers) relate to premium and commission. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

- Reinsurance and coinsurance contracts held

Contracts entered into by the Group with reinsurers and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the number of days that the receivable has been outstanding.

Liability adequacy test

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

z) Investment Contract Liabilities

Investment contracts are classified between contracts with and without DPF. The accounting policies for investment contract liabilities with DPF are the same as those for life insurance contract liabilities.

Investment contract liabilities without DPF are recognised when contracts are entered into and premiums are charged. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, the investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the statement of profit or loss.

Fair values are determined at each reporting date and fair value adjustments are recognised in the statement of profit or loss in "Gross change in contract liabilities".

Non-unitised contracts are subsequently also carried at fair value. The liability is derecognised when the contract expires, discharged or cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

aa) 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 2014, 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 a minimum of 8% and 10% respectively of the employee's emoluments (basic, housing and transport allowances). The Group's contribution each year is charged in profit or loss 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.

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For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

ab) Provisions

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

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

ac) Share capital and reserves

Share issue costs

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

Dividend on ordinary shares

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

Treasury shares

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

ad) Share premium equity reserve

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

ae) Contingency reserve

The Group maintains Contingency reserves for non-life business in accordance with the provisions of S. 21 of the insurance Act 2003 to cover fluctuations in securities and valuations in statistical estimates at the rate equal to the higher of 3% of total premium and 20% of the net profits; until the reserves reaches the greater of minimum paid up capital (N3billion) or 50% of net premium.

af) Segment reporting

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

ag) Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised 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.

Fees and commission income consists primarily of agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commission receivables are deferred in the same way as acquisition costs. All other fees and commission income are recognized as the services are provided.

ah) Investment income

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

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

Investment income consists of dividend, interest and rent received, movements in amortized cost on debt securities and other loans and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.

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2.5 Changes in accounting policies and disclosures

New and amended IFRS Standards that are effective for the current year

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective

Several amendments apply for the first time in 2023. Except for IFRS 17, other new standards do not have a material impact on the interim condensed consolidated financial statements of the Group.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

At its March 2020 meeting, the IASB tentatively decided to defer the effective date of IFRS 17 by two years, such that entities would apply the amended Standard for annual periods beginning on or after January 1, 2023. The IASB also tentatively decided on a consequential amendment to IFRS 4 Insurance Contracts to defer the fixed expiry date for the temporary exemption from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short- duration which typically applies to non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- **Identification of contracts in scope of IFRS 17**

The standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participatory features (DPF).

The Company has assessed whether its portfolio of insurance contracts needs to be treated as a single contract and if there exist any embedded derivatives investment components and goods and services components exist, which would have to be separated and accounted for under another standard. For insurance contract and reinsurance contracts held, the Company would be recalibrating all insurance contracts into IFRS 17 Groups as well as assessing the new and future policies at inception to align with the standard's requirements.

- **Level of aggregation**

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for the purpose of measurement. Groups of contracts written by the company on the determined first by identifying portfolios of contracts comprising contracts subject to similar risk and managed together. Contracts in different product lines or issued by different entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by the year of issue) and each cohort into three groups- onerous contracts on initial recognition, contracts that on initial recognition have no significant possibility of becoming onerous subsequently and any remaining contract in the annual cohort.

The Company is applying a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

On initial recognition, all new contracts are either added to existing group of contracts or, forms a new group to which future contracts may be added where it does not qualify for inclusion in already existing groups. Reinsurance contracts held are grouped such that each group comprises a single contract.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

- **Level of aggregation**

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts which generally deferred as a CSM against losses on groups of onerous contracts, which are recognised immediately. Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contract being recognised sooner.

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The Company plans to divide portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

• **Contract Boundaries**

Under IFRS 17, the measurement of groups of contracts includes all of the future cashflows within the boundary of each contract in the group. Compared with the current accounting, the company expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the "coverage period", which is relevant when applying a number of IFRS 17 requirement.

For insurance contracts, cashflows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the group can compel the policyholder to pay premiums or has a substantive obligation to provide services(including insurance coverage and investment services. The substantive obligation to provide services ends when the company has the practical ability to reassess the risk of the particular policyholder or portfolio that contains the contract and can set a price or levels of benefit that fully reflects those reassessed risks and the pricing of the premiums up to the reassessment date does not take into consideration risks that relate to periods after the reassessment date in the case of a portfolio. On the grounds that company's portfolio of insurance contracts have annual terms and assessed as guaranteed to be renewable each year while the company does not have the practical ability to reassess the risks of the policyholders at individual contract or portfolio level, the company accounts for the contracts as annual contracts and cash flows related to future renewals will be within the contract boundary.

Cash flows for reinsurance contracts are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A Substantive right to receive services from the reinsure ends when the reinsurer has the practical ability to reassess the risk transfers to it and can set a price or level of benefits that fully reflects those reassessed risk or has a substantive right to terminate the coverage.

• **Measurement - Overview**

The New standard introduces a building block measurement model based on the estimation of present value of future cash flows that are expect to arise as the company fulfils the contract, an explicit risk adjustment for non financial risk and a Contractual Service Margin(CSM)- General Model. Contracts are subjected to different requirements depending on whether they are classified as direct participatory contracts or contracts without direct participatory features. Direct participatory contracts are contracts that are substantially investment related service contracts under which the insurer promises an investment return based on underlying terms. Such contracts are measured using the variant of the General model- variable fee model.

An optional simplified measurement model called Premium Allocation Approach(PAA) is available for insurance and reinsurance contracts that meet the eligibility criteria. The Company has chosen to apply the PAA to all contracts as a Non life business underwriting company whose portfolio meets the criteria stated below at inception of her respective insurance and reinsurance contracts.

- The coverage period of each contract in the company is one year or less.
- The resulting measurement of the asset for remaining coverage is not materially different from the result of applying the general model.

On initial recognition of each group of Non life insurance contracts, the carrying amount of the liability for remaining coverage is measure at the premium received on the initial recognition as the group elects to recognise acquisition cashflows as expenses when they are incurred.

Subsequently, the liability for remaining coverage is increased by any further premiums received and decreased by amount recognised as insurance revenue for services provided. The Company expects that the time between providing each part of the services and the related premium due date will not be more that one year and there fore will not adjust the liability for remaining coverage to reflect the time value of money and effect of financial risk.

