LASACO ASSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

LASACO ASSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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CORPORATE INFORMATION

Engineer Ashim Adebowale Oyekan	-	Ag Group Chairman
Dr (Mrs) 'Toyin Adebola Phillips	-	Chairman, Finance and General Purpose Committe
Mrs. Aduke Modupeolu Thorpe	-	Chairman, Establishment Committee
Chief Micheal Segun Abraham	-	Member,Finance and General Purposes Committee
Mr. Olusola Olatayo Ladipo-Ajayi	-	Group Managing Director/CEO
Mr. Babajide Wright	-	Executive Director

GROUP SECRETARY/LEGAL ADVISER
Morayo Akinkunmi LLB (Hons), BL

REGISTERED OFFICE/HEAD OFFICE
Plot 16, ACME Road
Ogba Industrial Estate
Ikeja
Lagos State.
Tel: (234) 01 – 2120557
E-mail: info@lasacoassurance.com
Website: www.lasacoassurance.com
Incorporation Certificate: RC 31126 of 20th December, 1979

DGM Marketing
Mr. Shobo
Mobile No: 08076596743

LAGOS CITY BRANCH
Kajola House,
62/64 Campbell Street, Lagos.
Branch Manager: Mrs. Mojisola Olayiwola
Mobile No : 08062880392

APAPA BRANCH
Atlantic House (UTC Building)
23/27, Wharf Road, Apapa, Lagos.
Branch Manager: Mr. Taiwo Akingbagbohun
Mobile No: 08023187629

IBADAN BRANCH
Aje House, South West Road
Ibadan, Oyo State
Branch Manager: Mr. Idowu Adeyemo
Tel: 02-2313219
Mobile No: 08187193649

ABEOKUTA BRANCH
Majek Kembo House 24, Lalubu Street
Oke-Ilewo, Ibara Abeokuta, Ogun State
Branch Manager: Mr. Femi Dankuwo
Tel: 039-774738
Mobile No: 08062880392

LASACO ASSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

CORPORATE INFORMATION

BENIN BRANCH
90, Akpakpava Street, 2nd Floor
AIBANGBEE House, beside Zenith Bank
Benin City.
Branch Manager: Mr. Oluwaseun Sangobiyi
Tel: 052-252580
Mobile Nos: 07095430730, 08056714920

ILORIN BRANCH
19, Unity Road, Ilorin
Kwara State.
Branch Manager: Mr. Lukmon Aliu
Mobile No: 08023531431

AKURE BRANCH
Recabil House
47, Oba Adesina Road, Akure
Branch Manager: Mr. Kunle Aladegbaiye
Mobile No: 08034958562

FCT / NORTHERN REGION

HEAD/NORTHERN REGION -
Mr. Kayode Ogundipe
Mobile No: 08023031259

ABUJA BRANCH
ITF House
6, Adetokunbo Ademola Crescent Maitama, Abuja
Tel: 09-5237163, 09-5232131
Regional Head: Mr. Adekunle Hamza
Mobile No: 08055065371

KANO BRANCH
Union Bank Building 37, Niger Street, Kano
Kano State. Tel: 064-640068
Branch Manager: Mr. Sule Halilu
Mobile No: 08037267104

KADUNA BRANCH
Hamza Zayad House Road NNLC Building
4, MuhammedBuhari / Ahmadu Bello Way, Kaduna
Branch Manager: Mr. Kayode Ogundipe
Mobile No: 08039583764

SOUTH/SOUTH REGION

HEAD/SOUTH REGION
Mrs. Toyin Iriabe
Mobile No: 08023207297,08064348913

PORT HARCOURT BRANCH
200, Aba Road, Waterlines Bus-stop
Opposite mobil filling station,
Port Harcourt,Rivers state
Branch Head: Mrs. Toyin Iriabe
Mobile No: 08064348913

LASACO ASSURANCE PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

CORPORATE INFORMATION

CALABAR BRANCH
89, IBB Way
Opp. Navy Barracks Calabar
Branch Manager: Mr. Lanre Fashola
Mobile No: 07040986680

OSHOGBO BRANCH
Jesus Court Complex
7, Isiaka Adeleke Road
Alekuwodo Oko-Fia
Oshogbo, Osun State
Branch Manager: Mr. Kayode Okeremi
Mobile Nos: 08069135662, 08072535999

PUBLIC SECTOR

ALAUSA BRANCH
Government Ministries/Parastatals/Local Government
Senior Manager, Public Sector: Mrs. Yemi Ajani
Mobile No: 08023814920

BANKERS
Skye Bank Plc
First Bank of Nigeria Plc
Guaranty Trust Bank Plc

AUDITORS
Abayomi – Dosunmu& Co.
(Chartered Accountants)
38, Macarthy Street
Onikan, Lagos.
Tel: 234-1-8533018, 8978563

REGISTRARS
Mainstreet Bank Registrars Limited
2A, Gbagada Expressway, Anthony, Lagos.
Tel: 012799133-4
E-mail: afribankregistrar@yahoo.com
Contact person: Mrs I. Udoka
Mobile No: 08023010676

INVESTORS/SHAREHOLDERS RELATIONS:

Mrs. Morayo Akinkunmi (Mobile 08028863548)

Mrs. Biodun Ajanaku (Mobile 08023346084)

LASACO ASSURANCE PLC

FINANCIAL HIGHLIGHTS

	Group		Company		Group	Company
	2013 N'000	2012 N'000	2013 N'000	2012 N'000	Growth %	Growth %
MAJOR STATEMENT OF FINANCIAL POSITION ITEMS						
Total assets	13,412,738	11,838,260	11,193,206	9,792,201	13	14
Shareholders' funds	5,875,918	5,597,356	5,798,920	5,426,888	5	7
Financial assets	2,624,118	1,633,253	1,954,094	1,088,655	61	79
Investment properties	2,755,740	2,461,000	2,672,825	2,461,000	12	9
MAJOR STATEMENT OF COMPREHENSIVE INCOME ITEMS						
Gross premium written	4,965,328	4,437,541	3,341,515	3,137,220	12	7
Net premium earned	3,609,819	3,333,825	2,381,021	2,380,018	8	0
Investment income	309,307	333,879	151,273	183,516	(7)	(18)
Other income	360,065	1,692,993	310,627	1,688,322	(79)	(82)
Gross claims paid	1,880,448	1,945,339	979,729	908,481	(3)	8
Profit/(Loss) before taxation	412,807	(180,090)	400,141	152,275	329	163
Profit/(Loss) after taxation	275,340	(255,024)	271,405	92,903	208	192
INFORMATION PER 50K ORDINARY SHARE						
Earnings per share (kobo)	4	(3)	4	1	208	(192)
Dividend per share (kobo)					-	-
Net assets (kobo)	80	76	79	74	5	0
Stock exchange quotation (kobo) at 31 December	50	50	50	50	-	-
Price earning ratio	13	(14)	14	39	193	66
Number of 50k shares issued	7,334,343,421	7,334,343,421	7,323,433,421	7,323,433,421	-	-
Number of employees	171	162	140	144	-	-
Number of branches	15	13	14	15	-	-

LASACO ASSURANCE PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors are pleased to submit their report together with the audited financial statements of LASACO Assurance Plc ("the Company") and its subsidiary(together "the Group") for the year ended 31 December 2013.

Legal form and Principal activity
The Company was incorporated on December 20, 1979 under the Company Decree of 1968 . the Company then, known as Lagos State Assurance Company Limited obtained license as an insurer on July 7, 1980 and commenced business on August 1, 1980. It became a public limited liability company in 1991 when the Company's shares were listed on the Nigerian Stock Exchange. The Company secured a life insurance business license from National Insurance Commission (NAICOM) in 2007. The Company then separated the life business and transferred the related assets and liabilities to its subsidiary, LASACO Life Assurance Company Limited . On January 1, 2009 LASACO Life Assurance Co. Ltd commenced business. The Company operates from its corporate office in Lagos and whilst it maintains branches in major cities of the Federation.

The Group is principally engaged in the provision of various classes of insurance such as general accident, fire, motor, engineering, marine, bond insurances and life assurance businesses. The Group also transacts insurance business for aviation, oil & gas and other special risks.

Operating results
The following is a summary of the Group and Company's operating results for the year ended 31 December 2013:

	Group		Company	
	2013	2012	2013	2012
	₦'000	₦'000	₦'000	₦'000
Profit/(loss) before taxation	**412,807**	(180,090)	**400,141**	152,275
Taxation charge	**(137,467)**	(74,934)	**(128,736)**	(59,372)
Profit/ (loss) after taxation	**275,340**	(255,024)	**271,405**	92,903
Transfer to statutory contigency reserve	**(127,791)**	(107,813)	**(111,553)**	(94,810)
Transfer to retained earnings for the year	**147,549**	**(362,837)**	**159,852**	(1,907)

DIRECTORS' REPORT (CON'TD)
FOR THE YEAR ENDED 31 DECEMBER 2013

Directors and their interests

The Directors' interests in the issued share capital of the Company as recorded in the register of members and as advised by the Company's registrars for the purposes of section 275 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange are as follows:

31 December 2013

Name of Director	Direct	Indirect	Total
Mr. Olusola Ladipo - Ajayi	28,004,324	-	28,004,324
Mrs. Aduke Modupeolu Thorpe	2,342,592	-	2,342,592
Dr. (Mrs.) Olutoyin Adebola Philips	6,083,734	-	6,083,734
Engineer Ashim Adebowale Oyekan	25,011,138	-	25,011,138
Chief (Dr.) Michael Olusegun Abraham	25,142,362	-	25,142,362
Mr. Babajide Wright	1,971,496	-	1,971,496

31 December 2012

Name of Director	Direct	Indirect	Total
Chief Edward Akin Leigh	7,398,717	-	7,398,717
Mr. Olusola Ladipo - Ajayi	28,004,324	-	28,004,324
Mrs. Aduke Modupeolu Thorpe	2,342,592	-	2,342,592
Dr. (Mrs.) Olutoyin Adebola Philips	6,083,734	-	6,083,734
Engineer Ashim Adebowale Oyekan	25,011,138	-	25,011,138
Chief (Dr.) Michael Olusegun Abraham	25,142,362	-	25,142,362
Mr. Babajide Wright	1,971,496	-	1,971,496

Chief (Dr.) Michael Olusegun Abraham is a representatve of Canon Property & Investments Limited which held 748,976,302 (2012 - 748,976,302) units of shares at December 31 , 2013

LASACO ASSURANCE PLC

DIRECTORS' REPORT (CON'TD)
FOR THE YEAR ENDED 31 DECEMBER 2013

Directors' interest in contracts
In accordance with section 277 of the Companies and Allied Matters Act, none of the Directors has notified the Company of any declarable interests in contracts or proposed contracts with the Company.

Retiring Directors
In accordance with Sectin 259 of Companies and Allied matters Act CAP C20 LFN 2004, Mrs. Aduke Thorpe and Dr. (Mrs) Phillips will retire by rotation and being eligible they offer themselves for re-election.

Share capital
The called-up and fully paid-up shares of the Company were beneficially held as follows at:
31 December 2013

	2013 Number of shares	Percentage	2012 Number of shares	Percentage
Canon Properties & Investment Ltd	**748,976,302**	**10.2**	748,976,302	10.2
IHL Ventures Limited	**627,000,000**	**8.5**	627,000,000	8.5
IHL Properties Limited	**625,000,000**	**8.5**	625,000,000	8.5
Ibile Holdings	**450,796,764**	**6.2**	450,796,764	6.2
Nigerian Citizens and Associations	**4,882,570,355**	**66.6**	4,882,570,355	66.6
	7,334,343,421	**100**	7,334,343,421	100

Analysis of shareholders
According to the register of members, no shareholder other than the ones mentioned above held more than 5% of the issued share capital of the Company as at 31 December 2013.

Donations
The Company made the following donations during the year:

	N
(1) National Orthopaedic Hospital Igbobi	**100,000**
(2) Chartered Insurance Institute of Nigeria	**250,000**
	350,000

Employment of disabled persons
The Company's recruitment and staff development policies and practices are non-discriminatory.

LASACO ASSURANCE PLC

DIRECTORS' REPORT (CON'TD)
FOR THE YEAR ENDED 31 DECEMBER 2013

Employee involvement and training

The Company ensures that employees are informed of matters concerning them through formal and informal fora with an appropriate two-way feedback mechanism. In accordance with the Company's policy of continuous development, in-house training is provided on various aspects of the organisation. In addition, employees are nominated to attend both local and international courses and workshops which are complemented by on-the-job trainings.

Health, safety at work and welfare of employees

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. The Company gives priority to the health and safety of its employees by ensuring that health and safety procedures are substantally complied with and maintained in its daily operations.

Acquisition of own shares

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

Post balance sheet events

There were no post balance sheet events which could have a material effect on the financial position of the Group as at 31 December 2013 and the profit attributable to equity holders on that date other than as disclosed in the financial statements.

Auditors

In line with regulatory requirements, Messrs Abayomi- Dosunmu & Co. will no longer serve the Company as Auditors. A resolution will be passed at this Annual General Meeting appointing new auditors.

By order of the Board

Morayo Akinkunmi
Company Secretary/Legal Adviser
FRC/2013/NBA/00000004107

9th May 2014

LASACO ASSURANCE PLC

DIRECTORS' REPORT (CON'TD)
FOR THE YEAR ENDED 31 DECEMBER 2013

Responsibilities of Directors

In accordance with provisions of the Companies and Allied Matters Act CAP C20 LFN 2004 and the Insurance Act CAP I17 LFN 2004 the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the group as at the year end and of its profit and loss account for the year then ended and comply with the requirements of both Acts.

These responsibilities include ensuring that:

(a) Adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and oth

(b) Proper accounting records are maintained

(c) Applicable accounting practices are followed

(d) Suitable accounting policies are used and consistently applied

(e) The financial statements are prepared on a going concern basis unless it is inappropriate to presume that
in business.

……………………………………… ……………………………

Olusola Ladipo-Ajayi **Babajide Wright**

FRC/2013/CIIN/000000001960 FRC/2013/CIIN/000000

MANAGEMENTS' COMMENT AND ANALYSIS
FOR THE YEAR ENED 31 DECEMBER 2013

For a deeper understanding of our strategy, and operational performance and also in compliance with regulatory requirements, we have outlined a Management's Comment and Analysis (MC &A) report as contained hereunder.

All financial information presented in this MC&A, including tabular amounts, is in Naira and is prepared in accordance with International Financial Reporting Standards ("IFRS").

To facilitate the understanding of the company's position, it is advised that the content of this MC&A be read in conjunction with the full audited annual consolidated financial statements as well as the accompanying notes.

Nature of Business
LASACO Assurance Plc's major activity is Insurance business. LASACO's business portfolio currently include leadership and significant share of key Federal and State Governments Insurance businesses, multinational and private companies underwritng businesses in major sectors of the economy, from heavy Engineering and Construction, Banking and Finance, Manufacturing, Agricuture, Tourism, Life covers to high- tech capital intensive special risks areas of Oil and Gas, and Aerospace. Our life outfit currently operates as a wholly owned subsidiary Company - LASACO Life Assurance Co. Limited.

Business Objective and Strategy
The company aims to be a market leader in Insurance and Financial Services in Nigeria. By this, the company's objective is to emerge as one of the top ten Insurance service providers in Nigeria by 2015.

To ensure this goal is achieved, LASACO Group's strategy is to broaden and align service delivery channels along customer segments taking cognizance of the difference between policy administration, product support and customer care to adequately cater for peculiar needs for each segment.

LASACO is set to be a strong, efficient, cost effective and transparent Insurance and Financial services solution provider, investing in business and market segments that consistently offer profitable growth, increase return on our capital, and sustain long term shareholders' value.

Quality Policy Statement
LASACO Assurance Plc is committed to delivering Insurance and Financial Services of Superior Quality, surpassing customers expectations and ensuring strict compliance with regulatory and statutory requirements.

We are committed to continually improving the effectiveness of our Quality Management System in line with ISO 9001 - 2008 Certification.

We establish measurable goals and objectives at departmental levels which we review as the need arises ensuring timely and effective implementation of company strategy.

Performance Indicators
Operating Result, Cash flow and Financial Condition (in thousands of Nigerian Naira)

	GROUP			COMPANY		
	2013	**2012**	**Change**	**2013**	**2012**	**Change**
	N'000	**N'000**	**%**	**N'000**	**N'000**	**%**
Gross written premium	**4,965,328**	4,437,541	12%	**3,341,515**	3,137,220	7%
Net premium income revenue	**3,609,619**	3,333,825	8%	**2,381,021**	2,380,018	0.0%
Underwriting profit	**1,400,338**	1,227,237	14%	**1,215,267**	1,436,326	-15%
Investment income	**309,307**	333,879	-7%	**151,273**	183,516	-18%
Operating expenses	**(1,732,317)**	(3,469,499)	50%	**(1,336,804)**	(3,189,802)	58%
Profit/(loss) before tax	**412,807**	(180,090)	329%	**400,141**	152,275	163%
EPS (k)	**4**	(3)	-233%	**4**	1	300%

The group was able to achieve a growth of 12% in gross written premium in 2013. Some of the strategies put in place have begun to yield some positive results.

