

CONTINENTAL REINSURANCE PLC
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

Continental Reinsurance Plc
Unaudited Consolidated Financial Statements
For the period ended 30 September, 2017

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Continental Reinsurance Plc

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the period ended 30 September, 2017

	Note	GROUP		GROUP	
		JAN-SEPT 2017 =N='000	JAN-SEPT 2016 =N='000	JUL-SEPT 2017 =N='000	JUL-SEPT 2016 =N='000
Gross written Premium		21,858,690	17,513,825	6,668,598	5,589,010
Insurance premium revenue	1.1	21,432,672	18,119,845	8,735,602	6,270,529
Insurance premium ceded to retrocessionaires	1.2	(3,005,200)	(1,968,563)	(1,152,648)	(768,312)
Net insurance premium revenue		18,427,472	16,151,282	7,582,954	5,502,217
Insurance benefits					
Insurance claims and loss adjustment expenses	2.1	10,476,524	8,496,251	5,370,394	3,061,352
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(2,476,961)	(130,736)	(889,137)	14,133
Net insurance benefits and claims		7,999,563	8,365,516	4,481,258	3,075,486
Underwriting expenses	2.2	8,348,596	7,039,043	3,109,650	2,488,682
Insurance benefits and underwriting expenses		16,348,159	15,404,558	7,590,907	5,564,168
Underwriting profit		2,079,313	746,723	(7,953)	(61,951)
Net Interest income	3	1,446,154	910,425	492,549	359,271
Net gains on financial assets designated at fair value through profit or loss	4	111,677	11,805	(990)	(1,168)
Other income	5	343,811	150,957	102,030	61,364
Foreign exchange gain/(loss)	5.1	302,820	4,037,425	35,841	1,636,099
Income from investment in subsidiary	5.2	-	-	-	-
Administration expenses	6.1	(681,589)	(359,595)	(149,310)	(202,501)
Impairment of financial assets	6.2	(363,233)	(465,762)	(341,687)	115,581
Profit before taxation		3,238,952	5,031,978	130,479	1,906,696
Income tax expense	8	(741,409)	(1,280,671)	39,366	(519,899)
Profit after taxation		2,497,543	3,751,307	169,844	1,386,796
Profit for the year		2,497,543	3,751,307	169,844	1,386,796
Other comprehensive income:					
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:					
Remeasurement gains on available for sale financial assets	7	(231,683)	-	(63,120)	-
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-	-	-
Exchange difference on translation of foreign operations			328,297		
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:					
Actuarial (loss)/gains on defined benefit plans	26	-	14,573		(44,778)
Income tax relating to component of other comprehensive income					
Other comprehensive income for the year, net of tax		(231,683)	342,870	(63,120)	(44,778)
Total Comprehensive Income for the year		2,265,860	4,094,177	106,725	1,342,019
Profit attributable to:					
Equity holders of the parent		2,232,614	3,691,275	169,844	1,386,796
Non-controlling interest		264,929	60,032	-	-
		2,497,543	3,751,307	169,844	1,386,796
Total comprehensive income attributable to:					
Equity holders of the parent		2,000,931	4,034,145	106,725	1,342,019
Non-controlling interest		264,929	60,032	-	-
		2,265,860	4,094,177	106,725	1,342,019
Earnings per share					
Basic (kobo)	10	24	36		
Key ratios;					
Claims incurred ratio		43%	52%	59%	56%
Acquisition Expense Ratio		33%	32%	28%	33%
Mgt. & admin. Expense ratio		16%	14%	15%	16%
Combined Ratio		92%	98%	102%	105%

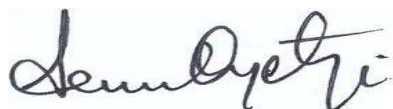
Continental Reinsurance Plc

Statement of Profit or Loss and other Comprehensive Income
For the period ended 30 September, 2017