If at any time before or during the coverage period, facts and circumstances indicates that the group of contracts is onerous, the Company will recognise a loss in the statement of profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilling cash flows that relates to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cashflows will be discounted(at current rates) if the liability for insured claims is also discounted.

The company will recognise the liability for insured claims of a group of contracts at the amount of the fulfilment cash flows relating to insured claims. The fulfilment cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

The company will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

Estimates of future cash flows

In estimating future cash flows, the Company will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices. When estimating future cash flows, the Company will take into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be taken into account until the change in legislation is substantively enacted.

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Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics. The company will generally allocate insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts in each group.

Discount rates

The Company will generally determine risk-free discount rates using the observed yield curves for bond rated banks (adjusted for the bank's credit risk) or government bond yields will be used. The yield curve will be interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate will be subject to revision, it is expected to be updated only on significant changes to long-term expectations. To reflect the liquidity characteristics of the contracts, the risk-free yield curves will be adjusted by an illiquidity premium. Illiquidity premiums will generally be determined by comparing the spreads on corporate bonds with the costs of credit default swaps with matching critical terms for the same issuer.

Under IFRS 17, the company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The company does not currently discount such future cash flows. This will have an increasing impact on equity on transition to the new standard.

Measurement - Premium Allocation Approach

The company have assessed all options and practical expedients available in IFRS 17 and is currently assessing its positions on the options below:

Alternatives	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for the non life business portfolios (especially property insurance and liability reinsurance) are one year or less and so qualifies automatically for PAA. Though policies under Engineer class of business which include erection and contractor all risk insurance may have coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	For one-year property business, insurance acquisition cash flows are expensed as incurred. For all other business, insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For contractor all risk and erection insurance, an allowance is made for accretion of interest on the LFRC. For all other business, there is no allowance as the premiums are received within one year of the coverage period.
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For some claims within the property product line, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money. For all other business, the LFIC is adjusted for the time value of money
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	For all non life business, the change in LFIC as a result of changes in discount rates will be captured within profit or loss.

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Transition stage

The Group has formalized its IFRS 17 implementation road map in line with the regulatory guidance as issued by its industry regulator - National Insurance Commission (NAICOM). It has performed gap analysis, financial and operational impact assessment, and is in the process of deploying the required software solution in readiness for full implementation of IFRS 17.

Changes in accounting policies resulting from the adoption of IFRS 17 will be applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, the company is presently in the process detailed below to arrive at a position as at 1 January 2023:

- Identify, recognise and measure each group of insurance contracts as if IFRS 17 had always applied
- identify, recognise and measure assets for insurance acquisition cash flows as if IFRS 17 has always applied. At transition date, a recoverability assessment will be performed and impairment loss identified recognised
- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised any resulting net difference in equity

Impact assessment

Although the PAA is similar to the Company's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for the company's portfolio of insurance contracts:

Under IFRS 17, the company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The company does not currently discount such future cash flows. This will have an increasing impact on equity on transition to the new standard.

The New standard also require that the fulfilment cash flows be adjusted for non financial risk (risk adjustment) to reflect the compensation that the company would require for bearing non financial risk and its degree of risk aversion which is different from current practice. The risk adjustment will be determined using confidence level technique based o probability distribution of the expected present value of the future cashflows from the contracts at each reporting date and calculate a risk adjustment as an excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. This is expected to have a decreasing impact on equity at transition.

Based on the Company's assessment undertaken to date, the Company estimates that the initial application of IFRS 17 will have the following impacts on its financial statements:

- the total adjustment (after tax) to the balance of the company's total equity is estimated to be a reduction of ₦4.05billion at 1 January 2023 and ₦3.20 billion at 1 January 2022
- Profit after tax will reduce by ₦0.48billion as a result. The Company will restate comparative information on adoption of IFRS 17.

The preliminary assessment above is based on transition work done so far. The actual impact of adopting the standard on 1 January 2023 and 2022 may change because the company is still refining the new accounting processes and internal controls required for the application of the standard, testing and assessing its controls over the new IT systems, changes in governance framework is still ongoing and the new accounting policies, assumptions and judgements and estimation techniques employed so far are subject to change until the company finalises its first financial statements that include the date of initial application.

Amendments to IAS 1 and IFRS Practice Statement 2 —Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements. The amendments had no impact on the Group's interim consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Amendments to IAS 8 —Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty"

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. The amendments had no impact on the Group's interim consolidated financial statements.

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Amendments to IAS 12 —Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

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

i. Impairment on receivables

In accordance with the accounting policy, the Group tests annually whether premium receivables have suffered any impairment. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations required the use of estimates based on passage of time and probability of recovery.

ii. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

iii. Valuation of investment properties estimates

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

iv. Non-life insurance contract liabilities estimates

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

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder method.

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The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Going Concern

The financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy, profitability and liquidity ratios are continuously reviewed and appropriate action taken to ensure that there are no going concern threats to the operation of the Group. The Directors have made assessment of the Group's ability to continue as a going concern and have no reason to believe that the Group will not remain a going concern in the next 12 months ahead.

Insurance product classification and contract liabilities

The Group's non-life insurance contracts are classified as insurance contracts. As permitted by IFRS 4, assets and liabilities of these contracts are accounted for under previously applied GAAP.

Insurance contracts are those contracts when the Group (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, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. 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.

Key sources of estimation uncertainty

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 discussed below:

Valuation of liabilities of non-life insurance contracts

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the statement of financial position date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder, Stochastic reserving (Bootstrap) and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

Valuation of liabilities of life insurance contracts and investment contracts

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 Group 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.

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.

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Fair value of financial instruments using valuation techniques

The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the Group estimates the non-market observable inputs used in its valuation models.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

Valuation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2020 for Investment properties and revalued land and buildings. For investment properties, 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. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognized in OCI. 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.

Deferred tax assets

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 recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, 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 asset is disclosed in Note 27.

Impairment under IFRS 9

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost and trade receivables. The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition.

Staged Approach to the Determination of Expected Credit Losses

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

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

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

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

The Group does not originate or purchase credit impaired loans or receivables.