Revenue and Underwriting Result: Some of the strategic moves impacted on the net premium income of N3.6 billion which represents an increase of N30 million over 2012 results.

The Group settled N2.417billion in claims and insurance benefits in 2013, an increase of N1.05billion over corresponding amounts settled in 2012. The underwriting result at the end of the year amounted to N1.4billion compared to N1.2 billion earned during the year ended 31 December 2012. An increase of 17%.

Operating Expenses: Operating expenses for the year amounted to N1.7billion representing a decrease of N1.74billion compared to prior year.

Profit before tax: The group moved from a loss position of N180m to a profit of N413m . This represents a growth of 329%.

Cash and Cash Equivalents: As at 31st December 2013, the Group had N3.088billion in the cash and cash equivalents, including short-term deposits of N2.8billion with maturity of not more than three months.

Liquidity, Capital Resources and Risk Factors

The Company's cash investment is in accordance with its investments policy and complies with the regulatory requirements. The company's investment strategy is influenced by a focus on highly liquid financial instruments such as term deposit, equity and debt instruments. At the end of December 2013, the Group had approximately N795 million invested in fixed income and N1.065billion in equity instruments.

Forward Looking Statements

Some aspects of the statement above will also apply to the company's future outlook. Reference to the Company's or Management's budget, estimates, expectations, forecasts, predictions or projections constitute aspect of the "forward-looking statements". Such statements may also be deduced from the use of conditional or forward-looking terminologies including but not limited to words such as "anticipates", "believes", "estimates", "expects", "may", "plans", "projects", "should", "will", or the adverse variants of such which appear within the body of this document.

Many factors and assumptions may affect the manifestation of the Company's projections, including, but not limited to, production rate, claims rate, employee turnover, relationships with brokers, agents and suppliers, economic and political conditions, non-compliance with laws or regulations by the Company's employees, brokers, agents, suppliers, and/or partners, and other factors that are beyond its control.

Without prejudice to the Company, such Forward Looking Statements reflect Management's current belief and are based on available information which are subject to risks and uncertainties as identified. Therefore, the eventual action and/or outcome could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes.

The forward-looking statements in this document reflect the Company's expectations as it was at the time the Company's Board of Directors approved this document, and are subject to change after this date. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER, 2013

TO MEMBERS OF LASACO ASSURANCE PLC

In compliance with the provisions of Section 359(3) to (6) of the Companies and Allied Matters Act (Cap C20) Laws of the Federation of Nigeria 2004, the Committee considered the Audited Financial Statements for the year ended 31 December 2013 together with the Management Control Report from the Auditors and the Group's responses to this report at its meeting held March 20, 2014.

In our opinion, the scope and planning of the audit for the year ended 31 December 2013 were adequate.

After due consideration, the committee accepted the report of the auditors that the financial statements were in accordance with ethical practice and generally accepted accounting principles and give a true and fair view of the state of the group's financial affairs.

The Committee reviewed Management's responses to the Auditors' findings in respect of Management Matters and the Auditors and our members are satisfied with management's responses thereto. On a review of insider/related party transactions, the Committee was satisfied with their status.

The Committee therefore recommended that the Audited Financial Statements of the Group for the year ended 31 December 2013 and the Auditors' Report thereon be presented for adoption at the Annual General Meeting.

The committee also approved the provision made in the Financial Statements in relation to the remuneration of the auditors

MR. MATTHEW AKINLADE
Chairman, Audit Committee
FRC/2013/ICAN/00000021111
9th May 2014.

MEMBERS OF THE AUDIT COMMITTEE ARE:

Mr. Mathew Akinlade	-	Chairman – Shareholders' Representative
Mrs. Abigail Olajide	-	Member – Shareholders' Representative
Mr. S. O. Ogunnowo	-	Member – Shareholders' Representative
Engineer A. A. Oyek	-	Member – Board's Representative
Dr. (Mrs.) T. Phillips	-	Member – Board's Representative
Mrs. Aduke Thorpe	-	Member – Board's Representative

LASACO ASSURANCE PLC

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LASACO ASSURANCE PLC

Report on the financial statements

We have audited the accompanying consolidated and separate financial statements of LASACO Assurance Plc (“the company”) and its subsidiary (together “the group”). These financial statements comprise the consolidated and separate statements of financial position as at 31 December, 2013 and the consolidated and separate income statements and statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors’ responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011 and for such internal control, as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor’s responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the company and the group as at 31 December, 2013 and of the financial performance and cash flows of the company and the group for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004,Nigerian Insurance Act and Financial Reporting Council of Nigeria.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LASACO ASSURANCE PLC

Report on other legal requirements

The Companies Allied Matters Act requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

The company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us.

The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Aramide Dosunmu
For: Abayomi- Dosunmu & Co.
Chartered Accountants
FRC/2013/ICAN/00000000665
Lagos, Nigeria

7 July 2014

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A 393292

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER, 2013

1. Reporting entity

LASACO Assurance Plc ("the Company") together with its subsidiary (collectively "the Group") is a public limited liability company domiciled in Nigeria. The address of the corporate office is Plot 16 Acme Road, Ogba, Ikeja. The company is principally engaged in the business of providing risk underwriting and related financial services to its customers, such services include provision of life and non–life insurance services for both corporate and individual customers.

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

The issuance of these Group consolidated financial statements were authorized by the Board of Directors on 25 March, 2014.

2. Going concern

These financial statement have being prepared on the going concern basis, the group has no intention or need to reduce substantially its business operations. The management believes that the group concern assumption is appropriate for the group due to sufficient capital adequacy ratio and projected liquidity. 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 operations of the group.

3. Basis of presentation

a) Statement of Complaince with International Financial Reporting Standards

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria and the Financial Reporting Council of Nigeria Act.

b)Functional and Presentation Currency

The financial statements are presented in Nigerian currency (Naira) which is the Group's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousands.

c) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following:

- Financial instruments are measured at fair value
- Investment properties are measured at fair value
- Building is carried at re-valued amount

d) Use Of Estimate and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER, 2013

1. Changes in accounting policy and disclosure

(a) New and amended standards adopted by the Group

Except for the changes below, the Group has consistently applied the accounting policies set out in note 3 to all periods presented in this financial statements.
The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards with a date of initial application of January 1, 2013.

- IFRS 10 Consolidated Financial Statements (2011)
- IFRS 12 Disclosure of Interest in Other entities
- IFRS 13 Fair Value Measurement
- Presentation of items of Other Comprehensive Income (Amendment to IAS 1)
- IAS 19 Employee Benefits (2011)

(i) Subsidiaries – As a result of IFRS 10, the group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates other entities. IFRS 10 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10, the Group re-assessed its control conclusions as of January 01, 2013 and this did not result in any change from the conclusion reached in prior year. The change in accounting policy did not have material impact on the Group financial statements.

(ii) Interest in other entities - As a result of IFRS 12, the Group has expanded disclosures about its interest in subsidiaries.

(iii) Fair value measurement - In accordance with the transitional provision of IFRS 13, the group has applied the new definition of fair value. The change has no significant impact on the measurement of the Group assets and liabilities, but Group has included new disclosure in the financial statements which are required under IFRS 13.

(iv) Presentation of items of other comprehensive income–As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its statement of profit or loss and other comprehensive income, to present items that would be reclassified to profit or loss in the future separately from those that would never be. Comparative information has been re- presented on the same basis.

(v) Post employee benefits - As a result of IAS 19, the Group has changed its accounting policy with respect to the basis for determining the income or expenses related to its defined plans.

Under IAS 19, the Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then net defined benefit liability taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. The change does not have a material impact on the Group’s financial statements.

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(a) New and amended standards and interpretations not yet adopted by the Group

As at December 31, 2013 a number of standards and interpretations, and amendments thereto, had been issued by the IASB which are not yet effective for these consolidated financial statements. None of these standards is expected to have a significant effect on the consolidated financial statement of the group, except the following set out below:

(i) IFRS 9 Financial Instruments – Classification and Measurement (effective January 1, 2015)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial asset. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and new requirements to address the impairment of financial assets and hedge accounting.

The IFRS 9 (2009) requirements represent a significant change from the existing in IAS 39 in respect of financial assets. The standard contains two primary measurement categories of financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale, loans and receivables. For an investment in equity instrument which is not Held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share by share basis to present all fair value changes from the investment in other comprehensive income.
No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investment are recognized in profit or loss, rather than other comprehensive unless they clearly represent a partial recovery of the cost of the investments. Investments in equity instrument in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in profit or loss.

(ii) Amendments to IAS 32 – Financial Instruments: Presentation (effective January 1, 2014)

The IASB has issued amendments to the application guidance in IAS 32, ‘financial instruments: Presentation’ that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statements of financial position continue to be different from Generally, Accepted Accounting Practice in the United State of America.

(c) New standards and amend issued and effective for the financial year beginning January 1, 2013 and has no impact on the financial statement of the Group

Standard	Content	Applicable for financial year beginning/after
IFRS 1	First time adoption of IFRS	01-Jan-13
IAS 1	Presentation of financial statements	01-Jan-13
IAS 16	Property, plant and equipment	01-Jan-13
IAS 34	Interim financial reporting	01-Jan-13
IFRIC 20	Stripping costs in the production phase of a surface mine.	01-Jan-13

IFRS 1 First time adoption of IFRS (Amendment)

The amendment clarifies that an entity may apply IFRS 1 more than once under certain circumstances and that an entity can choose to adopt IAS 23, 'Borrowing costs', either from its date of transition or from an earlier date. Lastly the amendments clarify that a first-time adopter should provide the supporting notes for all statements presented.

IAS 1 Presentation of financial statements (Amendment)

The amendment clarifies the disclosure requirements for comparative information when the entity provides a third statement of financial position either: as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors', or voluntarily. In addition the standard also requires a disclosure of items in other comprehensive income that will be transferred to the profit or loss statement and those that would not be transferred.

IAS 16 Property, plant and equipment (Amendment)

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather that inventory when they meet the definition of property, plant and equipment.

IAS 34 Interim financial reporting (Amendment)

The amendment brings IAS 34 into line with the requirements of IFRS 8, 'Operating segments'. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the CODM and there has been a material change in those measures since the last annual financial statements.

IFRIC 20 Stripping costs in the production phase of a surface mine (Amendment)

In surface mining operations, entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. The interpretation clarifies there can be two benefits accruing to an entity from stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The interpretation considers when and how to account separately for these two benefits arising from the stripping activity, as well as how to measure these benefits both initially and subsequently.

1. Consolidation

The Group defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statement.

The Group controls an investee entity when it is expected, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the investee entity. The Group applies the following three elements of control as set out the principle of control in assessing control of an investee:

(a) Power over the investee entity
(b) Exposure, or rights, to variable returns from involvement with the investee entity, and
(c) the ability to use power over the investee to affect the amount of the investor's returns.

Subsidiaries

Subsidiaries are all entities (including special purpose entities and other structured entities) over which the Group exercise control.

The financial statements of subsidiaries are consolidated from the date the Group acquires control up to the date that such effective control ceases. Subsidiaries are entities 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 transaction (transaction with owner). Any difference between the amount by which the non – controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Group.

Intra-Group balances and transactions and any unrealized gains or losses arising from intra-Group transactions are eliminated in preparing the Group financial statements but only to the extent that there is no evidence of impairment.

(i) Changes in ownership interests in subsidiaries without change in controls

Transactions with non- controlling interests that do not result in loss of control are accounted for as equity transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non- controlling interest are also recorded in equity.

(ii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

6. Segment Reporting

Management has determined the operating segments based on the report reviewed by the strategic steering committee that are used to make strategic decisions.

All operating segments used by management meet the definition of a reportable segment under IFRS 8. The Group is organized on a worldwide basis into five operating segments.

The segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable operating segments by products lines consistent with the report used by the strategic steering committee.

7. Foreign currency translations

a) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in thousand of naira which is the Group's presentation currency.

b)Transaction and balances

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

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the income statement within finance income or cost. All other foreign exchange gains and losses are presented in the income statement within other 'operating income' or 'other operating expenses'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognised in profit or loss, other change in carrying amount is recognised in 'other comprehensive income'.

Non-monetary assets and liabilities carried at fair value are translated to functional currency at the exchange rates ruling at valuation date. Non-monetary assets and liabilities carried at historic cost are translated to functional currency at the exchange rates ruling at the date of initial recognition. Exchange differences arising on the settlement of transactions or the translation of working capital assets and liabilities are recognised in the statement of comprehensive income as financial services income.

8. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position. For the purpose of the consolidated cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

9. Financial assets

The Group classifies its financial assets into the following categories: Held to maturity, Loans and receivables and available for sale.

Classification:

(i) Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held to maturity when the group has the positive intention and ability to hold until maturity other than:

- those the that the Group upon initial recognition designates as at fair value through profit or loss
- those that the Group designates as available for sale: and

those that meet the definition of loans and receivables

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(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted ir

- those the Group intends to sell in the short term which are declassified as fair value through profit or loss and those the Group upon initial recognition designates as at fair value through profit or loss
- those the Group upon initial recognition designates as Available for sale
- those for which the holder may not recover substantially all of its investment other than because of credit risk.

They include:

(a) Trade Receivables – These are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. After initial recognition they are measure at amortized cost using the effective interest method less impairment. Discounting is omitted where the effect of discounting is immaterial.

(b) Reinsurance and co- insurance receivables – The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Reinsurance arrangements do not relieve the Company from its direct obligations to its policy holders.

(c) Other receivables – Other receivables are made up of prepayments and other amounts due from parties which are not directly linked to insurance or investment contract.

(iii) Available for Sales

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

10 Recognition and de-recognition

Financial instruments are recognized when group becomes party to a contractual arrangement that constitutes a financial assets or financial liability for the group.

Financial assets are derecognized when the contractual right to receive the cash flows expire or when the asset is transferred. Financial liabilities are derecognized when the obligation to deliver cash or other resources in terms of the contract is discharged, cancelled or expires.

Held to maturity

These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transactions costs directly attributable to acquisition are also included in the cost of investment. After initial measurement, held to maturity financial assets are measured at amortized cost, using the effective interest rate method, less impairment. Gains and losses are recognised in the income statement when investments are de-recognised or impaired.

Loans and receivables

These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized cost, using the effective interest rate method (EIR) less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Gains and losses are recognised in the income statement when the investments are de-recognised or impaired.

Available-for-sale financial assets

After initial measurement, available-for-sale financial assets are subsequently measured at fair value. The fair values for quoted instruments in active markets are based on current bid price. The fair value of unquoted equities and other instruments for which there is no active market are established using valuation techniques corroborated by independent third parties. These inputs may include reference to the current fair value of other instruments that are substantially similar in terms of underlying cash flows and risks characteristics. Available for sale equity instruments for which fair value cannot be reliably determined are carried at cost less impairment allowance, if any.

Unrealized gain and losses arising from changes in the fair value are recognised in other comprehensive income while the investment is held and are subsequently transferred to the income statement upon sale or de-recognition of the instrument. When available for sale instrument are impaired, the result of loss is recognised immediately in the state of profit or loss.

Dividends received are recognised in the income statement when the Group's right to such payment has been established.

11 Impairment of Assets

a) Financial asset carried at amortized cost

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Objective evidence of impairment may include the following indications:

- the debtors or a group of debtors is experiencing significant financial difficulty
- default or delinquency in interest or principal payments
- the probability the debtor will enter bankruptcy or
- other financial re-organization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in payment status or economic conditions that correlate with defaults.

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

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a held-to- maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

When the financial asset at amortized cost is uncollectible, it is written off against the related allowance for impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to Investment securities are classified as net gains/loss of financial assets while those on receivables are classified as operating expenses.

b) Assets Classified As Available for Sale

In the case of equity investment classified as available for sale, a significant decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. The cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognized in profit or loss is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

12 Impairment of Other non-Financial Assets

Assets that have indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow.

13 Offsetting Financial Instruments

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

14 ReInsurance Contracts

Reinsurance contracts are contracts entered into with reinsurers under which the Group is compensated for losses on one or more long-term policy contracts issued by the group. The expected claims and benefits to which the group is entitled under these contracts are recognised as reinsurance assets.

15. Deferred expenses

Deferred Acquisition cost (DAC) refers to direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts. These costs are deferred with the expectation that these costs are recoverable out of future premiums. All other acquisition costs are recognised as an expense when incurred. Subsequent to initial recognition, deferred acquisition costs for life insurance business are amortized over the expected life of the contracts as a constant percentage of expected premiums. DAC for general insurance business is amortized over the period in which the related revenues are earned. 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 recognised in the income statement. Deferred acquisition cost is also considered in the liability adequacy test for each reporting period. DAC is derecognised when the related contracts are either settled or disposed of.

16 Prepayments

Prepayments are carried at cost less accumulated impairment losses.