	Note	COMPANY		COMPANY	
		JAN-SEPT 2017 =N='000	JAN-SEPT 2016 =N='000	JUL-SEPT 2017 =N='000	JUL-SEPT 2016 =N='000
Gross written Premium		15,623,818	13,365,853	4,537,903	3,798,739
Insurance premium revenue	1.1	15,175,940	13,754,075	6,503,152	4,243,318
Insurance premium ceded to retrocessionaires	1.2	(1,802,068)	(1,624,252)	(584,674)	(627,582)
Net insurance premium revenue		13,373,872	12,129,823	5,918,479	3,615,737
Insurance benefits					
Insurance claims and loss adjustment expenses	2.1	7,518,571	6,701,739	4,208,812	2,243,783
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(2,143,413)	(122,517)	(897,547)	(32,899)
Net insurance benefits and claims		5,375,157	6,579,222	3,311,266	2,210,884
Underwriting expenses	2.2	6,120,183	5,431,267	2,047,677	1,822,127
Insurance benefits and underwriting expenses		11,495,340	12,010,489	5,358,943	4,033,011
Underwriting profit		1,878,532	119,334	559,536	(417,274)
Net interest income	3	1,112,950	667,078	376,388	245,853
Net gains on financial assets designated at fair value through profit or loss	4	110,411	10,509	-	(1,340)
Other income	5	385,436	144,604	118,093	59,297
Foreign exchange gain/(loss)	5.1	452,221	4,175,095	87,757	1,741,729
Income from investment in subsidiary	5.2	-	-	-	-
Administration expenses	6.1	(444,888)	(264,460)	(132,931)	(91,280)
Impairment of financial assets	6.2	(306,969)	(393,765)	(306,969)	113,497
Profit before taxation		3,187,693	4,458,395	701,873	1,650,482
Income tax expense	8	(796,923)	(1,114,599)	(40,468)	(412,621)
Profit after taxation		2,390,770	3,343,796	661,405	1,237,862
Profit for the year		2,390,770	3,343,796	661,405	1,237,862
Other comprehensive income:					
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:					
Remeasurement gains on available for sale financial assets	7	(243,894)	-	(70,591)	-
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-	-	-
Exchange difference on translation of foreign operations					
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:					
Actuarial (loss)/gains on defined benefit plans	26	-	-	-	-
Income tax relating to component of other comprehensive income			11,937		
Other comprehensive income for the year, net of tax		(243,894)	11,937	(70,591)	-
Total Comprehensive Income for the year		2,146,876	3,355,733	590,814	1,237,862
Profit attributable to:					
Equity holders of the parent		2,390,770	3,343,796	661,405	1,237,862
Non-controlling interest		-	-	-	-
		2,390,770	3,343,796	661,405	1,237,862
Total comprehensive income attributable to:					
Equity holders of the parent		2,146,876	3,355,733	590,814	1,237,862
Non-controlling interest		-	-	-	-
		2,146,876	3,355,733	590,814	1,237,862
Earnings per share					
Basic (kobo)	10	23	32		
Key ratios;					
Claims incurred ratio		40%	54%	56%	61%
Acquisition Expense Ratio		33%	33%	25%	35%
Mgt. & admin. Expense ratio		16%	14%	12%	18%
Combined Ratio		89%	101%	93%	114%

Continental Reinsurance Plc
Consolidated Statement of Financial Position

As at 30 September 2017	Note	GROUP		COMPANY	
		30 September 2017 =N='000	31 December 2016 =N='000	30 September 2017 =N='000	31 December 2016 =N='000
Assets					
Cash and cash equivalents	11	9,832,616	9,346,512	7,266,202	6,538,768
Financial assets					-
-Financial asset designated as fair value	12	2,092,176	2,046,334	-	96,177
-Loans and other receivables	13	435,441	391,505	381,851	296,442
-Available-for-sale investments	14.1	1,589,933	2,544,152	1,532,080	2,482,982
-Held to maturity investments	14.2	7,995,934	7,114,054	6,559,239	6,345,274
Reinsurance receivables	15	10,720,822	10,548,241	7,276,959	7,477,146
Retrocession assets	16	1,283,969	1,113,566	388,870	424,947
Deferred acquisition costs	17	1,345,258	1,532,808	782,628	782,627
Investment in Subsidiary	18.1	-	-	2,272,473	1,649,571
Other assets	18	705,073	426,753	721,965	1,950,129
Investment properties	19	2,868,728	2,868,728	2,868,728	2,868,728
Intangible assets	20	22,053	7,067	22,053	6,768
Property, plant and equipment	21	1,306,715	1,311,955	1,201,383	1,247,031
Statutory deposits	22	1,000,000	1,000,000	1,000,000	1,000,000
Total assets		41,198,719	40,251,675	32,274,432	33,166,591
Liabilities					
Insurance contract liabilities	23	14,546,780	13,745,314	10,536,135	10,137,148
Reinsurance creditors	24	3,545,594	2,930,856	2,862,202	2,568,607
Other liabilities	25	739,697	1,976,817	930,094	3,200,303
Retirement benefit obligations	26	232,800	383,858	232,800	336,008
Current income tax	8	645,137	692,603	725,502	631,518
Deferred taxation	9	793,098	793,807	686,908	686,908
Total liabilities		20,503,106	20,523,253	15,973,641	17,560,492
Equity					
Share capital	27	5,186,372	5,186,372	5,186,372	5,186,372
Share premium	28	3,915,451	3,915,451	3,915,451	3,915,451
Contingency reserve	29	4,431,741	4,003,471	4,182,958	3,754,688
Retained earnings	30	3,226,581	2,874,421	2,918,993	2,408,676
Available-for-sale reserve	31	97,308	333,265	97,018	340,912
Foreign currency translation reserve		2,242,177	2,088,662		
Equity attributed to holder of parent		19,099,630	18,401,642	16,300,791	15,606,099
Non-controlling interest		1,595,983	1,326,780		
Total equity		20,695,612	19,728,422	16,300,791	15,606,099
Total Liabilities & equities		41,198,719	40,251,675	32,274,432	33,166,591