The determination of whether a financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effect of credit risk mitigants such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: the Group considers the obligor is unlikely to pay its credit obligations to the company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case by case basis for non-homogenous portfolios, or by applying portfolio based parameters to individual financial assets in this portfolios by the Company's ECL model for homogenous portfolios.

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Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability — weighted present value of the difference between:

- 1) The contractual cash flows that are due to the Company under the contract; and
- 2) The cash flows that the Company expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Expected lifetime:

The expected life time of a financial asset is a key factor in determine the life time expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The company measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension option) over which it is exposed to credit risk.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

4 Standards issued but not yet effective

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

Amendments to IFRS 10 and IAS 28 —Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024

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Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an Group is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023.

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5 Cash and cash equivalents

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Cash-in-hand	148	250	20	20
Balances held with local banks	4,008,546	3,656,782	53,444	76,341
Balances held in domiciliary accounts	181,574	795,435	3,112	11,493
Reserve with Pension Custodian	9,731	-	-	-
Placements with banks	19,138,179	17,865,462	1,155,828	1,795,423
	23,338,178	22,317,929	1,212,404	1,883,277
Less: Allowance for credit losses	(319,072)	(273,080)	(28,149)	(28,149)
	23,019,106	22,044,849	1,184,255	1,855,128

Bank placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. Reserve with Pension Custodian relates to mandatory cash reserve placed with First Pension Custodians Limited the custodian for group's pension subsidiary's managed assets.

Allowance for credit losses represents amount determined in accordance with the Expected Credit Loss (ECL) model under IFRS 9 Financial Instruments

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

Cash and cash equivalent is the same for cash flow purpose as presented.

6 Financial assets

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
The Group's financial assets are summarised by categories as follows:				
Fair value through profit or loss	75,674,915	82,577,385	951,807	528,078
Fair value through OCI (see note 6.1 below)	21,952,811	2,645,972	391,000	391,000
Debt securities at amortised cost (see note 6.2 below)	72,163,488	51,244,163	3,677,393	2,923,160
Total financial assets	169,791,214	136,467,520	5,020,200	3,842,238

Included in financial assets of the group and company are N1.186billion (2022: N1.109billion) and N933.73million (2022: N856.94million) respectively, being unclaimed dividend that have been returned by the Registrars to be held against claims by the beneficiaries.

6.1 Fair value through OCI

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Quoted equity securities	-	400,240	-	-
Unquoted securities	21,952,811	2,245,732	391,000	391,000
Total Fair value through OCI	21,952,811	2,645,972	391,000	391,000

The quoted equity securities are majorly equities which are traded on recognised exchanges in Nigeria.

The unquoted securities are FGN bonds which are designated as financial assets fair valued through OCI (FVTOCI) worth N18.9billion. Other unquoted securities are equities that not traded or quoted on any stock exchange. The Group has no intention to dispose the unquoted equities securities in the foreseeable future.

6.2 Debt securities at amortised cost

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Federal Government Bonds	38,778,690	33,383,194	-	-
State Government Bonds	1,230,880	1,331,245	-	-
Corporate Bonds	26,196,325	15,946,860	-	-
Treasury Bills and Tenor Deposits Greater than 90 days and Others	3,874,577	259,361	225,276	-
Loan to policy holders	102,627	98,766	-	-
Shareholder's loan to subsidiary	-	-	2,641,973	2,589,805
Staff Loans and other advances	875,102	505,185	646,554	255,445
Commercial papers	2,068,836	157,360	203,707	118,027
	73,127,037	51,681,971	3,717,510	2,963,277
Less: Allowance for credit losses	(963,549)	(437,808)	(40,117)	(40,117)
Total	72,163,488	51,244,163	3,677,393	2,923,160

7 Trade receivables

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Insurance receivables (see note 7.1 below)	636,558	406,147	-	-
Other trade receivables	2,596,478	2,108,960	-	-
Impairment on trade receivables (see note 7.2 below)	(802,457)	(861,496)	-	-
	2,430,579	1,653,611	-	-

7.1 Insurance receivables

	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Brokers	584,037	353,626	-	-
Insurance companies	52,521	52,521	-	-
	636,558	406,147	-	-

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7.2 Impairment on trade receivables

	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	861,496	744,264	-	-
Charge/(reversal) for the period	(59,039)	117,232	-	-
At the end of the period	802,457	861,496	-	-

All trade receivables including insurance receivable are carried at values that are approximately their fair value at the statement of financial position date. The Group reviews individual receivable account to determine its collectivity. For insurance products, the Group issues policies only to clients who pay in advance or are backed by registered brokers' credit notes that are payable within thirty days. All uncollected amounts after due date are deemed impaired. There was no impairment charge for the period as no objective evidence for impairment exists for insurance receivables.

8 Reinsurance assets

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Prepaid reinsurance premium (see note 8.1 below)	11,281,321	5,765,322	-	-
Reinsurance share of claims (see note 8.2 below)	4,667,633	2,879,795	-	-
	15,948,954	8,645,117		
Due from reinsurance brokers (see note 8.3 below)	675,037	688,529	-	-
Minimum deposit on premium paid	28,081	60,617	-	-
	16,652,072	9,394,263	-	-
Reinsurance share of prepaid premium and outstanding claims				
Non life insurance	15,520,078	8,168,953	-	-
Life insurance	428,876	476,164	-	-
	15,948,954	8,645,117	-	-

8.1 Prepaid reinsurance premium

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	5,765,322	4,914,142	-	-
Reinsurance ceded during the period	26,089,869	28,119,955	-	-
Charged during the period	(20,573,870)	(27,268,775)	-	-
At the end of the period	11,281,321	5,765,322	-	-

8.2 Reinsurer's share of claims

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	2,879,795	2,821,166	-	-
(Decrease)/charged to profit or loss	1,787,838	58,629	-	-
At the end of the period	4,667,633	2,879,795	-	-

8.3 Amount due from reinsurance brokers represent net claims and commission recoverable from reinsurance brokers. They are valued after an allowance for their recoverability, and the carrying amount is a reasonable approximation of fair value.