17. Investment Properties

Investment properties comprise properties held to earn rental income and/or for capital appreciation. Investment properties are initially measured at cost and subsequently carried at fair value based on valuators hired by the group. Investment properties are revalued with sufficient regularity by external professional. The valuators value is determined by discounting expected future cash flows at appropriate market interest rates. Changes in fair value of investment properties are recognised in the statement of comprehensive income as investment surplus. When investment properties become owner-occupied, the group reclassifies them to owner-occupied properties at a deemed cost equal to the fair value of properties at the date of reclassification. The difference between the carrying value and fair value of the properties at the date of reclassification to investment properties is recognised directly in equity as a revaluation surplus. Investment properties are derecognised when they have either been disposed of or when they are permanently withdrawn from use and no future benefit is expected from their disposal.

18. Property and Equipment

Property, plant and equipment are reflected at their depreciated cost prices less provisions for impairment in value, where appropriate. Depreciation is recognised in net income and is provided for on a straight-line basis, taking into account the residual value and estimated useful lives of the assets as follows:

Building	50 Years
Furniture and Equipment	5 Years
Motor Vehicle	4 Years

If the expected residual value is equal or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate. Cost prices include costs directly attributable to the acquisition of property and equipment, as well as subsequent expenditure when it is probable that the future economic benefits associated with the item will flow to the group and the expenditure can be measured reliably. Property and equipment are derecognised at disposal date or at the date when it is permanently withdrawn from use being ineligible to dispose of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in the income statement.

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Owner-occupied property

Owner-occupied property is property held for use in the supply of services or for administration purposes. The properties are valued at carrying amount less depreciation and provision for impairment in value, where appropriate. The carrying amount is based on the cost of properties classified as owner-occupied on date of acquisition and fair value at the date of reclassification in instances where properties are reclassified from investment properties to owner-occupied properties. Depreciation is provided for on a straight basis by taking into account

The residual values, estimated useful lives of the owner-occupied properties and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate. If the expected residual value is equal or greater than the carrying value, no depreciation is provided for. When owner-occupied properties become investment properties, they are reclassified to investment properties at the fair value of properties at the date of reclassification.

The difference between the carrying value and fair value of the properties at the date of reclassification is recognized directly in other comprehensive income as a revaluation surplus. Owner-occupied property is de-recognized at disposal date or at the date when it is permanently withdrawn from use being ineligible to dispose of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognized in the income statement

17. Statutory deposit

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act,2003. Statutory deposit is measured at cost.

20 Intangible Assets

Intangible assets represent cost associated with the acquisition of software and inherent goodwill on business combination.

(i) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

It is technically feasible to complete the software product so that it will be available for use;

- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product ar
- The expenditure attributable to the software product during its development can be reliably measured."

Directly attributable costs that are capitalized as part of the software product include the software development, employee costs and an directly attributable

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortized over their useful lives, which does not

(ii) Good will

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairments is recognised immediately as an expense and is not subsequently reversed.

21 Insurance Contracts

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.

(a) Types of Insurance Contracts

The Group classify insurance contracts into Life and Non – Life Insurance contracts

(i) Non – Life Insurance contracts

These are accident, property and casualty insurance contracts.

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

for the value of property lost. Customers who
by the inability to use the insured properties
in their business activities (business interruption cover).

Non- life insurance contracts protect 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 dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.
(ii) Life insurance contracts

This contract insures event associated with human life.

(b) Recognition and measurement

(i) Non- life insurance contract premium and claims
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 and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the 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

(ii) Life insurance contract premium and claims
Premiums are recognised as revenue when they become payable by the contract holders. Premium is shown before deduction of commission.

Claims and other benefits are recorded as an expense when they are incurred.

(iii) Salvage
Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right). Salvage recoveries are used to reduce the claim expense when the claim is settled.

(iv) Subrogation

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

(v) Receivable and payables relating to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

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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.

22 Investment Contract

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unitised funds are measured at fair value. Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as liabilities. Interest accruing to the life assured from investment of the savings is recognized in the profit and loss account in the year it is earned while interest paid and due to

23 Technical Reserves

These are computed in compliance with provision of Section 20,21 and 22 of the Insurance Act 2003 as follows:

(a) General Insurance contracts

Reserve for unearned premium

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

Reserve for outstanding claims

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

Reserve for Unexpired risks.

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

(b) Life Insurance contract

Life fund

This made up of net liabilities on policies in force as computed by the actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in the statement of profit or loss.

The reserves include Incurred But Not Report (IBNR) and unearned premium.

Liability Adequacy Test

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

The provisions of the Insurance Act 2003 requires an actuarial valuation for life reserves only however, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves.

24 Trade and Other Payables

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

25 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

26 Current and Deferred Income Tax

Income Taxes

Taxation in the income statement is based on profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior years.

Deferred Taxes

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the related deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which these temporary differences can be utilized.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER, 2013

27 Share Capital and Share Premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds net of tax.

28 Contingency Reserves

(a) Non-Life Business

In accordance with section 20(1) of insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the profits. This shall be accumulated until it reaches the amount of the greater of minimum paid-up capital or 50 percent of net premium.

(b) Life Business

In accordance with section 22(1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

29 Earnings Per Share

Basic earnings per share (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.

30 Dividend

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

31 Contingent Liabilities

These are Possible obligations of the Group, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the group and present obligations of the Group where it is not probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably, which are not recognised in the group's statement of financial position but are disclosed in the notes to Possible assets of the Group, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control or the group, are not recognised in the Group's statement of financial position and are only disclosed in the notes to the financial

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER, 2013

32 Revenue Recognition

Revenue comprises the fair value for services, net of value added tax. Revenue is recognized as follows

(a) Gross Premiums

Gross premiums on life and non-life are recognised as revenue when payable by the policy holder. For single premium business, revenue is recognised on the date on which the policy is effective.

Gross general insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the component policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of businesses written in prior accounting periods.

(b) Dividend Income

Dividend income for available- for- sale equities is recognised when the right to receive payment is established. This is the ex-dividend date for equity securities.

(c) Deficit and Surplus on Actuarial Valuation

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising there from are charged to the profit or loss account while the surplus is appropriated to the shareholders and credited to the income statement.

(d) Fees and Commission Income

Reinsurers and other insurance companies 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 for services provided in future periods, then they are deferred and recognised over those future periods.

(e) Investment Income

Investment income includes interest, rental and dividend income received. Interest income is accounted for on a time proportionate basis that takes into account the effective yield on the asset and includes the net income earned from short term investments. Rental income on operating lease is recognised on a straight-line basis over the lease term.

33 Finance Cost

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

34 Reinsurance Expenses

Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

35 Underwriting Expenses

This is made up of acquisition cost and maintenance expenses. Acquisition cost comprises all direct and indirect cost arising from the writing of insurance contracts. Examples of these costs include but not limited to, commission expense, supervisory levy and other technical expenses. Maintenance expenses are those incurred in servicing existing contract/policies. These expenses are charged n the accounting year in which they are incurred.

36 Other Operating Expenses

Other operating expenses include wages, professional fees, depreciation expenses etc. Other expenses are accounted for on accrual basis and recognized in the income statement upon the utilization of the service.

37 Pension benefit obligation and other post- employment benefits

The Group operates a contributory pension scheme for eligible employees. Employees and the Employer contribute 7.5% each of the qualifying staff salaries in line with the provisions of the Pension Reform Act 2004.

LASACO ASSURANCE PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
	Note	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	8	**3,088,378**	3,591,189	**568,843**	969,296
Financial assets	9	**2,624,118**	1,633,253	**1,954,094**	1,088,655
Trade receivables	10	**27,807**	774,211	**-**	593,833
Reinsurance assets	11	**3,253,969**	1,841,513	**2,605,651**	1,420,577
Other receivables	12	**545,223**	383,941	**505,303**	348,697
Deferred acquisition cost	13	**52,155**	66,523	**52,155**	66,523
Investment in subsidiary	14	**-**	-	**2,000,000**	2,000,000
Investment properties	15	**2,755,740**	2,461,000	**2,672,825**	2,461,000
Property and equipment	17	**565,348**	586,630	**534,335**	543,620
Statutory deposit	18	**500,000**	500,000	**300,000**	300,000
Total assets		**13,412,738**	**11,838,260**	**11,193,206**	**9,792,201**
LIABILITIES					
Investment contract liabilities	19	**1,048,148**	994,930	**-**	-
Insurance contract liabilities	20	**5,065,707**	4,073,335	**3,778,683**	2,845,199
Trade payables	21	**226,882**	237,451	**27,113**	36,392
Deffered commission income	22	**91,992**	60,008	**60,657**	60,008
Other payables	23	**189,645**	65,273	**776,819**	771,003
Deferred tax liabilities	16	**145,862**	110,526	**139,934**	105,235
Employee benefit liabilities	24	**565,665**	528,777	**457,268**	417,884
Current income tax liabilities	25	**202,919**	170,604	**153,812**	129,591
Total liabilities		**7,536,820**	6,240,904	**5,394,286**	4,365,312
EQUITY					
Issued share capital	26a	**3,667,172**	3,667,172	**3,667,172**	3,667,172
Share premium	26b	**940,612**	940,612	**940,612**	940,612
Contingency reserve	26c	**858,608**	730,817	**796,292**	684,739
Revaluation reserve	26d	**493,052**	469,052	**493,052**	469,052
Fair value reserve	26e	**351,778**	372,556	**289,582**	212,955
Retained earnings	26f	**(435,304)**	(582,853)	**(387,790)**	(547,642)
Shareholders' Funds		**5,875,918**	5,597,356	**5,798,920**	5,426,888
Non controlling interest		**-**	-	**-**	-
		5,875,918	**5,597,356**	**5,798,920**	**5,426,888**
Total Liabilities and Equity		**13,412,738**	**11,838,260**	**11,193,206**	**9,792,201**

Approved by the Board of Directors on March 25, 2014

Akinwale Sofile	Babajide Wright	Olusola Ladipo Ajayi
Chief Financial Officer	Executive Director	Group Managing Director (CEO)
FRC/2012/ICAN/00000000494	FRC/2013/CIIN/00000004388	FRC/2013/CIIN/00000001960

The accounting policies on pages 15 to 32 and the accompanying notes on pages 37 to 84 form part of these financial statements.

LASACO ASSURANCE PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
	Note	N'000	N'000	N'000	N'000
Gross premiums written		**4,965,328**	4,437,541	**3,341,515**	3,137,220
Unearned premium		**376,911**	23,111	**376,911**	23,111
Gross insurance premium earned		**5,342,239**	4,460,652	**3,718,426**	3,160,331
Reinsurance expenses		**(1,732,420)**	(1,126,827)	**(1,337,405)**	(780,313)
Net insurance premium earned	27	**3,609,819**	3,333,825	**2,381,021**	2,380,018
Fees and commission income	28	**599,155**	**390,330**	**499,928**	**303,264**
Net underwriting income		**4,208,974**	3,724,155	**2,880,949**	2,683,282
Claims expenses (net)	29	**1,880,448**	1,945,339	**979,729**	908,481
Underwriting expenses	32	**923,028**	495,258	**685,953**	338,475
Total underwriting expenses		**2,803,476**	2,440,597	**1,665,682**	1,246,956
Underwriting profit		**1,405,498**	1,283,558	**1,215,267**	1,436,326
Profit/(loss) on investment contract	34	**21,904**	(56,321)	-	-
Investment income	35	**309,307**	333,879	**151,273**	183,516
Realised gain/(loss) on financial assets	36	**75,414**	35,301	**59,778**	33,913
Other income	37	**360,065**	1,692,993	**310,627**	1,688,322
Other operating and administrative expenses	38	**(1,759,381)**	(3,469,499)	**(1,336,804)**	(3,189,802)
Profit/(loss) before taxation		**412,807**	(180,090)	**400,141**	152,275
Taxation	25	**(137,467)**	(74,934)	**(128,736)**	(59,372)
Profit/(loss) after taxation		**275,340**	(255,024)	**271,405**	92,903
Other comprehensive income					
Items that are or may be classified to profit or loss:					
Net fair value gain on available for sale financial assets	26e	**(20,778)**	270,547	**76,627**	163,574
Items that will not be classified to profit or loss:					
Revaluation gain on property and equipment	26d	**24,000**	34,000	**24,000**	34,000
Total comprehensive income for the year		**278,562**	**49,523**	**372,032**	**290,477**
Profit attributable to:					
Owner of equity		**278,562**	49,523	**372,032**	290,477
Non controlling interest		**-**	-	**-**	-
		278,562	**49,523**	**372,032**	**290,477**
Earnings per share(kobo)	40				
- Actual		**4**	(3)	**4**	1
- Adjusted		**4**	(3)	**4**	1

The accounting policies on pages 15 to 32 and the accompanying notes on pages 37 to 84 form part of these financial statements.

LASACO ASSURANCE PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Share capital N'000	Share premium N'000	Revaluation reserve N'000	Faire value reserve N'000	Contingency reserve N'000	Retianed earnings N'000	Total equity N'000
GROUP							
Balance as at 1 January 2013	3,667,172	940,612	469,052	372,556	730,817	(582,853)	5,597,356
Total other comprehensive income for the year	-	-	-	(20,778)	-	-	(20,778)
Transfer from (to) retained earnings	-	-	-	-	-	275,340	275,340
Transfer to revaluation reserve			24,000	-	-	-	24,000
Transfer to contingency reserve	-	-	-	-	127,791	(127,791)	-
Transaction with owner of business:							
- Dividend	-	-	-	-	-	-	-
- Issue of share capital	-	-	-	-	-	-	-
Balance as at 31 December 2013	**3,667,172**	**940,612**	**493,052**	**351,778**	**858,608**	**(435,304)**	**5,875,918**
COMPANY							
Balance as at 1 January 2013	3,667,172	940,612	469,052	212,955	684,739	(547,642)	5,426,888
Total other comprehensive income for the year	-	-	-	76,627	-	-	76,627
Transfer from (to) retained earnings	-	-	-	-	-	271,405	271,405
Transfer to revaluation reserve	-	-	24,000	-	-	-	24,000
Transfer to contingency reserve	-	-	-	-	111,553	(111,553)	-
Transaction with owner of business:							
- Dividend	-	-	-	-	-	-	-
- Issue of share capital	-	-	-	-	-	-	-
Balance as at 31 December 2013	**3,667,172**	**940,612**	**493,052**	**289,582**	**796,292**	**(387,790)**	**5,798,920**

LASACO ASSURANCE PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
Cash flow from operating activities					
Premium received from policy holders		4,676,187	4,830,084	3,127,185	3,437,692
Reinsurance receipts in respect of claims		(2,864,562)	331,213	(2,368,798)	48,806
Reinsurance cost		(1,732,420)	(1,126,827)	(1,337,405)	(780,313)
Cash paid to and on behalf of employees		(619,928)	(667,482)	(503,787)	(574,482)
Other operating cash payments/receipts		3,488,789	(2,842,372)	2,519,997	(3,142,175)
Claims paid		(2,417,615)	(1,365,229)	(979,729)	(334,725)
Tax paid		(69,816)	-	(69,816)	-
Net cash provided by operating activities	44	460,635	(840,613)	387,647	(1,345,197)
Cash flow from investing activities					
Purchase of property and equipment	17	(97,124)	(202,316)	(88,175)	(175,561)
Improvement to investment properties		(9,215)	-	(9,215)	-
Sale of property and equipment		40,882	32	37,310	32
Purchase of investment properties		(82,915)	-	-	-
Sale of investment properties		-	61,250	-	61,250
Purchase of bond		(230,000)	(315,000)	(25,000)	(100,000)
Change in held to maturity - fixed deposit		(779,924)	-	(779,924)	-
Dividend received		52,536	54,034	43,656	54,034
Interest received		142,314	102,164	33,248	102,164
Net cash provided by investing activities		(963,446)	(299,836)	(788,100)	(58,081)
Cash flow from financing activities					
Interest on overdraft					
Issue of share capital		-	-	-	-
Net cash used in financing activities		-	-	-	-
Net increase/(decrease) in cash and cash equivalents		(502,811)	(1,140,449)	(400,453)	(1,403,278)
Cash and cash equivalents at the beginning of the year		3,591,189	4,731,638	969,296	2,372,574
Cash and cash equivalents at the end of the year		**3,088,378**	**3,591,189**	**568,843**	**969,296**
Represented by:					
Cash and cash equivalents		**3,088,378**	**3,591,189**	**568,843**	**969,296**

LASACO ASSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. General information

LASACO Assurance Plc was incorporated on 20th December, 1979. The group commenced operations on 1st August, 1980. In LASACO Group, we transact all classes of Insurance businesses, in addition to conducting Real Estate Business and High Impact Financial Services.

The combined authorized share capital in the Group is in excess of ₦5 billion with a paid-up share capita

The Group business plans, programs and processes have equally undergone major upgrades and modernization to enhance our efficiency, competitiveness, and earning capacity. LASACO client cuts across all sectors of the economy, and in the last few years, made significant inroad in the Oil and Gas and Public Sectors, where we lead some major insurance businesses.