Dr. Olufemi Oyetunji
Group Managing Director
FRC/2013/NSA/00000000685



Nkem Odibeli
Chief Financial Officer
FRC:2017/CIBN/00000016051



Godwin Eboigbe
Senior Manager-Finance
FRC:2017/ICAN/00000016525

Continental Reinsurance Plc
Consolidated Statement of Changes in Equity
For the period ended 30 September, 2017

		Attributable to equity holders-Group							
Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Foreign Exchange Translation Reserve =N='000	Non-controlling interest	Total equity =N='000	
	Balance at 1 January 2017	5,186,372	3,915,451	2,874,421	4,003,471	333,265	2,088,662	1,326,780	19,728,422
	Profit or loss for the period	-	-	2,232,614	-	-	-	264,929	2,497,543
	Transfer of contingency reserve	-	-	(428,270)	428,270	-	-	-	-
	Other comprehensive income								
	Fair value of equity financial assets	-	-	-	-	(235,957)	-	4,274	(231,683)
7	Foreign exchange translation reserve	-	-	-	-	153,515	-	-	153,515
	Total comprehensive income or loss	-	-	1,804,344	428,270	(235,957)	153,515	269,203	2,419,375
	Transaction with owners								
	Dividend	-	-	(1,452,184)	-	-	-	-	(1,452,184)
25.1	Total Transactions with owners	-	-	(1,452,184)	-	-	-	-	(1,452,184)
	At 30 September, 2017	5,186,372	3,915,451	3,226,581	4,431,741	97,308	2,242,177	1,595,983	20,695,612
	Balance at 1 January 2016	5,186,372	3,915,451	1,820,765	3,414,608	182,183	(116,756)	1,134,568	15,537,191
	Change in shareholding	-	-	-	-	-	-	-	-
	Profit or loss for the year	-	-	3,605,752	-	-	-	145,555	3,751,307
	Transfer of contingency reserve	-	-	(362,181)	362,181	-	-	-	-
	Other comprehensive income								
	Fair value of equity financial assets	-	-	-	-	(5,608)	-	(1,718)	(7,325)
	Foreign exchange translation reserve	-	-	-	-	662,774	-	-	662,774
	Total comprehensive income or loss	5,186,372	3,915,451	5,064,336	3,776,789	176,575	546,018	1,278,405	19,943,947
	Transaction with owners								
	Dividend	-	-	(1,244,729)	-	-	-	-	(1,244,729)
	Total Transactions with owners	-	-	(1,244,729)	-	-	-	-	(1,244,729)
	At 30 September, 2016	5,186,372	3,915,451	3,819,607	3,776,789	176,575	546,018	1,278,405	18,699,218

Continental Reinsurance Plc
Statement of Changes in Equity
For the period ended 30 September, 2017