9 Inventories

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	5,265,758	6,084,508	-	-
Additions	780,465	3,132,535	-	-
Disposal	(2,169,096)	(3,951,285)	-	-
Impairment	-	-	-	-
Deferred Commissioning cost/ write back	(361,373)	-	-	-
At the end of the period	3,515,754	5,265,758	-	-

All inventory above are carried at lower of cost or net realisable value at all the periods reported. The Group's inventory have not been pledged as security for borrowing.

10 Deferred acquisition costs

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	987,566	784,693	-	-
Commission expense paid	6,221,757	6,150,762	-	-
Charged to profit or loss	(5,268,428)	(5,947,889)	-	-
At the end of the period	1,940,895	987,566	-	-

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11 Other receivables and prepayments

<i>In thousands of naira</i>	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
Administration fee receivable	20,260	700,365	-	-
Management fee receivable	522,398	-	-	-
Deposit for shares	2,166,456	1,733,213	655,916	810,213
Deposit for assets	6,219	6,219	6,219	6,219
Due from related parties	-	-	2,317,842	130,005
Other receivables	258,637	1,191,795	-	-
Mobilization payment to contractors*	40,739	87,588	-	-
Trade receivable from property related transactions and other debit balances **	158,805	162,610	17,621	34,680
	3,173,514	3,881,790	2,997,598	981,117
WHT receivables	1,041,705	1,461,088	1,036,209	1,255,095
Prepayment	946,445	617,530	137,712	114,348
	1,988,150	2,078,618	1,173,921	1,369,443
	5,161,664	5,960,408	4,171,519	2,350,560
Less: Allowance for ompairment loss on other receivables other debit balances	(117,304)	(113,744)	(16,155)	(16,155)
	5,044,360	5,846,664	4,155,364	2,334,405

Deposit for shares represents strategic investment commitment in companies currently undergoing incorporation/registration and amounts placed with stockbrokers for the purchase of securities.

*Mobilization payment to contractors represents payments made to contractors on projects, which have not been completed.

**Other debit balances relates to payments in respect of projects in progress. Also included in Other debit balances are expected reimbursement from pension custodians in respect of disbursements made on annuity contracts and/or closed pension funds.

12 Investment in subsidiaries

<i>In thousands of naira</i>	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
Custodian and Allied Insurance Limited	-	-	3,584,607	3,584,607
Custodian Life Assurance Limited	-	-	3,184,717	3,184,717
Crusader Sterling Pensions Limited	-	-	1,139,460	1,139,460
Custodian Trustees Limited	-	-	400,885	400,885
Crusader Hotels and Apartments Limited*	-	-	1,000	1,000
Custodian Asset Management Limited*	-	-	200,000	200,000
UPDC Plc	-	-	6,862,343	6,862,343
	-	-	15,373,012	15,373,012

* These companies are yet to commence operations

The Company along with its subsidiaries make up the Custodian Group.

13 Equity accounted investee

<i>In thousands of naira</i>	Principal activities	Group	Group	Company	Company
		30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
Interstate Securities Limited (see note 13.1 below)	Stockbroking and Issuing House	672,554	622,756	525,364	525,364
UPDC REIT (see note 13.2 below)	Real Estate investments	2,586,573	2,667,501	2,584,623	2,584,623
		3,259,127	3,290,257	3,109,987	3,109,987

13.1 Equity accounted investee: Interstate Securities Ltd

The Group invested in the equity of Interstate Securities Limited, a stock broking firm and a dealing member of Nigerian Exchange Ltd in line with its strategy to further diversify its businesses. The investment is made up of 321,626,098 ordinary shares representing 46.86% of the company's issued ordinary shares; and 82,500,000 5% Convertible Preference shares.

<i>In thousands of naira</i>	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
At January 1	622,756	683,684	525,364	525,364
Addition during the the period	-	-	-	-
Share of profit	49,929	(53,872)	-	-
Share of OCI	(131)	(7,056)	-	-
Dividend received	-	-	-	-
At the end of the period	672,554	622,756	525,364	525,364

13.2 Equity accounted investee: UPDC REIT

The company acquired 772,905,928 units of UPDCREIT pursuant to its strategy to invest in long term asset backed unit trust funds. This investment represents 28.97% of total units in issue.

<i>In thousands of naira</i>	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
At January 1	2,667,501	4,117,991	-	-
Addition during the the period	-	49,516	2,584,623	2,584,623
Dimunition in value of investment	-	(1,515,577)	-	-
Share of profit	185,750	291,682	-	-
Share of OCI	-	-	-	-
Distribution received	(266,678)	(276,111)	-	-
At the end of the period	2,586,573	2,667,501	2,584,623	2,584,623

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13.3 Share of result of associate

<i>In thousands of naira</i>	Group	Group	Company	Company
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Share of result - UPDC REIT	185,750	(1,189,897)	-	-
Share of result - Interstate Security Ltd	49,929	(19,896)	-	-
	235,679	(1,209,793)	-	-
Share of result OCI - Interstate Security Ltd	(131)	(6,818)	-	-
	235,548	(1,216,611)	-	-

14 Investments in joint ventures

<i>In thousands of naira</i>	Project	% Holding	Group	Group	Company	Company
		31-Dec-22	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
First Restoration Dev. Co. Limited	Olive court	51%	125,647	125,647	-	-
At 1 January			125,647	130,393	-	-
Share of result from joint venture **			-	(4,746)	-	-
At the end of the period			125,647	125,647	-	-

Nature of investment in joint venture

Name	Project	Country of incorporation	Country of Incorporation	Nature of relationship	Nature of relationship	% interest held
First Festival Mall limited	Festival Mall	Nigeria	Nigeria	Joint venture	Joint venture	45%
First Restoration Dev. Co. Limited	Olive court	Nigeria	Nigeria	Joint venture	Joint venture	51%
Transit Village Dev. Co. Ltd	Transit Village	Nigeria	Nigeria	Joint venture	Joint venture	40%

The Group through UPDC Plc has a joint venture arrangement with First Restoration Development Company Ltd to develop and sell Olive Court Estate in Ibadan, Oyo State. The joint venture is supported by Oyo State Government. All joint ventures are primarily set up for projects. All other investments in joint ventures have been written down to NIL because of the losses recorded over the years.

** Share of loss of First restoration recognised for the period using equity method of accounting for investment in joint venture.