LASACO Assurance Plc vision is to transform and grow the LASACO Group into a World-Class Financial Services Mega Group.

The issuance of these Group consolidated financial statements were authorized by the Board of Directors on March 25, 2014

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are disclosed on pages 15 – 32.

These policies have been consistently applied to all the years presented unless otherwise stated.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(A) Fair Value of Financial Assets

(i) Financial assets at fair value through profit or loss

This includes financial assets held for trading. Investments typically bought with the intention to sell in the near future are classified as held for trading; these investments are initially recorded at fair value and are subsequently re-measured at fair value. Fair value adjustments and realized gains and losses are recognized in the income statement. The group evaluates its financial assets at fair value through profit and loss (held for trading) when there is an intent to sell them in the nearest future. When the group is unable to trade these financial assets due to inactive markets and management intent to sell them in the foreseeable future significantly changes, the group may elect to reclassify these financial assets to loans and receivable, available-for-sale or held to maturity depending on nature of the asset.

ii Available-for-sale Financial Assets

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

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

iii Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized cost, using the effective interest rate method (EIR) less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Gains and losses are recognised in the income statement when the investments are derecognised or impaired.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CON'TD)

iv Held to Maturity Financial Assets

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held to maturity when the group has the positive intention and ability to hold until maturity. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment.

All transactions costs directly attributable to acquisition are also included in the cost of investment. After initial measurement, held to maturity financial assets are measured at amortised cost, using the effective interest rate method, less impairment. Gains and losses are recognised in the income statement when investments are derecognised or impaired.

(B) Impairment of Financial Assets

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

(C) Valuation of Investment Contract Liabilities

Unitised investment contract fair values are determined by reference to the values of the assets backing the liabilities, which are based on the value of the unit-linked fund. Non-unitised investment contract fair values are determined by using valuation techniques, such as discounted cash flow methods and stochastic modelling. A variety of factors are considered in these valuation techniques, including time value of money, volatility, policyholder behaviour, servicing cost and fair values of similar instruments.

Certain incremental acquisition costs and sales enhancements that are directly attributable to securing an investment management service are also deferred and recorded in deferred expenses. These deferred costs are amortized over the period in which the service is provided.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CON'TD)

(D) Valuation of Employee Benefits Liability

The valuation assumptions fall under two broad categories.

- Financial Assumptions
- Demographic Assumptions

Financial Assumptions

Long Term Average	31.12.2013	31.12.2012
Discount Rate (p.a)	13%	13.50%
Rate of Salary Increase (p.a)	12%	12%
Rate of Inflation (p.a)	9%	10%

In order to measure the liability, the projected benefit was discounted to a net present value as at the current balance sheet date, using an interest assumption (called the discount rate).

The discount rate is determined on the balance sheet date by reference to market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate is based on market yields on Government bonds) the discount rate therefore reflect the duration of the liabilities of the benefit programme.

The weighted average liability duration for the plan is **9.47**years. The average weighted duration of the longest Nigerian Government bond as at 31st December, 2013 was 6.63 years with a gross redemption yield of 13.25%. That is the benefit liability term is longer than equivalent risk free assets – the longer term introduces uncertainty – which could be reflected in higher yield.

A discount rate of 13.5% has been adopted for the current valuation.

Salaries on average, in the long term, have been assumed to increase at a rate of 3% above inflation.

Demographic Assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK. This has been rated down by one year to more accurately reflect mortality in Nigeria.

Sample age	Number of deaths in a year of age out of 10,000 lives
25	7
30	7
35	9
40	14
45	25

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CON'TD)

Withdrawal from Service

Age Band			Rate
Less than or equal to		30	6.0%
31	-	39	5.0%
40	-	44	3.0%
45	-	55	1.0%
56	-	60	0.0%

(E) Deferred Tax Liabilities

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the related deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which these temporary differences can be utilized.

(F) Premium Receivables

They are initially recognized at fair value and subsequently measured at amortized cost less provision for impairment. A provision for impairment is made when there is an objective evidence that the company will not be able to collect all the amount due under the original terms of the invoice. Allowances are made based on the impairment model which considers the loss given default for each customer, probability of default for the sector which the customer belongs and emergence period which serve as an impairment trigger based on the age of the debt. Any debt that is over 30 days in this instance is considered impaired.

(G) Liabilities Arising From Insurance Contracts

(i) Claims arising from no-life insurance contracts:

Liabilities for unpaid claims are estimated on case by case basis. The reserve made for claims fluctuate base on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and which reserve the Group deems adequate.

(ii) Liabilities arising from Life Insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract been written. Management makes various assumptions such as expenses, inflation, interest rate, mortality, and further mortality improved in estimating the required reserves for life contracts.

4 RISK MANAGEMENT FRAMEWORK (CON'T D)

The operations of the Company are subject to regulatory requirements within Nigeria. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive reserves (e.g., contingency reserve, limits on recognition of revaluation reserves for solvency purposes and distribution to shareholders of actuarial surpluses) to minimise the risk of default and insolvency on the part of insurance companies and to meet unforeseen liabilities as they arise.

The principal technique of the Company’s Assets and Liabilities matching ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Company’s ALM is integrated with the management of the financial risks associated with the Company’s other financial assets and liabilities not directly associated with insurance and investment liabilities. An integral part of the insurance risk management policy is to ensure, in each period, sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Company’s net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet obligations assumed under such reinsurance agreements. The Company’s placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. The company’s retention limit is presently =N=10million on any one life (Subject to change from time to time).

Underwriting risk appetite is defined based on underwriting objectives, business acceptance guidelines, retention guidelines, net retention capacity, annual treaty capacity, regulatory guidelines, other operational considerations and the judgement of the board and senior management.

Each year, as part of the planning process, the Executive Risk Management (ERM) committee and senior management review the underwriting strategy of core insurance businesses taking into account profit, growth and risk appetite considerations. The review is carried out for each major class of business and approved by the committee.

RISK MANAGEMENT FRAMEWORK (CON'T D)

Life insurance contracts
Life insurance contracts offered by the Company include: whole life and term assurance; Whole life and term assurance are conventional regular premium products whereas lump sum benefits are payable in the event of death or permanent disability.
Death benefits of endowment products are subject to a guaranteed minimum amount. The maturity value usually depends on the investment performance of the underlying assets.

- Mortality risk – risk of loss arising due to policyholders' death experience being different from expected;
- Morbidity risk – risk of loss arising due to policyholder health experience being different from expected;
- Longevity risk – risk of loss arising due to the annuitant living longer from expected;
- Investment return risk – risk of loss arising from actual returns being different from expected;
- Expense risk – risk of loss arising from expense experience being different from expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different from expected.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured or by industry.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Company's wide reinsurance limit of N10,000,000 (ten million naira) on any single life insured is in place.
The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely or to exercise guaranteed annuity options. As a result, the amount of insurance risk is also subject to contract holders' behaviour.

Key assumptions
Material judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

RISK MANAGEMENT FRAMEWORK (CON'T D)

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

- **Mortality and morbidity rates**

  Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

  An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

- **Longevity**

  Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate but not excessive prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

  An increase in longevity rates will lead to an increase in the number of annuity payments made, which will increase the expenditure and reduce profits for the shareholders.

- **Investment return**

  The weighted average rate of return is derived based on a model portfolio that assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

  An increase in investment return would lead to a reduction in expenditure and an increase in profits for the shareholders.

- **Expenses**

  Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

  An increase in the level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

- **Lapse and surrender rates**

  Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

  Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.

  A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

RISK MANAGEMENT FRAMEWORK (CON'T D)

Non–life insurance contracts (which comprise general insurance)

The Company principally issues the following types of general insurance contracts: motor, fire, marine and aviation, Oil and Gas, General Accidents, bonds etc.
Risks under non–life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer term claims that take some years to settle, there is also inflation risk. For healthcare contracts the most significant risks arise from lifestyle changes, epidemics and medical science and technology improvements.
These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., flood damage)
.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophies based on the Company's risk appetite as decided by the Board. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 40% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

RISK MANAGEMENT FRAMEWORK (CON'T D)
TABLE 1

The table below sets out the concentration of non–life insurance contract liabilities by type of contract:

	31-Dec-13			31-Dec-12		
	Gross liabilities	Reinsurance liabilities	Net liabilities	Gross liabilities	Reinsurance liabilities	Net liabilities
	N'000	N'000	N'000	N'000	N'000	N'000
Motor	137,736	10,192	127,544	171,980	-	171,980
Fire	420,105	188,513	231,592	249,266	17,984	231,282
General accident	1,001,439	554,510	446,929	349,798	4,214	345,584
Marine and aviation	65,331	4,691	60,640	117,888	199	117,689
Oil and gas	2,154,072	924,939	1,229,133	1,956,267	696,208	1,260,059
Total	3,778,683	1,682,845	2,095,838	2,845,199	718,605	2,126,594

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one–off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures.

Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement.

Sensitivities

The non–life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear.

LASACO ASSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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RISK MANAGEMENT FRAMEWORK (CON'T D)

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and incurred but not reported IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

The Company has taken advantage of the transitional rules of IFRS 4 that permit only five years of information to be disclosed upon adoption of IFRS.

In setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed and exercises a degree of caution in setting reserves where there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

Fire

	Development								
Accident Period	0	1	2	3	4	5	6	7	8
2005	-	-	-	-	-	-	-	-	-
2006	-	2,092,422	6,661,715	6,661,715	6,661,715	6,661,715	6,661,715	6,661,715	
2007	7,151,439	37,027,334	37,027,334	37,513,334	37,513,334	37,513,334	37,513,334		
2008	18,219,043	41,103,799	48,485,174	48,515,334	48,635,016	48,635,016			
2009	370,540	19,829,465	22,083,680	22,083,680	22,083,680				
2010	-	3,803,531	9,829,875	9,829,875					
2011	3,068,484	10,615,814	32,681,276						
2012	3,271,104	85,140,003							
2013	65,618,549								

General Accident

	Development								
Accident Period	0	1	2	3	4	5	6	7	8
2005	-	-	24,200,111	25,728,747	25,728,747	25,728,747	25,742,662	25,742,662	25,751,746
2006	-	103,303,272	153,425,279	165,761,922	166,307,518	166,553,131	166,553,131	166,553,131	
2007	48,513,752	97,385,083	126,282,099	128,547,881	129,722,992	130,233,251	130,233,251		
2008	29,732,310	117,084,221	132,106,370	141,265,433	141,433,265	141,691,730			
2009	7,214,884	122,360,852	135,495,961	146,714,260	156,866,546				
2010	17,462,718	86,452,259	118,134,017	122,156,172					
2011	7,058,589	56,147,500	65,241,323						
2012	10,425,728	126,448,113							
2013	60,442,290								

Motor

	Development								
Accident Period	0	1	2	3	4	5	6	7	8
2005	-	-	1,741,578	1,741,578	1,741,578	1,741,578	1,741,578	1,741,578	1,741,578
2006	-	18,373,115	20,977,202	22,977,202	22,977,202	22,977,202	22,977,202	22,977,202	
2007	29,963,757	106,373,952	113,514,505	113,603,978	113,603,978	113,603,978	113,603,978		
2008	107,275,834	168,590,724	181,728,735	181,728,735	181,728,735	181,728,735			
2009	45,644,562	113,714,149	116,274,749	116,283,765	116,283,765				
2010	55,404,267	80,380,277	81,595,528	81,595,528					
2011	64,309,735	79,418,237	82,430,242						
2012	43,123,091	85,977,250							
2013	55,280,232								

RISK MANAGEMENT FRAMEWORK (CON'T D)

Financial risks

Credit risk

Credit risk is the risk of default and change in the credit quality of issuers of securities (in the Company's investment portfolio), counter-parties (e.g. on reinsurance and coinsurance contracts) and untimely or non-payment of premiums by brokers and clients.

The Company is exposed to the following categories of credit risk:

Direct Default Risk – the risk of non- receipt of the cash flows or assets to which it is entitled because brokers, clients and other debtors default on their obligations

Concentration Risk – this is the exposure to losses due to excessive concentration of business activities with individual counterparties, groups of individual counterparties or related entities, counterparties in specific geographical locations, industry sectors, specific products, etc.

Counterparty Risk – this is the risk that a counterparty is not able or willing to meet its financial obligations as they fall due.

The Company therefore ensures the establishment of principles, policies and processes and structure for the management of credit risk.

The credit risk appetite is in line with the company's strategic objectives, available resources and the provisions of NAICOM Operational Guidelines. In setting this appetite/tolerance limits, the corporate solvency level, risk capital and liquidity level , credit ratings, level of investments, reinsurance and coinsurance arrangements, and nature and categories of its clients, are taken into consideration.

The credit risk management governance structure comprises the board of Directors,Executive Risk Management ERM Committee, management risk committee, technical operations department, risk management department and the internal audit department

The Board risk Committee has the responsibility of ensuring that an appropriate, adequate and effective system of risk management and internal control which addresses credit control is established and maintained.

RISK MANAGEMENT FRAMEWORK (CON'T D)

The Credit Risk Management process involves the identification, measurement, mitigation and control, monitoring and reporting credit risk.

The credit control unit identifies the credit risk by, amongst other functions assessing/evaluating the repayment capacity of clients/counterparties, credit policyholders, insurance brokers, etc. The evaluation entails the analysis of counterparties' financial statements cash flow, management experience and other client risk factors.

An internal credit rating scale is in place to measure the counterparty credit risk. All clients and counterparties that are to be granted credit shall be rated using the Company's risk-rating model.

The risk model comprises :

Client/counterparty risk rating: This evaluates a client's ability to meet its credit obligations, through analysis of its financial statements, cash flow statement, management capabilities and other client related risk factors.

Transaction risk rating: This defines the risk of a specific credit line by overlaying the counterparty risk rating with an analysis of factors such as credit structure and collaterals (e.g. guarantees, and equitable and legal mortgages).

The following risk mitigation and control activities are in place to effectively manage exposures to default risk: client evaluation, credit analysis, credit limit setting, credit approval, Security management, and provision for impairment

The quality and performance of credit portfolios is monitored to identify early signs of decline in credit quality. Such activities include the review of ageing report, credit portfolio quality and delinquency management.

A Company credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
Net exposure limits are set for each counterparty or Company of counterparties, geographical and industry segment (i.e., limits are set for investments and cash deposits).

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

RISK MANAGEMENT FRAMEWORK (CON'T D)

Credit exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position and items such as future commitments. The maximum exposure is shown gross, before the effect of mitigation of credit risk.

31 December 2013

	N'000
Financial instruments	
Cash and cash equivalents	3,088,378
Held to maturity financial assets	1,574,924
Loans and receivables	59,101
Available–for–sale financial assets	990,093
Reinsurance assets	3,253,969
Insurance receivables	27,807
Total credit risk exposure	**8,994,272**

31 December 2012

	N'000
Financial instruments	
Cash and cash equivalents	3,591,189
Held to maturity financial assets	565,000
Loans and receivables	70,553
Available–for–sale financial assets	997,700
Reinsurance assets	1,841,513
Insurance receivables	774,211
Total credit risk exposure	**7,840,166**

RISK MANAGEMENT FRAMEWORK (CON'T D)

Impaired financial assets
At 31 December 2013, there were no impaired reinsurance assets (2012: nil) likewise there were no impaired loans and receivables (2012: N57million). The Company records impairment allowances for insurance receivables in a separate impairment allowance account.

Liquidity risk

Liquidity risk is the inability of a business to meet its obligations on a timely basis. It is also the inability of a business to take advantage of business opportunities and sustain the growth target in its business strategy due to liquidity constraints or difficulty in obtaining funding at a reasonable cost. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

Liquidity risk exposure is strongly related to the credit and investment risk profile. For instance, an increase in our credit risk exposure may increase our liquidity risk profile; poor performance of the investment portfolio may have severe liquidity risk implications for the company

Another source of liquidity risk is the failure of insurance brokers and clients to meet their premium payment obligation as and when due.

The Company's strategy for managing liquidity risks are as follows:
Maintain a good and optimum balance between having sufficient stock of liquid assets, profitability and investment needs.
Ensure strict credit control and an effective management of receivables
Ensure unrestricted access to financial markets to raise funds
Develop and continuously update the contingency funding plan which specifies minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

Adhere to the liquidity risk control limits
The company's catastrophe excess–of–loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.

The Liquidity Risk Management Governance Structure comprises the board of management, ERM Committee, Management Risk Committee, technical operations department, Risk management department. internal audit department.