Attributable to equity holders-Company

Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Total equity =N='000
Balance at 1 January 2017	5,186,372	3,915,451	2,408,676	3,754,688	340,912	15,606,099
Profit or loss for the period	-	-	2,390,770	-	-	2,390,770
Transfer of contingency reserve	-	-	(428,270)	428,270	-	-
Other comprehensive income						
Fair value of equity financial assets	7	-	-	-	243,894	(243,894)
Foreign exchange translation reserve						-
Total comprehensive income or loss	-	-	1,962,500	428,270	(243,894)	2,146,876
Transaction with owners						
Dividend	25.1	-	(1,452,184)	-	-	(1,452,184)
Total Transactions with owners	-	-	(1,452,184)	-	-	(1,452,184)
At 30 September, 2017	5,186,372	3,915,451	2,918,993	4,182,958	97,018	16,300,792
Balance at 1 January 2016	5,186,372	3,915,451	1,681,345	3,250,484	182,971	14,216,623
Profit or loss for the year	-	-	3,343,796	-	-	3,343,796
Transfer of contingency reserve	-	-	(362,182)	362,182	-	-
Other comprehensive income						
Fair value of equity financial assets	-	-	-	-	(2,418)	(2,418)
Foreign exchange translation reserve						-
Total comprehensive income or loss	5,186,372	3,915,451	4,662,959	3,612,666	180,553	17,558,001
Transaction with owners						
Dividend	-	-	(1,244,729)	-	-	(1,244,729)
Total Transactions with owners	-	-	(1,244,729)	-	-	(1,244,729)
At 30 September, 2016	5,186,372	3,915,451	3,418,229	3,612,666	180,553	16,313,272

Continental Reinsurance Plc
Statement of Cash flows
For the period ended 30 September, 2017

	Group		Company	
	30 Sept. 2017 N' 000	30 Sept. 2016 N' 000	30 Sept. 2017 N' 000	30 Sept. 2016 N' 000
Cash flows from operating activities				
Premium received from policy holders	19,468,740	11,332,523	15,517,036	9,810,637
Retrocession receipts in respect of claims	2,194,960	175,804	2,179,489	121,194
Acquisition costs paid	(5,462,765)	(4,149,081)	(4,368,284)	(3,969,498)
Retrocession premium paid	(1,640,893)	(1,775,552)	(1,439,380)	(1,567,000)
Employees benefit and other admin expenses paid	(2,547,776)	(2,429,551)	(2,123,147)	(1,978,881)
Other operating cash receipts/payments	455,815	4,760,817	386,284	4,029,248
Claims paid	(10,122,657)	(4,410,370)	(7,836,839)	(4,016,537)
Income taxes paid	(836,498)	(729,471)	(702,939)	(703,514)
Net cash flows (outflow)/inflow from operating activities	1,508,926	2,775,119	1,612,221	1,725,649
Cash flows from investing activities				
Purchase of property, plant and equipment	(59,137)	(148,229)	(14,795)	(140,468)
Purchase of intangible assets	(18,333)	(9,749)	(18,333)	(8,122)
Investment in subsidiary	-	-	(622,902)	-
Proceeds from disposal of property, plant and equipment	5,612	1,538	5,612	1,538
Purchase of investment securities	(2,424,107)	(777,358)	(532,283)	(751,957)
Proceeds on redemption /sales of investments	1,166,614	482,408	1,166,614	461,628
Purchase of investment property	-	-	-	-
Proceeds from sale of investment property	(0)	450,000	(0)	450,000
Rent Received	70,775	55,932	70,775	55,932
Interest received	1,236,926	761,571	1,134,794	688,923
Dividend received	36,719	42,958	35,755	36,688
Net cash generated/(used) in investing activities	15,068	859,069	1,225,237	794,161
Cash flows from financing activities				
Dividend expense	(2,612,808)	(592,065)	(2,612,808)	(592,065)
Net cash used in financing activities	(2,612,808)	(592,065)	(2,612,808)	(592,065)
Net increase in cash and cash equivalents	(1,088,814)	3,042,123	224,650	1,927,745
Cash and cash equivalents at start of year	7,962,050	7,962,050	4,014,649	6,019,005
Effect of exchange rate changes on cash and cash equivalents	(67,523)	58,974	0	58,974
Cash and cash equivalents at end of period	6,805,713	11,063,147	4,239,299	8,005,724
Cash and cash Equivalent	2017	2016	2017	2016
Balances held with other banks:	N' 000	N' 000	N' 000	N' 000
Cash in hand	4,168	436	3,869	151
- Current account and cash in hand	732,819	109,749	598,207	9,355
Domiciliary account	582,926	153,270	582,926	153,270
Balances held with foreign banks:	1,206,042	367,113	1,206,042	367,113
- Placements with banks and other financial institutions	4,239,152	8,126,003	1,807,649	5,169,259
Treasury bill	40,606	2,306,576	40,606	2,306,576
Cash and Cash Equivalent at end	6,805,713	11,063,147	4,239,299	8,005,724