15 Investment properties

<i>In thousands of naira</i>	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
At 1 January	11,901,485	11,760,655	7,081,416	7,081,066
Additions	12,249	25,952	-	-
Fair value gains/(losses) on investment properties	-	114,878	-	350
	11,913,734	11,901,485	7,081,416	7,081,416

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16 Intangible assets

i Group

<i>In thousands of naira</i>	Software	Total
Cost:		
At 1 January 2022	1,341,673	1,341,673
Reclassification/write off	69,493	69,493
Additions	104,670	104,670
At 31 December 2022	1,515,836	1,515,836
At 1 January 2023	1,515,836	1,515,836
Additions	47,135	47,135
At 30 September 2023	1,562,971	1,562,971
Amortization and impairment losses		
At 1 January 2022	1,169,187	1,169,187
Reclassification/write off	42,039	42,039
Amortization for the period	64,898	64,898
At 31 December 2022	1,276,124	1,276,124
At 1 January 2023	1,276,124	1,276,124
Amortization for the period	35,424	35,424
At 30 September 2023	1,311,548	1,311,548
Carrying Amount		
At 1 January 2023	239,712	239,712
At 30 September 2023	251,423	251,423

ii Company

<i>In thousands of naira</i>	Software	Total
Cost:		
At 1 January 2023	25,132	25,132
Additions	-	-
At 30 September 2023	25,132	25,132
Amortization and impairment losses		
At 1 January 2023	8,377	8,377
Amortization for the period	6,283	6,283
At 30 September 2023	14,660	14,660
Carrying Amount		
At 30 September 2023	10,472	10,472
At 31 December 2022	14,755	14,755

17 Property, plant and equipment

i Group

<i>In thousands of naira</i>	Freehold property	Office equipment	Computer equipment	Furniture and fittings	Motor Vehicles	Total
Cost/Valuation						
At 1 January 2023	11,704,597	749,325	844,915	587,126	2,176,661	16,062,624
Additions	250	145,679	122,398	341,151	131,337	740,815
Disposals	-	-	(3,198)	-	(152,778)	(155,976)
At 30 September 2023	11,704,847	895,004	964,115	928,277	2,155,220	16,647,463
Accumulated depreciation						
At 1 January 2023	275,893	452,753	600,261	423,814	1,030,673	2,783,394
Charge for the period	103,433	65,042	62,598	23,066	291,616	545,755
Disposals	-	-	(954)	-	(121,778)	(122,732)
At 30 September 2023	379,326	517,795	661,905	446,880	1,200,511	3,206,417
Carrying Amount						
At 1 January 2023	11,428,704	296,572	244,654	163,312	1,145,988	13,279,230
At 30 September 2023	11,325,521	377,209	302,210	481,397	954,709	13,441,046

ii Company

<i>In thousands of naira</i>	Office equipment	Computer equipment	Furniture and fittings	Motor Vehicles	Total
Cost/Valuation					
At 1 January 2023	27,959	21,352	45,207	529,125	623,643
Additions	8,939	1,408	-	15,000	25,347
Disposals	-	(2,043)	-	(12,000)	(14,043)
At 30 September 2023	36,898	20,717	45,207	532,125	634,947
Accumulated depreciation					
At 1 January 2023	14,048	12,986	41,609	153,575	222,218
Charge for the period	4,882	2,363	947	86,773	94,965
Disposals	-	(269)	-	(7,250)	(7,519)
At 30 September 2023	18,930	15,080	42,556	233,098	309,664
Carrying Amount					
At 1 January 2023	13,911	8,366	3,598	375,550	401,425
At 30 September 2023	17,968	5,637	2,651	299,027	325,283

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18 Statutory deposits

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Statutory deposit	3,288,134	2,672,415	-	-
	3,288,134	2,672,415	-	-

In line with Section 10 (3) of the Insurance Act of Nigeria, a deposit of minimum of 10% of the regulatory share capital required for non-life insurance business (N3bn) and life insurance business (N2bn) is kept with the Central Bank of Nigeria. The cash amount held is considered to be a restricted cash balance. Also included in statutory deposit is contingency fund relating to CrusaderSterling Pension Ltd. The fund is set aside to meet any claim for which the company may be liable and the corresponding cash is deposited with a Pension Fund Custodian licensed by the Pension Commission of Nigeria.

19 Right-of-use-assets

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Balance at 1 January	28,397	69,862	-	-
Addition for the period	29,869	16,600	-	-
Depreciation expense on ROU asset for the period	(39,626)	(58,065)	-	-
At the end of the period	18,640	28,397	-	-

20 Insurance contract liabilities

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Outstanding claims-non life	6,972,541	3,008,577	-	-
Outstanding claims-life	2,152,369	2,407,144	-	-
IBNR	4,705,316	4,793,504	-	-
Individual life fund and annuity fund liabilities	93,733,538	79,840,527	-	-
Unearned premium	19,592,727	10,030,068	-	-
	127,156,491	100,079,820	-	-

Non life (see note 20.1 below)	26,884,684	14,978,872	-	-
Life (see note 20.2 below)	100,271,807	85,100,947	-	-
	127,156,491	100,079,819	-	-

Reconciliation of insurance contract liabilities

20.1 Non-life insurance

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	14,978,873	13,160,984	-	-
Change in unearned premium	7,941,848	1,453,061	-	-
Current year claims provision	9,433,708	6,448,295	-	-
Claims paid during the period	(5,469,744)	(6,083,467)	-	-
At the end of the period	26,884,685	14,978,873	-	-

20.2 Life insurance

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	85,100,947	71,875,857	-	-
Premium received	36,039,906	37,769,830	-	-
Liabilities paid for death benefit claims	(6,718,011)	(18,827,261)	-	-
Benefits and claims experience variations	(14,151,036)	(5,717,479)	-	-
At the end of the period	100,271,806	85,100,947	-	-

21 Investment contract liabilities

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Individual	7,231,159	5,720,194	-	-
Welfare	3,759,438	3,350,018	-	-
	10,990,597	9,070,212	-	-

Movement in investment contract liabilities

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
At 1 January	9,070,212	8,616,195	-	-
Deposit	2,120,269	609,022	-	-
Withdrawal	(413,249)	(387,544)	-	-
Guaranteed interest	213,365	232,539	-	-
At the end of the period	10,990,597	9,070,212	-	-

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22 Borrowings

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Shareholders' loan to UPDC	2,146,881	2,179,173	-	-
	2,146,881	2,179,173	-	-
Current				
Shareholders' loan to UPDC	2,146,881	2,179,173	-	-
	2,146,881	2,179,173	-	-
Total borrowings	2,146,881	2,179,173	-	-

Shareholders loan was obtained from Custodian Investment Plc and UACN Plc in April 2021 to pay down the 5-year bond and UACN Bridge Finance. The loan is a short term interest bearing loan at 9%.