The following early warning indicators are used to promptly identify liquidity risks:
Negative trends in cash forecast
Volume of outstanding premium
Volatile liabilities
Decline in earnings performance or projections
Exceeding liquidity limits as indicated by relevant metrics
Deteriorating third-party ratings of the company
Scenario and sensitivity analysis

RISK MANAGEMENT FRAMEWORK (CON'T D)

The following approaches are adopted to assess liquidity risk exposures:

- Liquidity ratio analysis
- Cash flow analysis
- Scenario and sensitivity analysis

Liquidity ratios are used to assess the ability to meet short-term obligations. The relevant ratios include the following:

- Claims ratio
- Receivables to capital ratio,
- Ratio of technical provision to capital,
- Maximum exposure for single risk to capital ratio
- Maximum exposure for a single event to capital ratio
- Retention rate

Cash flow analysis shows the net future cash flows of various time-bands. It (cash forecasting) is used to compare cash inflows and outflows daily and over a series of time bands (weekly, monthly, quarterly, bi-annually and yearly). The Company's net funding requirement is determined by analyzing the present and future cash flows at selected maturity dates, based on assumptions about the income and expenditures. This analysis will include the cumulative net excess or shortfall over the period of the analysis.

Liquidity risk is measured by performing scenario and sensitivity analyses based on various stress factors that differ in terms of probability, severity and duration.

Scenarios are applied, based on normal business operations and on crisis, to determine the potential impact on funding requirements.

Based on the results of the stress test and scenario analysis, the following activities are performed:

- Quantify liquidity outflows in all stress scenario for each liquidity risk drive
- Identify cash inflows to close liquidity gaps under all stress scenarios
- Determine net liquidity position for each scenario

In managing liquidity risk mitigation and control, one way is having access to financial markets. This is by ensuring that the company has sufficient and unhindered access to funding from a range of sources in the financial markets, also assessing periodically the ability to obtain funds in both local and foreign currencies.

The Risk management department maintains an independent liquidity risk-reporting framework that consistently communicates liquidity risk information across the company and ensures availability of timely information for liquidity management decisions.

LASACO ASSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

RISK MANAGEMENT FRAMEWORK (CON'T D)

Maturity profiles

The table that follows summarises the maturity profile of the non–derivative financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Reinsurance assets have been presented on the same basis as insurance liabilities. Loans and receivables include contractual interest receivable.

Table 3

Maturity analysis (contractual undiscounted cash flow basis for non– derivatives)

	Carrying Amount	Up to a year	1–3 years	3–5 years	5–15 years	Over 15 years		Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
31 December 2013								
Financial assets								
Cash and cash Equivalent	3,088,348	3,088,348	-	-	-	-	-	3,088,348
Held-to-maturity	1,574,924	779,924	795,000	-	-	-	-	1,574,924
Loans and receivables	59,101	59,101	-	-	-	-	-	59,101
								-
Available- for- sale financial assets	990,093	-	-	-	-	-	990,093	990,093
Trade receivables	27,807	27,807	-	-	-	-	-	27,807
Reinsurance assets	3,253,969	3,253,969	-	-	-	-	-	3,253,969
	8,994,242	7,209,149	795,000	-	-	-	990,093	8,994,242
Financial liabilities								
Trade payables	226,882	226,882	-	-	-	-	-	226,882
Insurance contract liabilities	5,065,707	5,065,707	-	-	-	-	-	5,065,707
Other payables	281,637	281,637	-	-	-	-	-	281,637
	5,574,226	5,574,226	-	-	-	-	-	5,574,226
31 December 2012								
Financial assets								
Cash and cash Equivalent	3,591,189	3,591,189	-	-	-	-	-	3,591,189
Financial assets at fair value								-
through profit and loss	-	-	-	-	-	-	-	-
Held-to-maturity	565,000	565,000	-	-	-	-	-	565,000
Loans and receivables	70,553	70,553	-					70,553
								-
Available- for- sale financial assets	997,700	-	-	-	-	-	997,700	997,700
Trade receivables	774,211	774,211	-	-	-	-	-	774,211
Reinsurance assets	1,841,513	1,841,513	-	-	-	-	-	1,841,513
	7,840,166	6,842,466	-	-	-	-	997,700	7,840,166
Financial liabilities								
Trade payables	237,451	237,451	-	-	-	-	-	237,451
Insurance contract liabilities	4,073,336	4,073,336	-	-	-	-	-	4,073,336
Other payables	125,280	125,280	-	-	-	-	-	125,280
	4,436,067	4,436,067	-	-	-	-	-	4,436,067

RISK MANAGEMENT FRAMEWORK (CON'T D)

Market risk

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

A Company market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policy holders' liabilities and that assets are held to deliver income and gains for policy holders which are in line with expectations of the policy holders.

The company is active in money and capital market instruments, and investments in these instruments are basically for liquidity and held-to-maturity purposes. Therefore, the values of assets in the investment portfolio are at risk due to volatility in security prices, interest rates, and other market and economic variables.

There is a very strict control over hedging activities (e.g., equity derivatives are only permitted to be held to facilitate portfolio management or to reduce investment risk).
A sound market/investment risk management framework is implemented in order to minimize possible losses to capital and earnings arising from volatilities in market factors. The Company stipulates diversification benchmarks by type of instrument and geographical area.

Investment risk is the risk of loss (partial or full) of the principal amount and/or expected returns due to changes in the market variables. Investment risk is managed effectively and on a proactive basis by developing and implementing investment risk management strategies, policies and processes.

Investment in money, capital and other markets would expose a company to the following sources of Investment risks:

Capital Risk

This is the risk that the company will lose all or part of the principal amount invested. For example, if the company invests N10 million into the stock market, it faces a capital risk on the entire N10 million or part of it

Portfolio Risk:

This is the risk that the investment portfolio will perform “poorly” because of poor choice of investments in the portfolio.

Inflation risk:

The risk that inflation will outpace investment returns over time and erode the purchasing power of invested funds.

RISK MANAGEMENT FRAMEWORK (CON'T D)

Liquidity Risk:

It is the risk that an investment asset cannot be sold when the need arises. The company will be exposed to liquidity risk, when there is the need to sell an investment, and the investment cannot be liquidated due to insufficient secondary market or lack of sufficients demand for such a security. Liquidity risk is the current and future risk arising from the inability to meet our financial obligations when they become due.

Credit or Default Risk

Credit risk is created by the possibility of loss due to a counter party's or issuer's default, or inability to meet contractual payment terms. Higher quality bonds, including government bonds face the lowest credit risk.

Event Risk:

Event Risk is the risk of regulatory changes or other external occurrences that are significant, unanticipated and external, which impact negatively on the value of a security.

Market Risk:

This is the risk that the value of an investment will diminish due to unfavourable changing market conditions. A stock will rise or fall in price in response to investors' sentiments or changes in the fortunes of the company or its industry

Interest rate risk:

This is the risk of exposures to the volatility of interest rates. It is the risk of the value or future cash flows of financial instruments being affected by changes in interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk. The Company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The Company has no significant concentration of interest rate risk.

The Company's exposure to interest rate risk and a sensitivity analysis for financial liabilities is disclosed in note 6 to the financial statements.

Currency risk:

This is the risk of the fair value of financial instruments being affected by changes in foreign exchange rates.

The Company's principal transactions are carried out in naira and its exposure to foreign exchange risk is minimal. The Company's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. This mitigates the foreign currency exchange rate risk. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

RISK MANAGEMENT FRAMEWORK (CON'T D)

The Company has no significant concentration of currency risk.

Price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit–linked business.

The Company has no significant concentration of price risk.

The Company will adopt a top down approach for defining its investment appetite. This is reviewed by senior management and approved by the Board Investment Committee (BIC) to ensure amongst other things that the investment risk assumed is commensurate with its strategy.

The following investment risk appetite statements guide the Company:-

- Except as waived by BIC after proper feasibility study, investment/trading transactions that do not fall within our target market and defined risk appetite are not undertaken, no matter how profitable the transactions may be.
- The Company does not enter into any transaction that is illegal, unethical or contravenes any applicable laws, regulations, or professional code of conduct, or is capable of damaging our corporate image or that of our key officers.
- Business is not transacted with any organisation with perceived likelihood of failure or that shows signs of going concern challenges.
- A cautious and prudent approach is adopted in engaging in investment and trading activities.

The strategic management of the Company's investment portfolio is the fundamental responsibility of the Board Investment Committee (BIC) and senior management. The investment management team is responsible for implementing our policies by executing trade and investment decisions.

In accordance with section 6(2) of the NAICOM guidelines (which is subject to future amendments), the Company shall invest in any of the following categories of investment assets:

- Bonds, bills and other securities issued or guaranteed by the Federal Government of Nigeria and the Central Bank of Nigeria.
- Bankers acceptance and commercial papers guaranteed by issuing bank.
- Quoted equities of not more than 50% of shareholders's fund.
- Unquoted equities not more than 10% of shareholders' fund.
- Property for Non-life insurance, not more than 35% of shareholders' fund.

RISK MANAGEMENT FRAMEWORK (CON'T D)

In measuring investment risk, the following approaches, which are detailed in the Risk Management Framework, are used:

- Volatility
- Value at risk (VAR)
- Sensitivity analysis
- Stress testing
- Scenario testing

Investment risk exposures are mitigated by:

- Setting internal investment risk control limits
- Complying with legal investment limits
- Establishing Investment Approval Limits
- Diversification, in order to smoothen out unsystematic risk events in our portfolios
- Clear separation of duties between the unit that initiates and executes trade, and the units that accounts for trade transactions and handles transaction settlement.

The risk management department is responsible for monitoring investment risk exposures while the financial control department provides relevant information to the risk management department for investment risk monitoring.

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. CAPITAL MANAGEMENT

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory stipulations and to best utilize capital allocations.

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. The regulator stipulates that insurers should produce a minimum solvency margin of 100%. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the

The solvency margin for the Company as at 31 December 2013 is as follows:

			31-Dec-2013
ASSETS:	**TOTAL ₦'000**	**ADMISSIBLE ₦'000**	**IN ADMISSIBLE ₦'000**
Cash and cash equivalents	568,843	568,843	-
Financial assets	1,954,094	1,954,094	-
Insurance receivables	-	-	-
Reinsurance assets	2,614,189	2,614,189	-
Other receivables	496,765	-	496,765
Deferred acquisition cost	52,155	52,155	-
Investment in subsidiary	2,000,000	2,000,000	-
Investment properties and land	2,999,135	1,000,000	1,999,135
Property and equipment	208,025	208,025	-
Statutory deposit	300,000	300,000	-
Total assets	11,193,206	8,697,306	2,495,900
LIABILITIES			
Investment contract liabilities	-	-	-
Insurance ccontract liabilities	3,778,683	3,778,683	-
Trade payables	27,113	27,113	-
Deferred commission income	60,657	60,657	-
Other payables	776,819	776,819	-
Deferred tax liabilities	139,934	-	139,934
Employee benefit liabilities	457,268	457,268	-
Current income tax liabilities	153,812	153,812	-
Total liabilities	5,394,286	5,254,352	139,934
SOLVENCY MARGIN			3,442,954
REQUIRED			3,000,000
SURPLUS			**442,954**
SOLVENCY RATIO			**115%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

5. CAPITAL MANAGEMENT (Cont'd)

The Company further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship between these risk categories.

As at year end, the Company showed a positive solvency margin of N2,433billion and a solvency ratio of 181% which is higher than the regulators capital adequacy requirements.

6. FINANCIAL ASSETS AND LIABILITIES

Accounting classification measurement basis and fair values
The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

	Notes	Held-to-maturity ₦'000	Loans and receivables ₦'000	Available-for-sale ₦'000	Other financial liabilities at amortised cost ₦'000	Total carrying amount ₦'000	Fair value amount ₦'000
Group							
31 December 2013							
Cash and cash equivalents	8	**-**	**-**	**-**	**-**	**3,088,378**	**3,088,378**
Financial assets	9	**1,574,924**	**59,101**	**990,093**	**-**	**2,624,118**	**2,624,118**
Trade receivables	10	**-**	**-**	**-**	**-**	**27,807**	**27,807**
Other receivables excluding prepayments	12	**-**	**-**	**-**	**-**	**531,086**	**531,086**
		1,574,924	**59,101**	**990,093**	**-**	**6,271,389**	**6,271,389**
Insurance contract liabilities	20	**-**	**-**	**-**	**5,065,707**	**5,065,707**	**5,065,707**
Investment contract liabilities	19	**-**	**-**	**-**	**1,048,148**	**1,048,148**	**1,048,148**
Trade and other payables	1,22,23,:	**-**	**-**	**-**	**1,074,184**	**1,074,184**	**1,074,184**
		-	**-**	**-**	**7,188,039**	**7,188,039**	**7,188,039**
Group							
31 December 2012							
Cash and cash equivalents	8	-	-	-	-	3,591,189	3,591,189
Financial assets	9	565,000	70,553	997,700	-	1,633,253	1,633,253
Trade receivables	10	-	-	-	-	774,211	774,211
Other receivables excluding prepayments	12	-	-	-	-	358,197	358,197
		565,000	70,553	997,700	-	6,356,850	6,356,850
Insurance contract liabilities	20				4,073,336	4,073,336	4,073,336
Trade and other payables	1,22,23,24				891,509	891,509	891,509
Investment contract liabilities	19				994,930	994,930	994,930
		-	-	-	5,959,775	5,959,775	5,959,775

LASACO ASSURANCE PLC

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FOR THE YEAR ENDED 31 DECEMBER 2013

6. FINANCIAL ASSETS AND LIABILITIES (CON'TD)

Accounting classification measurement basis and fair values
The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

	Notes	Held-to-maturity ₦'000	Loans and receivables ₦'000	Available-for-sale ₦'000	Other financial liabilities at amortised cost ₦'000	Total carrying amount ₦'000	Fair value amount ₦'000
Company							
31 December 2013							
Cash and cash equivalents	8	**-**	**-**	**-**	**-**	**568,843**	**568,843**
Financial assets	9	**1,104,924**	**34,337**	**814,833**	**-**	**1,954,094**	**1,954,094**
Other receivables excluding prepayments	12	**-**	**-**	**-**	**-**	**494,744**	**494,744**
		1,104,924	**34,337**	**814,833**	**-**	**3,017,681**	**3,017,681**
Insurance contract liabilities	20	**-**	**-**	**-**	**3,778,677**	**3,778,677**	**3,778,677**
Trade and other payables	22,23,:	**-**	**-**	**-**	**1,321,857**	**1,321,857**	**1,321,857**
		-	**-**	**-**	**5,100,534**	**5,100,534**	**5,100,534**
Company							
31 December 2012							
Cash and cash equivalents	8	-	-	-	-	969,296	969,296
Financial assets	9	300,000	66,240	722,415	-	1,088,655	1,088,655
Trade receivables	10	-	-	-	-	593,833	593,833
Other receivables excluding prepayments	12	-	-	-	-	13,079	13,079
		300,000	66,240	722,415	-	2,664,863	2,664,863
Insurance contract liabilities	20	-	-	-	2,845,199	2,845,199	2,845,199
Trade and other payables	21,23	-	-	-	1,285,287	1,285,287	1,285,287
		-	-	-	4,130,486	4,130,486	4,130,486

7. SEGMENT INFORMATION - COMPANY

Segment Information

Following the management approach of IFRS 8, the company is organised into five operating segments. These segments distribute their products through various forms of brokers, agencies, and direct marketing programs. Management identifies its reportable segments by product line. These segments and their respective operations for the year ended 31 December,

- Fire
- General accident
- Motor vehicle
- Oil and gas
- Marine and aviation

	Fire ₦'000	General Accident ₦'000	Motor Vehicle ₦'000	Oil and Gas ₦'000	Marine and Aviation ₦'000	Total ₦'000
Gross premium earned	249,943	955,389	457,399	1,938,870	116,825	3,718,426
Insurance premium ceded to reinsurers	(48,354)	(257,650)	(83,686)	(924,116)	(23,599)	(1,337,405)
Net insurance premium revenue	201,589	697,739	373,713	1,014,754	93,226	2,381,021
Fee Income and commission	9,574	81,771	16,185	383,680	8,718	499,928
Investment returns	4,560	17,432	8,346	35,376	2,132	67,846
Net income	215,723	796,942	398,244	1,433,810	104,076	2,948,795
Insurance benefits and claims paid	169,553	199,795	101,678	676,300	16,374	1,163,700
Outstanding claims	28,467	161,441	(7,110)	225,882	(62,529)	346,151
Insurance claims recovered from reinsurers	(109,496)	(31,929)	(34,554)	(350,877)	(3,266)	(530,122)
Net insurance benefits and claims	88,524	329,307	60,014	551,305	(49,421)	979,729
Underwriting expenses	73,669	269,996	105,113	203,642	33,533	685,953
Total expenses	162,193	599,303	165,127	754,947	(15,888)	1,665,682
Reportable segment profit	**53,530**	**197,639**	**233,117**	**678,863**	**119,964**	**1,283,113**

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
8. CASH AND CASH EQUIVALENTS				
Cash in hand	30	468	30	292
Due from banks and other financial institutions (note 8.1)	3,088,348	3,590,721	568,813	969,004
	3,088,378	**3,591,189**	**568,843**	**969,296**
8.1 Due to banks and other financial institutions				
Balances held with banks in Nigeria	288,174	1,007,358	78,815	520,649
Short-term investments	2,800,174	2,583,363	489,998	448,355
	3,088,348	**3,590,721**	**568,813**	**969,004**

Short-term deposit are made for varying period of one day and three months depending on the immediate cash requirement of the group.