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-SEPT 2017	JAN-SEPT 2016	JAN-SEPT 2017	JAN-SEPT 2016	JUL-SEPT 2017	JUL-SEPT 2016	JUL-SEPT 2017	JUL-SEPT 2016
1 Revenue	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
1.1 Insurance premium revenue								
<i>Premium revenue arising from insurance contracts issued</i>								
Life insurance contracts								
– Gross Premium	2,525,899	2,064,212	2,022,245	1,939,732	706,014	451,585	548,707	414,366
– Change in life insurance contract liabilities	27,921	187,622	27,921	187,622	53,050	28,354	53,050	68,085
– Change in ceded unexpired risk reserve	-	(28,143)	0	(28,143)	-	(10,213)	-	(10,213)
Non life insurance contracts								
– Gross Premium	19,332,791	15,449,613	13,601,572	11,426,121	5,962,584	5,137,426	3,989,196	3,384,373
– Change in unearned premium provision	(453,939)	446,541	(475,798)	228,744	2,013,954	663,377	1,912,199	386,707
Total Premium revenue arising from insurance contracts issued	21,432,672	18,119,845	15,175,940	13,754,075	8,735,602	6,270,529	6,503,152	4,243,318
1.2 Insurance premium ceded to retrocessionaire								
<i>Premium revenue ceded to retrocessionaire on insurance contracts issued</i>								
Life insurance contracts	2,626,315	309,632	303,337	290,960	1,046,746	67,738	82,306	62,155
Non life insurance contracts	378,885	1,658,931	1,498,731	1,333,292	105,902	700,574	502,368	565,427
Total Premium revenue ceded to retrocessionaire on insurance contracts	3,005,200	1,968,563	1,802,068	1,624,252	1,152,648	768,312	584,674	627,582
Net insurance premium revenue	18,427,472	16,151,282	13,373,872	12,129,823	7,582,954	5,502,217	5,918,479	3,615,737
2 Insurance benefits and underwriting expenses								
2.1 Insurance claims and loss adjustment expenses								
Life insurance contracts	703,260	1,160,303	554,527	1,139,388	(48,594)	253,102	(130,622)	269,486
Non life insurance contracts	9,773,264	7,384,340	6,964,044	5,610,743	5,418,989	2,815,774	4,339,435	1,981,821
ceded outstanding claim reserve - Non Life	-	-	-	-	-	-	-	-
ceded outstanding claim reserve - Life	-	(48,391)	-	(48,391)	-	(7,524)	-	(7,524)
Total cost of policyholder benefits	10,476,524	8,496,251	7,518,571	6,701,739	5,370,394	3,061,352	4,208,812	2,243,783
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(2,476,961)	(130,736)	(2,143,413)	(122,517)	(889,137)	14,133	(897,547)	(32,899)
Net insurance benefits and claims	7,999,563	8,365,516	5,375,157	6,579,222	4,481,258	3,075,486	3,311,266	2,210,884
2.2 Underwriting expenses								
Costs incurred for the acquisition of insurance	5,260,946	4,632,369	3,843,536	3,632,112	1,835,565	1,638,152	1,284,082	1,191,067
Costs incurred for the maintenance of insurance	747,139	560,508	524,747	350,079	251,607	156,383	176,622	78,956
Management expenses (See Note 6.1)	2,340,512	1,846,165	1,751,900	1,449,077	1,022,477	694,147	586,974	552,104
Total underwriting expenses	8,348,596	7,039,043	6,120,183	5,431,267	3,109,650	2,488,682	2,047,677	1,822,127
Total insurance benefits and underwriting expenses	16,348,159	15,404,558	11,495,340	12,010,489	7,590,907	5,564,168	5,358,943	4,033,011
3 Net Interest income								
Cash and bank balances interest income	464,865	339,914	261,703	214,105	174,379	124,316	93,381	61,058
Statutory deposits interest income	123,694	84,632	123,694	84,632	65,101	25,875	65,101	25,875
Held-to-maturity and loans and receivables interest income	857,595	485,878	727,553	368,341	253,069	209,080	217,906	158,920
Net Interest income	1,446,154	910,425	1,112,950	667,078	492,549	359,271	376,388	245,853