23 Trade payables

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Due to reinsurance and Co-insurance Companies	1,867,495	574,010	-	-
Due to Brokers and Agents	4,077,961	2,871,445	-	-
Premium received in advance	10,164,384	7,776,337	-	-
Other trade payables*	980,028	912,712	-	-
	17,089,868	12,134,504	-	-

Trade payables comprise amounts outstanding for reinsurance companies, brokers, deferred premium, trade purchases and ongoing costs. All amounts are payable within a year. The carrying amount approximates fair value.

*Other trade payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

24 Other payables

<i>In thousands of naira</i>	Group 30-Sep-23	Group 31-Dec-22	Company 30-Sep-23	Company 31-Dec-22
Staff pension	1,420	1,421	1,420	1,421
Statutory payables	1,326,501	1,094,414	5,864	8,707
Information Technology Development levy	863,390	608,764	42,667	42,666
Unclaimed Dividend	1,186,139	1,109,355	933,729	856,944
Unearned income (see note 24(i) below)	1,063,058	1,001,390	9,400	5,340
	4,440,508	3,815,344	993,080	915,078
Non Trade payable (see note 24(ii) below)	1,159,494	903,238	-	-
Accruals (see note 24(iii) below)	2,385,259	2,200,599	214,481	257,159
Due to related party	-	-	201,000	201,000
Contract liabilities	2,166,339	2,559,033	-	-
Trade & Commission payable (see note 24(iv) below)	273,692	544,173	-	-
Tenants' Security Deposit	5,643	5,643	5,643	5,643
Sundry creditors (see note 24(v) below)	2,170,970	1,609,840	71,021	144,963
	8,161,397	7,822,526	492,145	608,765
	12,601,905	11,637,870	1,485,225	1,523,843

i Unearned income represent deferred income. This is made up of rental income received in advance on investment properties leased by the Company to third parties, and commissions received in advance. These are released to income in-line with the terms of the individual contract that it relates to.

ii Non trade payables consist of payables to regulators and various suppliers.

iii Accruals relate to amounts provided for audit / consulting fees and subscription/dues to various regulatory and professional bodies.

iv Trade and commission payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

v Sundry creditors relate to amount due to suppliers and service providers for services rendered

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25 Taxation

Per profit or loss account:

In thousands of naira	Group	Group	Company	Company
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Income tax based on profit for the profit	1,901,157	1,414,444	90,000	90,000
Education tax for the period	44,883	50,224	9,000	9,000
Dividend tax	-	359,853	688,519	359,854
Over/Underprovision in prior year	-	14,705	-	-
	1,946,040	1,839,226	787,519	458,854
Deferred taxation	514,213	-	23,532	-
Tax charge to profit and loss	2,460,253	1,839,226	811,051	458,854

Current income tax

Per Balance Sheet:

In thousands of naira	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
At 1 January	3,346,153	1,941,504	1,294,989	657,323
Capital gain tax	128	-	-	-
Opening balance adjustment	-	(6,820)	-	-
Current Income tax expense	1,946,040	2,150,831	787,519	151,818
Withholding tax credit offset	(911,837)	499,853	(911,837)	499,854
Write back of prior period over provision	-	14,705	-	-
Payments during the period	(2,163,619)	(1,253,920)	(49,885)	(14,006)
At the end of the period	2,216,865	3,346,153	1,120,786	1,294,989

26 Deferred tax liabilities

In thousands of naira	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
Deferred tax related to items recognised in profit or loss				
Capital gains to be reinvested	116,291	116,291	-	-
Unutilized tax credit	(1,151,609)	(1,151,609)	-	-
Fair value gains on investment properties	2,090,168	2,090,168	601,020	601,020
Accelerated depreciation for tax purposes	749,661	538,994	67,338	67,338
Unrealised foreign exchange gains/financial asset	1,258,793	744,580	23,687	155
Revaluation Surplus	(67,204)	143,463	-	-
Impairment of Financial Assets	(415,012)	(415,012)	(32,350)	(32,350)
	2,581,088	2,066,875	659,695	636,163
Deferred tax related to items recognised in OCI				
Net (gain)/Loss on equity instruments designated at fair value through OCI	48,137	-	-	-
Net deferred tax liabilities	2,629,225	2,066,875	659,695	636,163

27 Issued share capital and reserves

In thousands of naira	Group	Group	Company	Company
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
Issued share capital:				
5,881,866,000 Ordinary shares of 50k each	2,940,933	2,940,933	2,940,933	2,940,933
Movement during the year is as shown below:				
<i>In thousands of naira</i>				
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
At 1 January	2,940,933	2,940,933	2,940,933	2,940,933
At the end of the period	2,940,933	2,940,933	2,940,933	2,940,933
28 Share premium				
<i>In thousands of naira</i>				
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
At 1 January	6,412,357	6,412,357	6,412,357	6,412,357
At the end of the period	6,412,357	6,412,357	6,412,357	6,412,357

Notes to the consolidated and separate financial statements
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29 Reserves

The nature and purpose of the reserves in equity are as follows:

Retained earnings

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

Contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap 117 LFN 2004.

Asset revaluation reserve

This reserve contains surplus on revaluation of property, plant and equipment. A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus 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 and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income.

Non Controlling Interest

Custodian Investment Plc has a controlling interest of 76.55% (2021: 76.55%) in CrusaderSterling Pensions Limited (CSP), which gives rise to a non-controlling interest of 23.45% in the entity. Also, the group has 51% controlling interest in UPDC Plc giving rise to a non-controlling interest of 49%. The balance represents the amount attributable to the non-controlling shareholders of CSP and UPDC.