For the purpose of cashflows, cash and cash equivalents include	**3,088,378**	**3,591,189**	**568,843**	**969,296**

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
9. FINANCIAL ASSETS				
The group financial assets are summarised below by measurement category:				
Held to maturity (Note 9.1)	1,574,924	565,000	1,104,924	300,000
Loans and receivables (Note 9.2)	59,101	70,553	34,337	66,240
Available for sale financial asset (Note 9.3)	990,093	997,700	814,833	722,415
	2,624,118	**1,633,253**	**1,954,094**	**1,088,655**
9.1 Held to maturity				
Government securities	795,000	565,000	325,000	300,000
Fixed deposits	779,924	-	779,924	-
	1,574,924	**565,000**	**1,104,924**	**300,000**
Due within 12 months	779,924	-	779,924	-
Due after 12months	795,000	565,000	325,000	300,000
	1,574,924	565,000	1,104,924	300,000
9.2 Loan and receivables				
Staff loan	115,982	128,061	91,218	123,748
Allowance for impairment (note 9.2a)	(56,881)	(57,508)	(56,881)	(57,508)
	59,101	**70,553**	**34,337**	**66,240**
Due within 12 months	59,101	35,417	34,337	35,417
Due after 12months	-	35,136	-	30,823
	59,101	70,553	34,337	66,240

For loans and receivables exceeding 12 months, the estimated fair values of the loans and receivables are the discounted amount of the estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. For loans and receivables with maturity period of below 12 months, no discounting factor was applied.

	Staff loan N'000	Total N'000
9.2a Movement on the provision for impaired loans and receivables are as follows:		
Group		
At beginning of year	57,508	57,508
Amount written off during the year as uncollectible	-	-
Unused amount reversed	(627)	(627)
At end of year	56,881	56,881
Company		
At beginning of year	57,508	57,508
Amount written off during the year as uncollectible	-	-
Unused amount reversed	(627)	(627)
At end of year	56,881	56,881

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
9.3 Available for sale investment				
Listed	**691,038**	697,096	**606,925**	489,928
Unlisted	**299,055**	300,604	**207,908**	232,487
	990,093	997,700	**814,833**	722,415
Due within 12 months	**-**	**-**	**-**	-
Due after 12months	**990,093**	997,700	**814,833**	722,415

The Group investment in unquoted equity financial instrument could not be fair valued as there were no observable data for which the entity could be fair valued. The carrying amount was based on cost less impairment.

9.4 The movement in investment securities is summarised as follows:

	Held to maturity N'000	Loans and receivables N'000	Available for sale N'000	Total N'000
Group				
At beginning of year	**565,000**	**70,553**	**997,700**	**1,633,253**
Additions	**1,009,924**	**45,429**	**62,045**	**1,117,398**
Disposals (sale and redemption)	**-**	**-**	**(83,375)**	**(83,375)**
Fair value gains/losses	**-**	**-**	**100,796**	**100,796**
Impairment losses	**-**	**(56,881)**	**(87,072)**	**(143,953)**
At end of year	**1,574,924**	**59,101**	**990,093**	**2,624,118**
Company				
At beginning of year	**300,000**	**66,240**	**722,415**	**1,088,655**
Additions	**804,924**	**24,978**	**-**	**829,902**
Disposals(sale and redemption)	**-**	**-**	**(65,386)**	**(65,386)**
Fair value gains/losses	**-**	**-**	**182,493**	**182,493**
Impairment losses	**-**	**(56,881)**	**(24,579)**	**(81,460)**
At end of year	**1,104,924**	**34,337**	**814,943**	**1,954,204**

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
10. Trade receivables				
Due from agents	**-**	212,140	**-**	150,451
Due from brokers	**2,230,171**	2,796,214	**2,202,364**	2,295,296
Due from others	**-**	-	**-**	350,450
	2,230,171	3,008,354	**2,202,364**	2,796,197
Allowance for impairment (note 10.a)	**(2,202,364)**	(2,234,143)	**(2,202,364)**	(2,202,364)
	27,807	774,211	**-**	**593,833**
Due within 12months	**27,807**	774,211	**-**	593,833
Due after 12months	**-**	-	**-**	-
	27,807	774,211	**-**	593,833

10.a Movement on the allowance for impairment of receivables arising out of direct insurance arrangements are as follows:

	Group N'000	Company N'000
At beginning of year	**2,202,364**	**2,202,364**
Provision for impairment	**-**	**-**
Amount written off during the year as uncollectible	**-**	**-**
At end of year	**2,202,364**	**2,202,364**

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
11. Reinsurance assets				
Prepaid reinsurance (Note 11a)	**1,312,435**	967,602	**922,806**	701,972
Reinsurance recoverable	**1,941,534**	873,911	**1,682,845**	718,605
	3,253,969	**1,841,513**	**2,605,651**	**1,420,577**
Due within 12 months	**3,253,969**	1,841,513	**2,605,651**	1,420,577
Due after 12months	**-**	-	**-**	-
	3,253,969	1,841,513	**2,605,651**	1,420,577
11a Movement in prepaid reinsurance				
At beginning of year	**967,602**	70,344	**701,972**	-
Additions during the year	**2,077,252**	967,602	**1,558,238**	701,972
Amortisation during the year	**(1,732,419)**	(70,344)	**(1,337,404)**	-
At end of year	**1,312,435**	967,602	**922,806**	701,972

There were no indicators of impairment for re-insurance assets.Therefore ,no impairment allowance is required in respect of these assets.The carrying amounts disclosed above is in respect of the reinsurance contracts which approximate the fair value at the reporting date.

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
12. OTHER RECEIVABLES				
Due from reinsurance	**8,538**	-	**8,538**	-
Sundry debtors	**453,125**	336,982	**424,919**	313,452
Commission receivable	**61,287**	-	**61,287**	-
Accrued income	**8,136**	21,215	**-**	13,079
Prepayment	**14,137**	25,744	**10,559**	22,166
	545,223	**383,941**	**505,303**	**348,697**
Due within 12 months	**545,223**	383,941	**505,303**	348,697
Due after 12months	**-**	**-**	**-**	**-**
	545,223	383,941	**505,303**	348,697

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	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
13. DEFERRED ACQUISITION COSTS				
Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:				
Fire	**6,671**	11,764	**6,671**	11,764
Accident	**27,510**	32,376	**27,510**	32,376
Motor vehicle	**12,193**	16,535	**12,193**	16,535
Oil and Gas	**126**	1,901	**126**	1,901
Marine and aviation	**5,655**	3,947	**5,655**	3,947
	52,155	66,523	**52,155**	66,523
Movement in deferred acquisition costs				
At bigining of year	**66,523**	56,610	**66,523**	56,610
Additions during the year	**284,026**	180,054	**284,026**	180,054
Charged during the year	**(298,394)**	(170,141)	**(298,394)**	(170,141)
At end of year	**52,155**	66,523	**52,155**	66,523
Due within 12 months	**52,155**	66,523	**52,155**	66,523
Due after 12months	**-**	-	**-**	-
	52,155	66,523	**52,155**	66,523
14. INVESTMENT IN SUBSIDIARY				
LASACO Life Assurance Limited	**-**	**-**	**2,000,000**	**2,000,000**

This represents 100% holding in the ordinary share capital of LASACO Life Assurance Limited, a wholly owned subsidiary incorporated and operating in Nigeria.

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
15. INVESTMENT PROPERTIES				
At 1 January	**2,461,000**	862,325	**2,461,000**	862,325
Addition during the year	**154,130**	27,000	**71,215**	27,000
Disposal	**(62,000)**	(88,250)	**(62,000)**	(88,250)
Revaluation surplus (Note 37)	**202,610**	1,659,925	**202,610**	1,659,925
At 31 December	**2,755,740**	**2,461,000**	**2,672,825**	**2,461,000**
Cost/Valuation at 31 December, 2013 is represented by:				
Valuation	**202,610**	1,659,925	**202,610**	1,659,925
Cost	**2,553,130**	801,075	**2,470,215**	801,075
	2,755,740	**2,461,000**	**2,672,825**	**2,461,000**

Investment properties comprises of commercial properties and a landed property, both held for the purpose of capital appreciation, whilst the commercial properties have been rented out. The landed property only represents bare land. Investment properties are carried at fair value which are determined by independent professional valuers. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilised extensive analysis of market data and other sectors specific peculiarities corroborated with available database derived from previous experiences. Investment properties cost of N62m was disposed off during the year and a profit of N9m realised from the disposal was recognised in the income statement.

16. DEFERRED TAX LIABILITY

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
At 1 January	**110,526**	88,474	**105,235**	86,312
Charge for the year	**35,336**	22,052	**34,699**	18,923
At 31 December	**145,862**	110,526	**139,934**	105,235

The movement in deferred income tax liabilities during the year is as follows:

	Deferred tax liability N'000	Deferred assets N'000	Total N'000
Group			
At beginning of year	110,526	-	**110,526**
Charged /(credited) to income statement	35,336	-	**35,336**
At end of year	145,862	-	**145,862**
Due within 12 months			
Due after 12months	145,862	-	**145,862**
Company			
At beginning of year	105,235	-	**105,235**
Charged /(credited) to income statement	34,699	-	**34,699**
At end of year	139,934	-	**139,934**
Due within 12 months	-	-	**-**
Due after 12months	139,934	-	**139,934**

	Building N'000	Furniture Fittings & equipment N'000	Motor Vehicle N'000	TOTAL N'000
17. PROPERTY AND EQUIPMENT - Group				
Cost				
At 1 January 2013	312,000	305,402	371,221	988,623
Additions	2,845	29,049	65,230	97,124
Disposal	-	-	(51,800)	(51,800)
Revaluation surplus (Note 27d)	24,000	-	-	24,000
At 31 December 2013	338,845	334,451	384,651	1,057,947
Accumulated depreciation				
At 1 January 2013	6,240	256,403	139,350	401,993
Charge for the year	6,297	26,250	68,975	101,522
Disposal	-	-	(10,916)	(10,916)
At 31 December 2013	12,537	282,653	197,409	492,599
Carrying value				
At 31 December 2013	**326,308**	**51,798**	**187,242**	**565,348**
At 31 December 2012	305,760	48,999	231,871	586,630
Cost/Valuation at 31 December, 2013 is represented by:				
Valuation	24,000	-	-	24,000
Cost	314,845	334,451	384,651	1,033,947
	338,845	**334,451**	**384,651**	**1,057,947**

The Group's land and building were revalued at 31 December 2013 by Fola Oyekan & Associates.Valuation was made on the basis of open market value.The revaluation surplus net of applicable deferred income taxes was credited to other reserves in shareholders' equity (Note 27d).

Depreciation expenses of N101.5million has been charged in other operating and administrative expenses.

	Land and Building N'000	Furniture Fittings & equipment N'000	Motor Vehicle N'000	TOTAL N'000
17. PROPERTY AND EQUIPMENT - Company				
Cost				
At 1 January 2013	312,000	291,584	309,921	913,505
Additions	2,845	28,100	57,230	88,175
Disposal	-	-	(47,550)	(47,550)
Revaluation surplus (Note 24d)	24,000	-	-	24,000
At 31 December 2013	338,845	319,684	319,601	978,130
Accumulated depreciation				
At 1 January 2013	6,240	250,225	113,420	369,885
Charge for the year	6,297	23,406	54,447	84,150
Disposal	-	-	(10,240)	(10,240)
At 31 December 2013	12,537	273,631	157,627	443,795
Carrying value				
At 31 December 2013	**326,308**	**46,053**	**161,974**	**534,335**
At 31 December 2012	**305,760**	**41,359**	**196,501**	**543,620**
Cost/Valuation at 31 December, 2013 is represented by:				
Valuation	24,000	-	-	24,000
Cost	314,845	319,684	319,601	954,130
	338,845	**319,684**	**319,601**	**978,130**

The Company's land and building were revalued at 31 December 2013 by Fola Oyekan & Associates. Valuation was made on the basis of open market value. The revaluation surplus net of applicable deferred income taxes was credited to other reserves in shareholders' equity (Note 26d).

Depreciation expenses of N84.1 million has been charged in other operating and administrative expenses

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
18. STATUTORY DEPOSIT				
This represents amount deposited with Central Bank of Nigeria (CBN) in accordance with section 10(3) of the Insurance Act, 2003	**500,000**	**500,000**	**300,000**	**300,000**
Due within 12 months	-	-	-	-
Due after 12months	500,000	500,000	300,000	300,000
	500,000	500,000	300,000	300,000

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
19. INVESTMENT CONTRACT LIABILITIES				
The movement on liability for administered deposit during the year was as follows:				
At 1 January	**994,930**	1,041,941	-	-
Deposits received during the year	**265,980**	352,124	-	-
Guaranteed Interest	**35,892**	33,070	-	-
	1,296,802	1,427,135	-	-
Withdrawals	**(248,654)**	(432,205)	-	-
At 31 December	**1,048,148**	**994,930**	-	-

The Company has a total sum of N1.048 billion (2012 - N994 million) in deposit administered funds with guaranteed interest.

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
20. INSURANCE CONTRACT LIABILITIES				
General business (note 20.1)	**3,778,683**	2,845,199	3,778,683	2,845,199
Life business (note 20.2)	**1,287,024**	1,228,136	-	-
Total insurance liabilities	**5,065,707**	4,073,335	3,778,683	2,845,199
Due within 12 months	**3,629,803**	2,656,156	2,342,779	1,428,020
Due after 12months	**1,435,904**	1,417,179	1,435,904	1,417,179
	5,065,707	4,073,335	3,778,683	2,845,199
20.1 General business liabilities				
Outstanding claims provision (note 20.1a)	**2,517,345**	1,492,210	2,517,345	1,492,210
Claims incurred but not reported (note 20.1b)	**737,081**	451,821	737,081	451,821
Provision for unearned premium (note 20.1c)	**524,257**	901,168	524,257	901,168
Total general business insurance contract liability	**3,778,683**	2,845,199	3,778,683	2,845,199
20.1a Outstanding claims provision - General business				
Movement in outstanding claims provision				
At 1 January	**1,492,210**	298,678	1,492,210	298,678
Claims incurred in the current year	**2,188,835**	1,528,257	2,188,835	1,528,257
Claims paid during the year	**(1,163,700)**	(334,725)	(1,163,700)	(334,725)
At 31 December	**2,517,345**	1,492,210	2,517,345	1,492,210
20.1b Claims incurred but not reported (IBNR) provision				
Movement in IBNR provision				
At 1 January	**451,821**	304,188	451,821	304,188
Movement during the year	**285,260**	147,633	285,260	147,633
At 31 December	**737,081**	451,821	737,081	451,821

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		Unearned premium 2013 N'000	Movement N'000	Unearned premium 2012 N'000	Movement N'000	Unearned premium 2011 N'000
20.1c	**UNEARNED PREMIUM**					
	Fire	**35,723**	(28,155)	63,878	29,620	34,258
	Accident	**187,894**	(60,094)	247,988	(50,657)	298,645
	Motor vehicle	**97,651**	(37,324)	134,975	19,081	115,894
	Marine and aviation	**30,168**	5,481	24,687	6,267	18,420
	Oil and gas	**172,821**	(256,819)	429,640	(27,422)	457,062
		524,257	**(376,911)**	**901,168**	**(23,111)**	**924,279**

These provision represents the liability for general business insurance contracts for which the Group's obligations have not expired at year end,The unearned premuim provision relates to the casuality insurance contracts for which the group expects to pay claims in excess of the related unearned premium provision.

		Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
20.2	Insurance liability life comprises:				
	Group life (Note 20.2a)	**720,716**	718,737	-	-
	Individual life	**566,308**	509,399	-	-
		1,287,024	1,228,136	-	-
	Group life fund:				
20.2a	Provision for outstanding claims (Note 20.2b)	**412,556**	490,612	-	-
	IBNR	**143,790**	70,629	-	-
	Unearned premium reserve	**164,370**	157,496	-	-
		720,716	718,737	-	-
	The movement in the provision for outstanding claims during the year was as follows:				
20.2b	At 1 January	**490,612**	111,576	-	-
	Increase/(decrease) in provision for outstanding cla	**1,158,783**	1,383,023	-	-
	Claims paid	**(1,236,839)**	(1,003,987)	-	-
	At 31 December	**412,556**	490,612	-	-

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
21. TRADE PAYABLES				
Reinsurance payables	**226,882**	237,451	**27,113**	36,392
21.1 Reinsurance payables				
Reinsurance premuim payables	**226,882**	237,451	**27,113**	36,392
Minimum deposit payables	**-**	-	**-**	-
	226,882	237,451	**27,113**	36,392
Due within 12 months	**226,882**	237,451	**27,113**	36,392
Due after 12months	**-**	-	**-**	-
	226,882	237,451	**27,113**	36,392
22. DEFERRED COMMISSION INCOME				
Fire	**6,403**	1,659	**6,403**	1,659
Accident	**26,636**	27,769	**26,636**	27,769
Motor vehicle	**3,974**	6,445	**3,974**	6,445
Oil and Gas	**21,309**	20,704	**21,309**	20,704
Marine and aviation	**2,335**	3,431	**2,335**	3,431
Group life	**31,335**	-	**-**	-
	91,992	60,008	**60,657**	60,008

It relates to deferred commission income i.e unearned portion of the commission from reinsurance transactions

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
23. OTHER PAYABLES				
Accruals	**109,961**	22,071	**84,781**	17,571
Other creditors (note 23.1)	**79,684**	43,202	**52,207**	18,936
Due to subsidiary	**-**	-	**639,831**	734,496
	189,645	65,273	**776,819**	771,003
23.1 The breakdown of other creditors is as below:				
Staff payables	**11,642**	8,869	**11,642**	7,726
Other tax payables	**12,065**	13,197	**12,065**	5,740
Other payables	**55,977**	21,136	**28,500**	5,470
	79,684	43,202	**52,207**	18,936

The carrying amounts disclosed above approximate the fair value at the reporting date. All amounts are payable within one year.