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-SEPT 2017 =N='000	JAN-SEPT 2016 =N='000	JAN-SEPT 2017 =N='000	JAN-SEPT 2016 =N='000	JUL-SEPT 2017 =N='000	JUL-SEPT 2016 =N='000	JUL-SEPT 2017 =N='000	JUL-SEPT 2016 =N='000
4 Net fair value gains on assets at fair value t								
Net fair value gains/ (losses) on financial assets designated at fair value through profit	111,677	11,805	110,411	10,509	(990)	(1,168)	-	(1,340)
Fair value gains on investment property	-	0	-	-	-	-	-	-
Total	<u>111,677</u>	<u>11,805</u>	<u>110,411</u>	<u>10,509</u>	<u>(990)</u>	<u>(1,168)</u>	<u>-</u>	<u>(1,340)</u>
5 Other income								
Available-for-sale								
- Dividends	36,719	37,414	35,755	36,688	14,544	22,614	14,331	22,300
- Gain on disposal of available-for-sale securities:								
Equity	100,202	27,779	100,202	27,779	-	-	-	-
Bond	41,047	0	41,047.47	-	140.35	-	140.35	-
Income on investment property	81,835	61,242	81,835	61,242	46,110	29,513	46,110	29,513
- Gain/(Loss) on disposal of investment proper	-	0	-	-	-	-	-	-
-(Loss)/gain on disposal of property, plant and	(2,009)	1,439	(2,009)	1,439	3,145	17	3,145	17
Other income	86,017	23,083	128,606	17,455	38,091	9,221	54,367	7,468
	<u>343,811</u>	<u>150,957</u>	<u>385,436</u>	<u>144,604</u>	<u>102,030</u>	<u>61,364</u>	<u>118,093</u>	<u>59,297</u>
5.1 Foreign exchange gain/(loss)								
Foreign exchange gain/(loss)	302,820	4,037,425	452,221	4,175,095	35,841	1,636,099	87,757	1,741,729
	<u>302,820</u>	<u>4,037,425</u>	<u>452,221</u>	<u>4,175,095</u>	<u>35,841</u>	<u>1,636,099</u>	<u>87,757</u>	<u>1,741,729</u>
Breakdown of foreign exchange gain/(loss)								
5.1a								
Investment assets	45,113	1,368,790	45,113	1,368,790	39,697	-	39,697	-
Bank balances	469,437	195,868	469,437	226,150	265,466	-	265,466	-
Reinsurance receivables	(211,730)	1,219,965	(62,328)	1,221,722	(269,322)	-	(217,406)	-
	302,820	2,784,623	452,221	2,816,662	35,841	-	87,757	-
Less gain on impaired reinsurance receivables	-	(383,297)	-	(383,297)	-	-	-	-
	<u>302,820</u>	<u>2,401,326</u>	<u>452,221</u>	<u>2,433,365</u>	<u>35,841</u>	<u>-</u>	<u>87,757</u>	<u>-</u>
5.2 Income from investment in Subsidiary								
- Dividend received	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6 Operating expenses								
6.1 Management and administration expenses								
Management expenses	2,340,512	1,846,165	1,751,900	1,449,077	1,022,477	694,147	586,974	552,104
Administration expenses	681,589	359,595	444,888	264,460	149,310	202,501	132,931	91,280
	<u>3,022,101</u>	<u>2,205,761</u>	<u>2,196,788</u>	<u>1,713,537</u>	<u>1,171,787</u>	<u>896,649</u>	<u>719,904</u>	<u>643,384</u>
<i>Management and administration expenses comprises the following:</i>								
Depreciation and amortisation	92,671	100,428	60,247	57,784	34,571	37,134	22,519	20,800
Auditor's remuneration	15,389	12,676	1,793	9,563	4,569	413	-	-
Employee benefits expenses (a)	1,457,064	1,179,672	1,113,053	877,441	482,596	490,425	359,624	349,180
Other operating expenses (b)	1,456,976	912,985	1,021,695	768,749	650,050	368,677	337,761	273,404
Total management and administrative expense	<u>3,022,101</u>	<u>2,205,761</u>	<u>2,196,788</u>	<u>1,713,537</u>	<u>1,171,787</u>	<u>896,649</u>	<u>719,904</u>	<u>643,384</u>
<i>(a) Employee benefit expense</i>								