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30 Other investment and operating income	Group	Group	Group	Group	Company	Company	Company	Company
	Q3 ended 30-Sep-23	Q3 ended 30-Sep-22	Year to date 30-Sep-23	Year to date 30-Sep-22	Q3 ended 30-Sep-23	Q3 ended 30-Sep-22	Year to date 30-Sep-23	Year to date 30-Sep-22
<i>In thousands of naira</i>								
Gross Premium Written	23,083,060	17,127,719	73,589,823	64,430,454	-	-	-	-
Gross Premium Income (see note 30(i) below)	22,616,261	20,342,029	64,027,164	56,862,898	-	-	-	-
Dividend income	229,826	146,245	742,398	714,446	2,626,401	504,946	7,281,440	3,694,529
Fees and Commission income	1,796,822	1,459,802	5,178,150	4,598,157	-	-	-	-
Sales	1,628,243	952,484	3,778,192	2,089,986	-	-	-	-
Other Operating Income (see note 30(ii) below)	379,309	176,149	2,415,744	400,419	142,531	428,151	296,353	1,294,665
	26,650,461	23,076,709	76,141,648	64,665,906	2,768,932	933,097	7,577,793	4,989,194
i Gross premium income								
<i>In thousands of naira</i>								
Non life insurance gross premium income	10,432,231	9,117,702	29,608,068	27,079,706	-	-	-	-
Life insurance gross premium income	12,184,030	11,224,327	34,419,096	29,783,192	-	-	-	-
	22,616,261	20,342,029	64,027,164	56,862,898	-	-	-	-
ii Other operating income								
<i>In thousands of naira</i>								
Rental income	37,278	41,340	111,738	119,693	2,780	3,792	9,620	9,116
Foreign exchange gain/(loss)	(94,184)	71,750	1,753,059	22,698	-	-	-	-
Sundry income	436,215	63,059	550,947	258,028	139,751	424,359	286,733	1,285,549
	379,309	176,149	2,415,744	400,419	142,531	428,151	296,353	1,294,665
31 Interest income								
<i>In thousands of naira</i>								
Interest income on investments measured at amortised cost	4,911,244	3,616,251	13,343,387	10,020,501	3,945	3,543	9,039	28,112
Interest income on call and deposit accounts	586,848	341,154	1,547,355	845,704	51,190	49,128	129,750	63,431
	5,498,092	3,957,405	14,890,742	10,866,205	55,135	52,671	138,789	91,543
32 Operating Expenses								
<i>In thousands of naira</i>								
Cost of sales	1,140,680	616,058	2,508,875	1,319,276	-	-	-	-
Reinsurance Expenses	7,255,695	6,503,626	20,573,870	19,832,017	-	-	-	-
Underwriting Expenses (see note 32(i) below)	2,033,745	1,837,816	6,071,760	4,580,776	-	-	-	-
Claims related expenses (see note 32(ii) below)	7,628,082	6,337,923	19,039,851	16,816,526	-	-	-	-
	18,058,202	15,295,423	48,194,356	42,548,595	-	-	-	-
Change in provisions (see note 32(iii) below)	3,661,397	2,189,539	19,368,008	12,004,173	-	-	-	-
	21,719,599	17,484,962	67,562,364	54,552,768	-	-	-	-
i Underwriting Expenses								
<i>In thousands of naira</i>								
Acquisition costs (see note 10)	1,703,960	1,673,060	5,268,425	4,100,013	-	-	-	-
Maintenance costs	329,785	164,756	803,335	480,763	-	-	-	-
	2,033,745	1,837,816	6,071,760	4,580,776	-	-	-	-

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ii Claims related expenses

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Gross claims expenses	9,932,155	7,185,166	21,957,946	17,954,573	-	-	-	-
Claims ceded to reinsurers	(2,304,073)	(847,243)	(2,918,095)	(1,138,047)	-	-	-	-
	7,628,082	6,337,923	19,039,851	16,816,526	-	-	-	-

iii Change in provisions

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Change in provision for outstanding claims and life fund estimate	3,661,397	2,189,539	19,368,008	12,004,173	-	-	-	-
	3,661,397	2,189,539	19,368,008	12,004,173	-	-	-	-

The insurance claim comprises of claims expenses paid including loss adjuster fees and the movement in the insurance fund liabilities. The insurance fund liability is adjusted to reflect the movement in the estimated claims liabilities as determined by the actuary. The effect of the adjustment is reflected in the profit or loss account.

33 Net fair value gains/(losses)

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Changes in Fair Value of financial assets	(3,029,992)	(5,279,685)	(6,519,390)	(6,539,624)	321,636	(41,743)	556,955	(162,386)
Net unrealised gain on foreign exchange	1,757,345	417,530	6,856,697	244,497	(57)	59	1,261	(13)
	(1,272,647)	(4,862,155)	337,307	(6,295,127)	321,579	(41,684)	558,216	(162,399)

34 Net Realized Gains / (Losses)

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Profit on disposal of property and equipment	186	730	(12,042)	6,605	-	-	519	1,200
Net realised gain on foreign exchange	(7,424)	51,811	95,393	545,383	-	-	-	-
Gain on disposal of investment property	(364)	-	-	-	-	-	-	-
Realised gain/(loss) on financial assets	463,167	152,161	481,432	1,474,340	71,972	-	71,972	27,315
	455,565	204,702	564,783	2,026,328	71,972	-	72,491	28,515

35 Management expenses

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Staff cost	1,128,147	971,237	3,290,966	2,880,309	164,401	179,995	482,331	592,192
Auditors' remuneration	15,907	31,889	60,785	67,327	3,000	3,000	9,000	9,000
Amortisation of intangible assets	11,905	8,796	35,425	56,042	2,094	2,094	6,283	6,283
Depreciation of property, plant and equipment	194,102	297,031	542,355	564,056	31,875	18,303	94,966	49,116
Depreciation of right of use asset	12,421	9,434	39,626	30,193	-	-	-	-
Occupancy expenses	72,279	61,773	196,836	174,803	4,726	19,944	18,980	31,800
Directors fees and expenses	93,468	40,134	217,324	140,767	19,616	17,294	67,099	51,203
Printing, stationery & office supplies	9,195	12,619	35,213	31,636	4,275	9,078	17,344	21,616
Marketing and administration expenses	1,240,649	991,382	3,579,819	2,420,433	35,103	34,250	100,156	103,523
AGM, dividend processing & related costs	3,410	9,255	30,511	41,544	3,410	7,633	26,103	36,000
Pension protection fund charge	40,812	29,888	109,838	89,663	-	-	-	-
Fees, levy & assessment	321,020	418,864	1,506,121	1,254,668	26,765	23,687	161,389	81,415
Other expenses	(6,945)	4,820	370	9,412	305	37	370	85
	3,136,370	2,887,122	9,645,189	7,760,853	295,570	315,315	984,021	982,233