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
Due within 12 months	**79,684**	43,202	**52,207**	18,936
Due after 12months	**-**	-	**-**	-
	79,684	43,202	**52,207**	18,936

	Group		Company	
	2013	**2012**	**2013**	**2012**
	N'000	**N'000**	**N'000**	**N'000**
24. EMPLOYEES BENEFIT LIABILITY				
24.1 Gratuity scheme				
The company has a post emploment benefit scheme.				
The movement in the defined benefit obligation over the year is as follows:				
At beginning of year	**528,777**	388,955	**417,884**	321,779
Current service cost	**151,767**	139,822	**135,691**	96,105
Service cost paid during the year	**(114,879)**	-	**(96,307)**	-
At 31 December	**565,665**	528,777	**457,268**	417,884
Due within 12 months	**-**	-	**-**	-
Due after 12months	**565,665**	528,777	**457,268**	417,884
	565,665	528,777	**457,268**	417,884
25. CURRENT INCOME TAX LIABILITIES				
25.1 Charge				
Income	**89,894**	43,543	**83,174**	34,857
Education tax	**8,110**	7,816	**6,862**	4,069
Technology tax	**4,127**	1,523	**4,001**	1,523
	102,131	52,882	**94,037**	40,449
Deferred tax (note 16)	**35,336**	22,052	**34,699**	18,923
Charge for the year	**137,467**	74,934	**128,736**	59,372
25.2 Tax liability				
The movement on tax payable account during the year is as follows:				
At 1 January	**170,604**	117,722	**129,591**	89,142
Payments during the year	**(69,816)**	-	**(69,816)**	-
Charge for the year	**102,131**	52,882	**94,037**	40,449
At 31 December	**202,919**	170,604	**153,812**	129,591
NOTE ON TAX RECONCILIATIONS				
Tax on the Group's profit before tax differ from theoretical amount that would arise using weighted average tax rate applicable to profit of the group as follows:				
Profit before tax	**412,807**	(180,090)	**400,141**	152,275
Tax calculated at domestic rate				
Applicable in Nigeria at 30% (2011- 30%)	**123,842**	(54,027)	**120,042**	45,683
Income not subject to tax	**(276,059)**	(315,420)	**(118,025)**	(270,409)
Expenses deducted from profit subject to tax	**340,157**	291,116	**152,112**	172,086
Education tax	**8,110**	12,451	**6,862**	4,069
Information technology tax	**4,127**	2,189	**4,001**	2,189
	200,177	(63,691)	**164,992**	(46,383)

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
26. CAPITAL AND RESERVES				
26a Share capital				
Authorised				
10 billion ordinary shares of 50k each	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Issued and fully paid				
7,334,343,421 units of ordinary shares of 50k each	**3,667,172**	3,667,172	**3,667,172**	3,667,172
26b Share premium	**940,612**	940,612	**940,612**	940,612

Premium arising from the issue of shares are reported in the share premium account.

26c Statutory contingency reserve

In accordance with the Insurance act, a contigency reserve is credited with the greater of 3% of total premiums or 20% of profits for general business and 1% of total premiums or 10% of profits for life business. This shall accumulate until it reaches the amount of greater of minimum paid- up capital or 50 percent of net

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
At the beginning of the year	**730,817**	623,004	**684,739**	589,929
Transfer from retained earning	**127,791**	107,813	**111,553**	94,810
At end of the year	**858,608**	730,817	**796,292**	684,739
26d Revaluation reserve				
At 1 January	**469,052**	435,052	**469,052**	435,052
Addition during the year (Note 17.)	**24,000**	34,000	**24,000**	34,000
At 31 December	**493,052**	469,052	**493,052**	469,052

Under current regulations, assets revaluation reserve is not available for distribution to shareholders either as dividends or bonus shares.

No provision was made for deferred capital gains tax as the property is not meant for sale in the foreseeable future.

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
26e Fair value reserves				
At the beginning of the year	**372,556**	102,009	**212,955**	49,381
Additions during the year :				
Fair value changes in available for sale financial assets	**(20,778)**	270,547	**76,627**	163,574
At end of the year	**351,778**	372,556	**289,582**	212,955

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	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
26f Retained earnings				
Retained earnings consist of undistributed profits from previous years				
At the beginning of the year	**(582,853)**	(220,017)	**(547,642)**	(545,735)
Transfer from profit and loss	**275,340**	(255,024)	**271,405**	92,903
Transfer to contingency reserve	**(127,791)**	(107,813)	**(111,553)**	(94,810)
At end of the year	**(435,304)**	(582,853)	**(387,790)**	(547,642)

27. NET PREMIUM EARNED

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
Life business insurance contracts with fixed and guaranteed terms	**1,623,813**	1,300,321	**-**	-
General business insurance contracts:				
Premium revenue	**3,341,515**	3,137,220	**3,341,515**	3,137,220
	4,965,328	4,437,541	**3,341,515**	3,137,220
Change in unearned premium provision	**376,911**	23,111	**376,911**	23,111
Premium revenue arising from insurance contracts issued	**5,342,239**	4,460,652	**3,718,426**	3,160,331
General business reinsurance contract:				
Premium payables	**(2,260,210)**	(1,482,285)	**(2,260,210)**	(1,482,285)
Life business reinsurance contracts	**(395,015)**	(346,514)	**-**	-
Prepaid reinsurance	**922,805**	701,972	**922,805**	701,972
Premium revenue ceded to reinsurers on insurance contracts issued	**(1,732,420)**	(1,126,827)	**(1,337,405)**	(780,313)
Net insurance premium revenue	**3,609,819**	3,333,825	**2,381,021**	2,380,018

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
28. FEES AND COMMISSION INCOME				
Fee income arising on insurance contracts	**599,155**	390,330	**499,928**	303,264

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
29. Claims expenses (net)				
Gross claims paid (29.1)	**2,417,614**	1,365,229	**1,163,700**	**334,724**
Reinsurance recoveries	**(942,205)**	(1,205,124)	**(530,122)**	(767,411)
Changes in contract liabilities (note 30)	**405,039**	1,785,234	**346,151**	1,341,168
	1,880,448	1,945,339	**979,729**	908,481

29.1	General business		Life business	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
Fire	**169,553**	16,367		
Accident	**199,794**	102,763		
Motor vehicle	**101,678**	58,376		
Oil and gas	**676,300**	154,482		
Marine and aviation	**16,375**	2,736		
Individual life	**-**	-	17,075	26,518
Group life	**-**	-	1,236,839	1,003,987
Total benefits and claims paid	**1,163,700**	**334,724**	1,253,914	**1,030,505**

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
30. CLAIMS AND BENEFIT RECOVERABLE FROM REINSURER				
General business	**(530,122)**	(767,411)	**(530,122)**	(767,411)
Life business	**(412,083)**	(437,713)	**-**	**-**
	(942,205)	**(1,205,124)**	**(530,122)**	**(767,411)**

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	General business		Life business	
	2013	2012	2013	2012
	N'000	N'000	N'000	N'000
30.1 Breakdown of claims and benefit recoverable from reinsurers				
Group				
Fire	**(109,496)**	(161,865)	**-**	-
Accident	**(31,929)**	(4,214)	**-**	-
Motor vehicle	**(34,554)**	-	**-**	-
Oil and gas	**(350,877)**	(601,134)	**-**	-
Marine and aviation	**(3,266)**	(198)	**-**	-
Group life	**-**	-	**(412,083)**	(437,713)
	(530,122)	(767,411)	**(412,083)**	(437,713)
Company				
Fire	**(109,496)**	(161,865)	**-**	-
Accident	**(31,929)**	(4,214)	**-**	-
Motor vehicle	**(34,554)**	-	**-**	-
Oil and gas	**(350,877)**	(601,134)	**-**	-
Marine and aviation	**(3,266)**	(198)	**-**	-
	(530,122)	(767,411)	**-**	**-**

	Group		Company	
	2013	2012	2013	2012
	N'000	N'000	N'000	N'000
31. CHANGE IN CONTRACT LIABILITIES				
General business	**346,151**	1,341,168	**346,151**	1,341,168
Life business	**58,888**	444,066	**-**	-
	405,039	1,785,234	**346,151**	1,341,168

31.1 Breakdown of movement in outstanding claims IBNR

	General business		Life business	
	Change in contract liability		Change in contract liability	
	2013	2012	2013	2012
	N'000	N'000	N'000	N'000
Group				
Fire	**28,467**	163,020	**-**	-
Accident	**161,441**	(54,068)	**-**	-
Motor vehicle	**(7,110)**	217,970	**-**	-
Oil and gas	**225,882**	1,029,572	**-**	-
Marine and aviation	**(62,529)**	(15,326)	**-**	-
Individual life	**-**		**27,853**	80,230
Group life	**-**		**31,035**	363,836
	346,151	1,341,168	**58,888**	**444,066**
Company				
Fire	**28,467**	164,044	**-**	-
Accident	**161,441**	(49,860)	**-**	-
Motor vehicle	**(7,110)**	217,970	**-**	-
Oil and gas	**225,882**	1,024,340	**-**	-
Marine and aviation	**(62,529)**	(15,326)	**-**	-
	346,151	1,341,168	**-**	**-**

	Group		Company	
	2013	2012	2013	2012
	N'000	N'000	N'000	N'000
32 UNDERWRITING EXPENSES				
Acquisition cost	**476,213**	277,831	**298,395**	170,141
Maintenance expenses	**446,815**	217,427	**387,558**	168,334
	923,028	**495,258**	**685,953**	**338,475**
33 BREAKDOWN OF UNDERWRITING EXPENSES				
Acquisition cost				
General business	**298,395**	170,141	**298,395**	170,141
Life business	**177,818**	107,690	**-**	-
	476,213	277,831	**298,395**	170,141
33.1 *Maintenance expenses*				
General business	**387,558**	168,334	**387,558**	168,334
Life business	**59,257**	49,093	**-**	-
	446,815	217,427	**387,558**	168,334
34. PROFIT/(LOSS) ON INVESTMENT CONTRACT				
Investment income	75,333	39,279	-	-
Guaranteed interest	(35,898)	(33,070)	-	-
Administrative expenses	(17,531)	(62,530)	-	-
	21,904	**(56,321)**	**-**	**-**
35. INVESTMENT INCOME				
Investment income	**39,633**	21,307	**39,633**	21,307
Available-for-sale - Dividend income	**52,536**	58,197	**43,656**	54,034
Held-to-maturity and loans and receivables	**74,824**	9,336	**34,736**	6,011
Cash and cash equivalents	**142,314**	245,039	**33,248**	102,164
	309,307	333,879	**151,273**	183,516

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	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
35.1 INVESTMENT INCOME DISTRIBUTION				
Share -shareholders	**126,579**	-	**83,427**	-
Share -policy holder	**182,728**	333,879	**67,846**	183,516
	309,307	333,879	**151,273**	183,516
36. NET REALISED GAIN/(LOSS) ON FINANCIAL ASSETS				
Realized gain/(loss) on disposal of financial assets	**74,787**	44,720	**59,151**	43,332
Impairment of financial assets	**627**	(9,419)	**627**	(9,419)
Total	**75,414**	**35,301**	**59,778**	**33,913**
37. OTHER INCOME				
Profit on sale of fixed assets	**837**	21,250	**837**	21,250
Profit on sale of investment property	**9,000**	-	**9,000**	-
Revaluation of investment assets (Note 15)	**202,610**	1,659,925	**202,610**	1,659,925
Other sundry income	**147,618**	11,818	**98,180**	7,147
	360,065	**1,692,993**	**310,627**	**1,688,322**
38. OTHER OPERATING AND ADMINISTRATIVE EXPENSES				
Management expenses comprise:				
Employee benefits expense (note 38.1)	**776,005**	807,304	**639,478**	670,587
Depreciation	**101,519**	95,879	**84,146**	81,670
Amortization -Goodwill	**-**	444,112	**-**	444,112
Amortization -Intangible assets	**-**	2,965	**-**	2,965
Auditors remuneration	**14,000**	9,000	**8,000**	6,000
Directors' emolument	**-**	38,808	**-**	38,808
Direct Expenses	**293,204**	354,648	**221,174**	265,545
Other operating expenses	**460,045**	490,938	**330,683**	462,443
Impairment loss on financial assets	**114,608**	-	**53,323**	-
Impairment loss on premium receivables	**-**	1,224,455	**-**	1,216,282
Impairment loss on other receivables	**-**	1,390	**-**	1,390
	1,759,381	3,469,499	**1,336,804**	3,189,802

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
38.1 Employee benefits expense				
Salaries and wages	579,489	611,788	463,635	522,440
Medical	19,631	17,624	17,169	15,254
Staff training	25,118	38,070	22,983	36,788
Post-employment benefit	151,767	139,822	135,691	96,105
	776,005	807,304	639,478	670,587

39. EARNINGS PER SHARE

Basic earnings per share is calculated by divided the profit attributable to equity holders of the company by the weighted sverage number of ordinary shares in issue during the year.

Profit attributable to equity holders (N'000) - 278,562
Weighted average number of ordinary shares in issue ('000) - 7,334,343

Basic earnings per share- 4kobo

40. CONTINGENCIES AND COMMITMENTS

a) Legal proceedings and regulations
The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. There were six (2012: six) outstanding legal proceedings against the Company as at 31 December 2013 with claims totaling N159 million (2012: N163 million). While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

The Company is also subject to insurance solvency regulations and has complied with all these solvency regulations. There are no contingencies associated with the Company’s compliance or lack of compliance with such regulations.

b) Capital commitments
The Company has no capital commitments as at the reporting date.

41. RELATED PARTY DISCLOSURES

The company entered into transactions with members of the holding company.

a) Transactions with related parties
Details of significant transactions carried out with related parties during the year are as follows:

Premium and claims paid

	Premium N'000	Claims N'000
(i) Parent		
Lagos State Government	725,471	621,686
Ibile Holdings	3,776	2,723
(ii) Key management personnel	1,373	1,190

41. RELATED PARTY DISCLOSURES (Cont'd)

b) Compensation of key management personnel

Key management personnel of the company includes all Directors (executive and non-executive), members of the management committee.

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

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
Salaries	**72,150**	72,150	**72,150**	72,150
Fees	**7,450**	7,450	**7,450**	7,450
	79,600	79,600	**79,600**	79,600

42. EMPLOYEES AND DIRECTORS

a) Employees

The average number of persons employed during the year was as follows:	Number	Number	Number	Number
Executive Directors	**2**	2	**2**	2
Management	**28**	41	**21**	36
Non-management	**141**	121	**115**	106
	171	164	**138**	144

Compensation for the above staff (excluding executive Directors):	N'000	N'000	N'000	N'000
Salaries and wages	**507,339**	567,982	**391,486**	497,838
Retirement benefit costs	**151,767**	167,410	**135,691**	124,393
Medical	**19,631**	17,200	**17,169**	11,473
Staff training	**25,166**	54,300	**22,983**	49,204
	703,903	806,892	**567,329**	682,908

The numbers of employees of the Company, other than Directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits), were:	Number	Number	Number	Number
Less than N500,00	**15**	4	**4**	4
N500,001 - N750,000	**19**	14	**11**	11
N750,001 - N1,000,000	**67**	72	**56**	56
N1,000,001 - and Above	**70**	74	**67**	73
	171	164	**138**	144

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000

42. EMPLOYEES AND DIRECTORS (Cont'd)

b) Directors

Remuneration paid to the Company's Directors (excluding pension contribution) were:

	Group 2013 N'000	Group 2012 N'000	Company 2013 N'000	Company 2012 N'000
Fees and sitting allowances	**7,156**	7,156	**7,156**	7,156
Executive compensation	**14,853**	14,853	**14,853**	14,853
Other Director expenses	**16,799**	16,799	**16,799**	16,799
	38,808	38,808	**38,808**	38,808

Fees and other emoluments disclosed above include amounts paid to:

	Group 2013	Group 2012	Company 2013	Company 2012
The chairman	**750**	750	**750**	750
The highest paid Director	**14,853**	14,853	**14,853**	14,853

The numbers of Directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges were:

	Number	Number	Number	Number
Below N1,000,000				
N1,000,000 - N2,500,000	**5**	5	**5**	5
N2,500,001 - N4,000,000	**-**	-	**-**	-
Above N4,000,000	**2**	2	**2**	2
	7	7	**7**	7

43. EVENTS AFTER THE REPORTING PERIOD

There were no events which could have a material effect on the financial position of the Group as at 31 December 2013 and profit attributable to equity holders on that date other than as disclosed in the financial statements.