Wages and salaries (local)	673,262	633,925	673,262	581,120	229,059	258,038	229,059	241,208
Wages and salaries (other regions)	701,171	569,899	357,160	267,669	239,556	403,572	116,583	101,342
Pension	-	0	-	-	-	-	-	-
Defined Benefit Staff Gratuity Plan	30,540	0	30,540	-	-	-	-	-
Defined Contributory Plan	52,092	28,652	52,092	28,652	13,981	-1,145	13,981	6,630
	<u>1,457,064</u>	<u>1,232,476</u>	<u>1,113,053</u>	<u>877,441</u>	<u>482,596</u>	<u>660,466</u>	<u>359,624</u>	<u>349,180</u>
<i>(b) Other operating expense;</i>								
Advert, publicity and client's devt.	95,029	79,379	66,639	66,838	41,676	26,460	29,617	22,279
Directors' & Executive mgt emoluments	386,609	282,921	327,207	246,645	138,870	94,307	72,713	82,215
Business travels	60,654	81,124	46,040	68,308	29,218	27,041	15,347	22,769
Supervisory levy	93,045	77,461	93,045	77,461	31,015	25,820	41,353	25,820
Consultancy and other professional fees	344,758	121,449	248,772	110,683	114,919	40,483	55,283	36,894
Training and development	94,531	70,070	66,289	59,000	37,510	23,357	22,096	19,667
Rent and rates	88,665	60,480	56,566	50,925	36,888	20,160	25,140	16,975
AGM and 30th Anniversary	27,317	16,677	27,317	16,677	9,106	5,559	9,106	5,559
Others	266,366	123,425	89,820	72,213	210,847	105,490	67,106	41,225
	<u>1,456,976</u>	<u>912,985</u>	<u>1,021,695</u>	<u>768,749</u>	<u>650,050</u>	<u>368,677</u>	<u>337,761</u>	<u>273,404</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-SEPT 2017 =N='000	JAN-SEPT 2016 =N='000	JAN-SEPT 2017 =N='000	JAN-SEPT 2016 =N='000	JUL-SEPT 2017 =N='000	JUL-SEPT 2016 =N='000	JUL-SEPT 2017 =N='000	JUL-SEPT 2016 =N='000
6 Other operating expenses (cont'd)								
6.2 Impairment of financial assets								
Reinsurance receivables	363,233	465,762	306,969	393,765	341,687	(115,581)	306,969	(113,497)
Retrocessionaire's share of receivables	-	-	-	-	-	-	-	-
	<u>363,233</u>	<u>465,762</u>	<u>306,969</u>	<u>393,765</u>	<u>341,687</u>	<u>(115,581)</u>	<u>306,969</u>	<u>(113,497)</u>
7 Net unrealised gain/(loss) on financial assets								
Unrealised gain/(loss) on financial asset - Available-for-sale								
- Equity instruments	(231,683)	0	(243,894)	-	(63,120)	-	(70,591)	-
- Debt Instruments	-	0	-	-	-	-	-	-
Total	(231,683)	-	(243,894)	-	(63,120)	-	(70,591)	-
Reclassification adjustments to gains included in	-	0	-	-	-	-	-	-
Income tax relating to component of other com	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net	(231,683)	-	(243,894)	-	(63,120)	-	(70,591)	-
8 Taxation								
Per statement of comprehensive income:								
Income tax based on profit for the year	741,409	1,280,671	796,923	1,114,599	(39,366)	519,899	40,468	412,621
Education tax	-	-	-	-	-	-	-	-
Back duty charge prior year	-	-	-	-	-	-	-	-
	<u>741,409</u>	<u>1,280,671</u>	<u>796,923</u>	<u>1,114,599</u>	<u>(39,366)</u>	<u>519,899</u>	<u>40,468</u>	<u>412,621</u>
Deferred taxation (Note 9)	-	-	-	-	-	-	-	-
	<u>741,409</u>	<u>1,280,671</u>	<u>796,923</u>	<u>1,114,599</u>	<u>(39,366)</u>	<u>519,899</u>	<u>40,468</u>	<u>412,621</u>
Per statement of financial position:								
At 1 January	692,603	722,035	631,518	648,999				
Based on profit for the year	741,409	898,337	796,923	686,034				
Payments during the year	(788,875)	(927,769)	(702,940)	(703,515)				
	<u>645,137</u>	<u>692,603</u>	<u>725,502</u>	<u>631,518</u>				