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36 Impairment allowance

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
(Charge)/write back on cash and cash equivalents (ECL)	12,753	25,575	49,070	25,575	-	-	-	-
(Charge)/write back on financial assets at amortised costs (ECL)	117,153	-	499,482	19,671	-	-	-	-
Charge/(write back) on other receivables	(59,039)	-	(59,039)	-	-	-	-	-
	129,906	25,575	548,552	45,246	-	-	-	-

37 Finance costs

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Finance income	-	(39,948)	-	(65,560)	-	-	-	-
Finance cost	54,499	67,751	161,718	187,208	-	-	-	-
	54,499	27,803	161,718	121,648	-	-	-	-

Finance income and finance cost were calculated using the effective interest rate.

38 Net gain/(loss) on fair value through OCI assets

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Gain/(loss) during the period	(1,579,176)	(3,612)	(280,294)	(137,157)	-	-	-	-
Deferred tax on gains accumulated on equity instruments designated at FCTOCI	-	-	(48,137)	-	-	-	-	-
	(1,579,176)	(3,612)	(328,431)	(137,157)	-	-	-	-

39 Profit/(Loss) from discontinued operation

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Profit/(loss) from discontinued operations	-	28,287	-	-	-	-	-	-
	-	28,287	-	-	-	-	-	-

40 Earnings per share

	Group Q3 ended 30-Sep-23	Group Q3 ended 30-Sep-22	Group Year to date 30-Sep-23	Group Year to date 30-Sep-22	Company Q3 ended 30-Sep-23	Company Q3 ended 30-Sep-22	Company Year to date 30-Sep-23	Company Year to date 30-Sep-22
<i>In thousands of naira</i>								
Profit for the period from continuing activities	5,507,011	1,011,204	11,792,083	5,733,778	2,645,868	547,769	6,552,217	3,505,766
Less: Non-controlling interests	212,639	(5,097)	220,834	161,290	-	-	-	-
Net profit from continuing activities attributable to ordinary shareholder	5,294,372	1,016,301	11,571,249	5,572,488	2,645,868	547,769	6,552,217	3,505,766
Total Comprehensive income for the period, net of taxes	3,925,246	1,007,592	11,463,521	5,589,803	2,645,868	547,769	6,552,217	3,505,766
Less: Non-controlling interests	233,476	105,927	311,461	105,927	-	-	-	-
Total Comprehensive income for the period, net of taxes attributable to ordinary shareholder	3,691,770	901,665	11,152,060	5,483,876	2,645,868	547,769	6,552,217	3,505,766
Number of ordinary share in issue as at period end								
Share capital	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866
Basic/diluted earnings per ordinary share from continuing activities (kobo)	90	17	197	95	45	9	111	60

Basic earnings/(losses) per share (EPS) amount is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the number of ordinary shares outstanding at the reporting date.

Diluted EPS is calculated by adjusting the profit due to continuing operations attributable to ordinary shareholders and the weighted average number of shares outstanding for the effect of dilutive potential ordinary shares.

Notes to the consolidated and separate financial statements
For the period ended 30 September 2023

41 Shareholding Structure and Free Float Status

Company Name:	Custodian Investment Plc
Board listed	Main Board
Period end	30-Sep
Reporting period	Period ended 30 September 2023

Share price (N)

	30 September 2023		31 December 2022	
	Units	Percentage	Units	Percentage
Issued Share Capital	5,881,864,195	100%	5,881,864,195	100%
Substantial Shareholdings (5% and above):				
GRATITUDE CAPITAL LIMITED*	1,352,728,150	23.00%	1,322,363,150	22.48%
MIKEADE INVESTMENTS LTD.**	924,907,141	15.72%	924,907,141	15.72%
UBAPC/SIGMA PENSION PFA FUND III - MAIN	-		-	
Total outstanding Shareholding	2,277,635,291	38.72%	2,247,270,291	38.21%
Directors' Shareholding (direct and indirect) excluding substantial interest held				
DR. MRS. OMOBOLA JOHNSON	155,000	0.003%	80,000	0.001%
MR. WOLE OSHIN	238,674,353	4.06%	238,674,353	4.06%
CHIEF (MRS) MARGARET GIWA	24,250,000	0.41%	109,999,845	1.87%
MR. RICHARD ASABIA	22,600,000	0.38%	58,994,820	1.00%
MRS. MIMI ADE-ODIACHI	4,000,000	0.07%	4,000,000	0.07%
MR. OLAKUNLE ADE-OJO	1,229,365	0.02%	1,229,365	0.02%
Total Directors' Shareholding	290,908,718	4.95%	412,978,383	7.02%
Other Influential Shareholding				
NIL				
NIL				
Total Other Influential Shareholding	-	0.00%	-	0.00%
Free Float in Units and Percentage	3,313,320,186	56.33%	3,221,615,521	54.77%
Free Float in Value (Naira)	25,346,899,423		25,450,762,616	

* Indirect shareholding of a director, Mr. Wole Oshin

** Indirect shareholding of a director, Mr. Olakunle Ade-Ojo

Declaration:

i Custodian Investment Plc with a free float percentage of 56.33% as at September 2023, is compliant with The Exchange's free float requirements for companies listed on the main Board.

ii Custodian Investment Plc with a free float value of N25,346,899,423 as at September 2023, is compliant with The Exchange's free float requirements for companies listed on the main Board.



ADEYINKA JAFJOJO
FRC/2013/NBA/00000002403
Custodian Trustees Limited
Company Secretary