44. RECONCILIATION OF OPERATING PROFIT TO THE CASH PROVIDED BY OPERATING ACTIVITIES

	Group		Company	
	2013 N'000	2012 N'000	2013 N'000	2012 N'000
Operating profit after tax	**275,340**	370,043	**271,405**	592,943
Increase in provision for bad debts	**(31,779)**	1,224,455	**-**	1,216,282
(Increase)/decrease in insurance receivable	**778,183**	(752,282)	**593,833**	(812,483)
(Increase)/decrease in reinsurance assets	**(1,412,456)**	(837,276)	**(1,185,074)**	(641,990)
(Increase)/decrease in deferred expenses	**14,368**	(9,913)	**14,368**	(9,913)
(Increase)/decrease other receivables	**(161,280)**	(8,592)	**(156,606)**	15,594
Change in available for sale equity	**19,059**	(427,103)	**(60,515)**	(280,779)
Change in investment properties	**(202,610)**	(1,659,925)	**(202,610)**	(1,659,925)
Dividend and Interests received	**(194,850)**	(156,198)	**(76,904)**	(156,198)
Goodwill	**-**	444,112	**-**	444,112
Equity revaluation reserve	**(20,778)**	270,547	**76,627**	163,574
Amortisation of intangible assets	**-**	2,965	**-**	2,965
Adjustment on fixed assets	**-**	2,150	**-**	2,150
Depreciation	**101,522**	95,879	**84,150**	81,670
Increase/(decrease) in insurance contract liabilities	**992,372**	285,005	**933,482**	22,568
Increase/(decrease) in deferred commission income	**31,984**	60,008	**649**	60,008
Increase/(decrease) in trade payables	**(10,569)**	75,600	**(9,279)**	(124,409)
Increase/(decrease) in deferred taxation	**35,336**	22,052	**34,699**	18,923
Decrease in employee benefit liability	**36,888**	139,822	**39,384**	96,105
Increase/(decrease) in investment contract liability	**53,218**	(47,011)	**-**	-
Increase/(decrease) in other payables	**124,372**	(64,673)	**5,816**	(493,684)
Increase/(decrease) in taxation	**32,315**	129,723	**24,221**	117,290
Cash provided by operating activities	**460,635**	(840,613)	**387,647**	(1,345,197)

45. CONTRAVENTION OF LAWS AND REGULATIONS

The Company contravened certain laws and regulations during the year and paid a total penalty of N790,000 December 2013 (2012-N2,578,571.43).This is analysed below:

PENALTIES	**N' 000**
Late submission of 2012 accounts to NAICOM	220
Late submission of database of industry stakeholders paid to NAICOM	70
Contravention of guideline on placement limits with banks paid to NAICOM	500
	790

LASACO ASSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

46. HYPOTHECATION

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

	Insurance contract		Investment contract	Shareholders funds		Total
	Non life	Life	Life	Non life	Life	
	N'000	N'000	N'000	N'000	N'000	N'000
Group - 31 December 2013						
ASSETS						
Cash and cash equivalents	489,998	1,060,176	1,250,000	78,845	209,359	**3,088,378**
Financial assets	1,104,924	470,000	-	849,170	200,024	**2,624,118**
Trade receivables	-	27,807	-	-	-	**27,807**
Reinsurance assets	2,605,651	648,318	-	-	-	**3,253,969**
Other receivables	-	-	-	505,303	39,920	**545,223**
Investment in Subsidiary	-	-	-	2,000,000	-	**2,000,000**
Investment properties	-	-	-	2,672,825	82,915	**2,755,740**
Property ,plant and equipment	-	-	-	534,335	31,013	**565,348**
Statutory deposit	-	-	-	300,000	200,000	**500,000**
Total assets	**4,200,573**	**2,206,301**	**1,250,000**	**6,940,478**	**763,231**	**15,360,583**
LIABILITIES						
Investment contract liabilities	-	-	(1,048,148)	-	-	**(1,048,148)**
Insurance contract liabilities	(3,778,683)	(1,287,024)	-	-	-	**(5,065,707)**
Trade payables	-	-	-	(27,113)	(199,769)	**(226,882)**
Deferred commission income	-	-	-	(60,657)	(31,335)	**(91,992)**
Other payables	-	-	-	(776,819)	(52,656)	**(829,475)**
Deferred tax liabilities	-	-	-	(139,934)	(5,928)	**(145,862)**
Employee benefit liability	-	-	-	(457,268)	(108,397)	**(565,665)**
Taxation	-	-	-	(153,812)	(49,107)	**(202,919)**
Total liabilities	**(3,778,683)**	**(1,287,024)**	**(1,048,148)**	**(1,615,603)**	**(447,192)**	**(8,176,650)**
	421,890	**919,277**	**201,852**	**5,324,875**	**316,039**	**7,183,933**

46. HYPOTHECATION (CONTINUED)

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

Company- 31 December 2013

	Insurance contract	Shareholders funds	Total
	Non life	Non life	
In thousands of Naira	N'000	N'000	N'000
ASSETS			
Cash and cash equivalents	489,998	78,845	568,843
Financial assets	1,104,924	849,170	1,954,094
Reinsurance assets	2,605,651	-	2,605,651
Other receivables	-	505,303	505,303
Investment in Subsidiary	-	2,000,000	2,000,000
Investment properties	-	2,672,825	2,672,825
Property, plant and equipment	-	534,335	534,335
Statutory deposit	-	300,000	300,000
Total Assets	**4,200,573**	**6,940,478**	**11,141,051**
LIABILITIES			
Insurance contract liabilities	(3,778,683)	-	(3,778,683)
Trade payables	-	(27,113)	(27,113)
Deferred commission income	-	(60,657)	(60,657)
Other payables	-	(776,819)	(776,819)
Deferred tax liabilities	-	(139,934)	(139,934)
Employee benefit liability	-	(457,268)	(457,268)
Taxation	-	(153,812)	(153,812)
Total liabilities	**(3,778,683)**	**(1,615,603)**	**(5,394,286)**
	421,890	5,324,875	5,746,765

LASACO ASSURANCE PLC

STATEMENT OF VALUE ADDED - Group
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 N'000	%	2012 N'000	%
Net premium written:				
- Nigeria	3,609,819		3,333,825	
- Foreign				
Investment income:				
- Nigeria	309,307		333,879	
- Foreign				
Other income:				
- Nigeria	103,500		(513,969)	
- Foreign				
Claims incurred,net commissions and operating expenses:				
- Nigeria	(2,732,292)		(1,983,565)	
- Foreign				
VALUE ADDED	**1,290,334**	**100**	**1,170,170**	**100**
APPLIED AS FOLLOWS:				
To pay employees:				
Salaries,wages and fringe benefits	776,005	60	807,304	69
To pay Government:				
- Income tax	102,131	9	52,882	5
To provide for future taxation:				
Deferred taxation	35,336	3	22,052	2
To provide for enhancement of assets and growth				
- Depreciation of property,plant and equipment	101,522	8	95,879	8
- Amortisation of intangible assets	-	-	447,077	38
- To augment contingency reserve	127,791	8	107,813	9
- Augment/(deplete) reserves	147,549	11	(362,837)	(31)
	1,290,334	**100**	**1,170,170**	**100**

Note:

Value added represent the additional wealth the company has been able to create by its own and employees efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.

LASACO ASSURANCE PLC

STATEMENT OF VALUE ADDED - Company
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 N'000	%	2012 N'000	%
Net premium written:				
- Nigeria	2,381,021		2,380,018	
- Foreign	-		-	
Investment income:				
- Nigeria	151,273		183,516	
- Foreign	-		-	
Other income:				
- Nigeria	248,868		(31,241)	
- Foreign	-		-	
Claims incurred,net commissions and operating expenses:				
- Nigeria	(1,657,393)		(1,180,684)	
- Foreign	-		-	
VALUE ADDED	**1,123,769**	**100**	**1,351,609**	**100**
APPLIED AS FOLLOWS:				
To pay employees				
salaries,wages and fringe benefits	639,478	57	670,587	50
To pay government				
Income tax	94,037	8	40,449	3
To provide for future taxation				
Deferred taxation	34,699	3	18,923	1
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	84,150	8	81,670	6
Amortisation of intangible assets	-	-	447,077	33
To augment contingency reserve	111,553	10	94,810	7
Augment/(deplete) reserves	159,852	14	(1,907)	-
	1,123,769	**101**	**1,351,609**	**100**

Note:

Value added represent the additional wealth the company has been able to create by its own and employees' efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.

LASACO ASSURANCE PLC

FINANCIAL SUMMARY - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 N'000	2012 N'000	2011 N'000	2010 N'000
ASSETS				
Cash and cash equivalents	3,088,378	3,591,189	4,840,731	4,385,933
Financial assets	2,624,118	1,633,253	891,150	1,030,741
Trade receivables	27,807	774,211	1,246,384	1,107,847
Reinsurance assets	3,253,969	1,841,513	130,326	320,391
Other receivables	545,223	383,941	375,349	604,156
Deferred acquisition cost	52,155	66,523	56,610	66,428
Investment properties	2,755,740	2,461,000	862,325	781,388
Intangible asset	-	-	447,077	17,436
Property, plant and equipment	565,348	586,630	448,375	151,269
Statutory deposit	500,000	500,000	500,000	500,000
TOTAL ASSETS	**13,412,738**	**11,838,260**	**9,798,327**	**8,965,589**
LIABILITIES AND EQUITY				
Investment contract liabilities	1,048,148	994,930	1,041,941	263,206
Insurance contract liabilities	5,065,707	4,073,335	2,212,513	2,355,128
Trade payables	226,882	237,451	161,851	49,629
Cashbook overdrawn	-	-	109,093	70,355
Deferred commission income	91,992	60,008	-	120,704
Other payables	189,645	65,272	129,945	182,795
Deferred tax liabilities	145,862	110,526	88,474	77,306
Employee benefit liability	565,665	528,777	388,955	294,784
Taxation	202,919	170,604	117,722	257,432
Total liabilities	**7,536,820**	**6,240,904**	**4,250,494**	**3,671,339**
EQUITY				
Issued share capital	3,667,172	3,667,172	3,667,172	3,661,717
Share premium	940,612	940,612	940,612	940,612
Revaluation reserve	493,052	469,052	435,052	435,052
Fair value reserve	351,778	372,556	102,009	83,593
Contingency reserve	858,608	730,817	623,004	529,044
General reserve	(435,304)	(582,853)	(220,017)	(355,768)
Total equity	**5,875,918**	**5,597,356**	**5,547,832**	**5,294,250**
TOTAL LIABILITIES AND EQUITY	**13,412,738**	**11,838,260**	**9,798,327**	**8,965,589**
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME				
Gross premiums written	4,965,328	4,437,541	3,988,547	3,255,054
Net insurance premium earned	4,208,974	3,724,155	3,506,621	2,615,450
Net benefits and claims	2,803,476	2,440,597	1,487,998	2,452,717
Total underwriting profit	1,405,498	1,283,558	2,018,623	162,733
Realised gain/(loss) on financial assets	75,414	35,301		
Investment and other income	669,372	2,026,872	364,027	529,898
Net income	2,150,284	3,345,731	2,382,650	692,631
Other expenses	(1,759,381)	(3,469,499)	(1,882,340)	(1,539,829)
Profit/(loss) before taxation	390,903	(123,768)	500,310	(847,198)
Taxation	(137,467)	(74,934)	(270,598)	(72,902)
Profit/(loss) after taxation	253,436	(198,702)	229,712	(920,100)
Net fair value gain on available for sale financial assets	(20,778)	270,547	18,416	-
Gain on revaluation reserve	24,000	34,000	-	-
Total comprehensive income for the year	**256,658**	**105,845**	**248,128**	**(920,100)**
Earning per share(kobo):				
- Actual	4	(3)	3	(13)
- Adjusted	4	(3)	3	(13)

LASACO ASSURANCE PLC

FIVE YEARS FINANCIAL SUMMARY - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2013

	IFRS					NIGERIAN GAAP
	2013 N'000	2012 N'000	2011 N'000	2010 N'000		2010 N'000
ASSETS						
Cash and cash equivalents	**568,843**	969,296	2,481,667	1,875,083	Cash and bank balances	163,087
Financial assets	**1,954,094**	1,088,655	707,876	749,479	Debtors and prepayments	2,439,398
Trade receivables	**-**	593,833	997,631	952,906	Goodwill	-
Reinsurance assets	**2,605,651**	1,420,577	59,982	264,455	Recapitalisation	-
Other receivables	**505,303**	348,697	364,291	571,207	Investment in Subsidiary	2,000,000
Deferred acquisition cost	**52,155**	66,523	56,610	66,428	Investments	1,752,752
Investment in Subsidiary	**2,000,000**	2,000,000	2,000,000	2,000,000	Statutory deposit	300,000
Investment properties	**2,672,825**	2,461,000	862,325	781,388	Fixed assets	950,547
Intangible asset	**-**	-	447,077	17,436		
Property ,plant and equipment	**534,335**	543,620	417,911	124370		
Statutory deposit	**300,000**	300,000	300,000	300,000		
TOTAL ASSETS	**11,193,206**	9,792,201	8,695,370	7,702,752		7,605,784
LIABILITIES and EQUITY					**LIABILITIES AND RESERVES**	
Investment contract liabilities	**-**	-	-	-	Due to Banks	8,168
Insurance contract liabilities	**3,778,683**	2,845,199	1,527,145	1,790,211	Creditors and accruals	371,859
Trade payables	**27,113**	36,392	160,801	30,002	Outstanding claims	264,397
Cashbook overdrawn	**-**	-	109,093	-	Insurance fund	533,246
Deffered commission income	**60,657**	60,008	-	120,704	Deposit Administration	-
Other payables	**776,819**	771,003	1,264,687	237,844	Taxation	323,201
Deferred tax liabilities	**139,934**	105,235	86,312	76,091	Deferred taxation	57,648
Employee benefit liability	**457,268**	417,884	321,779	294,784		
Taxation	**153,812**	129,591	89,142	249,453		
Total liabilities	**5,394,286**	4,365,313	3,558,959	2,799,089		1,558,519
EQUITY					**CAPITAL AND RESERVES**	
Issued share capital	**3,667,172**	3,667,172	3,667,172	3,661,717	Share capital	3,661,717
Share premium	**940,612**	940,612	940,612	940,612	Share premium	940,612
Revaluation reserve	**493,052**	469,052	435,052	435,052	Statutory contingency reserve	447,471
Fair value reserve	**289,582**	212,955	49,381	30,965	General reserve	562,414
Contingency reserve	**796,292**	684,739	589,929	508,817	Revaluation reserve	435,052
General reserve	**(387,790)**	(547,642)	(545,735)	(673,500)	Equity revaluation reserve	-
Total equity	**5,798,920**	5,426,888	5,136,411	4,903,663		6,047,265
TOTAL LIABILITIES AND EQUITY	**11,193,206**	9,792,201	8,695,370	7,702,752	**TOTAL LIABILITIES AND EQUITY**	7,605,784
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME						
Gross premiums written	**3,341,515**	3,137,220	3,160,331	2,044,865	Gross premiums written	3,302,046
Net insurance premium earned	**2,880,949**	2,683,282	2,602,133	1,628,082	Net premium written	2,365,520
Net benefits and claims	**1,665,682**	1,246,956	754,965	773,648		
Total underwriting profit	**1,215,267**	1,436,326	1,847,168	854,434		
Realised gain/(loss) on financial assets	**59,778**	33,913	15,622	-		
Investment and other income	**461,900**	1,871,838	188,611	512,899		
Net income	**1,736,945**	3,342,077	2,051,401	1,367,333		
Other expenses	**(1,336,804)**	(3,189,802)	(1,609,069)	(1,191,427)		
Profit before taxation	**400,141**	152,275	442,332	175,906	Profit before taxation	646,094
Taxation	**(128,736)**	(59,372)	(233,455)	-	Taxation	(117,001)
Profit after taxation	**271,405**	92,903	208,877	175,906	Profit after taxation	529,093
Net fair value gain on available for sale financial assets	**76,627**	163,574	18,416	-		
Gain on revaluation reserve	**24,000**	34,000	-	-		
Total comprehensive income for the year	**372,032**	290,477	227,293	175,906	Earning per share	
Earning per share(kobo):					Actual (kobo)	6
- Actual	**4**	1	2	2	Adjusted	6
- Adjusted	**4**	1	2	2		