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

9		GROUP		COMPANY	
		30-Sep 2017 =N='000	31-Dec 2016 =N='000	30-Sep 2017 =N='000	31-Dec 2016 =N='000
	Deferred taxation				
	Deferred income tax (assets)/liabilities are attributable to the following items:				
	Deferred tax liabilities				
	Balance b/f	793,807	72,908	686,908	68,777
	Recognised in profit and loss				
	Property plants and equipment	0	236,889	0.00	134,121
	Unrealised FX gain	-	484,009	-	484,009
	Employee benefits	-	-	-	-
	Total recognised in profit and loss	0	720,899	0	618,131
	Recognised in other comprehensive income				
	Employee benefit	-	-	-	-
	Available for sale financial assets	(709)	-	-	-
		(709)	-	-	-
	Net	793,098	793,807	686,908	686,908

10 Earnings per share

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

	GROUP		COMPANY	
	30-Sep 2017 =N='000	31-Dec 2016 =N='000	30-Sep 2017 =N='000	31-Dec 2016 =N='000
The following reflects the income and share data used in the basic earnings per share computations:				
Net profit attributable to ordinary shareholders	2,497,543	3,118,635	2,390,770	2,514,962
Weighted average number of ordinary shares in issue as at year end ('000)	10,372,744	10,372,744	10,372,744	10,372,744
Basis earnings per ordinary share (kobo)	24	30	23	24

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

11	Cash and cash equivalents	GROUP		COMPANY	
		30-Sep 2017 =N='000	31-Dec 2016 =N='000	30-Sep 2017 =N='000	31-Dec 2016 =N='000
	Cash in hand	4,168	384	3,869	98
	Balances held with local banks:				
	- Current account	732,819	235,464	598,207	125,836
	- Domiciliary account	582,926	389,221	582,926	389,221
	Balances held with foreign banks	1,206,042	954,595	1,206,042	954,595
	Placements with banks and other financial institutions	7,306,661	7,766,848	4,875,158	5,069,018
		9,832,616	9,346,512	7,266,202	6,538,768

Included in placements with banks and other financial institutions are tenored deposits of the group (N3b) with original maturity of more than three months.

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

The cash and cash equivalents position for cash flow purposes is disclosed in the statement of cash flow.

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

12	Financial assets designated at fair value through profit or loss	GROUP		COMPANY	
		30-Sep	31-Dec	30-Sep	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
Managed Funds					
	External Portfolio Management	2,092,176	2,046,334	-	96,177
		<u>2,092,176</u>	<u>2,046,334</u>	<u>-</u>	<u>96,177</u>

13	Loans and other receivables	GROUP		COMPANY	
		30-Sep	31-Dec	30-Sep	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
	Staff Loans and advances	466,890	361,810	413,301	266,746
	Other advances	375,491	436,636	375,491	436,637
	Impairment on other advances	(406,941)	(406,941)	(406,941)	(406,941)
	Total Loans and other receivables	<u>435,441</u>	<u>391,505</u>	<u>381,851</u>	<u>296,442</u>

14	Investment Securities	GROUP		COMPANY	
		30-Sep	31-Dec	30-Sep	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
Analysis of investment securities					
	Equity	1,532,080	1,944,109	1,532,080	1,925,253
	Debt	8,053,788	7,714,097	6,559,239	6,903,003
		<u>9,585,868</u>	<u>9,658,206</u>	<u>8,091,319</u>	<u>8,828,256</u>

Analysis by class

14.1	Available-for-sale:				
	Equity instruments	1,560,950	1,968,086	1,532,080	1,945,954
	Debt instruments	28,983	576,066	-	537,028
	Total available-for-sale	<u>1,589,933</u>	<u>2,544,152</u>	<u>1,532,080</u>	<u>2,482,982</u>
14.2	Held-to-maturity				
	Debt instruments	7,995,934	7,114,054	6,559,239	6,345,274
	Total Investment securities	<u>9,585,868</u>	<u>9,658,206</u>	<u>8,091,319</u>	<u>8,828,256</u>

Equity Instruments

Securities at Available-for-sale - Fair value

Quoted	928,205	-	928,205	-
Unquoted	603,875	1,944,109	603,875	1,925,253
Total equity instruments	<u>1,532,080</u>	<u>1,944,109</u>	<u>1,532,080</u>	<u>1,925,253</u>

These equities instruments are measured at fair value and classified as available-for-sale

Debt Instruments

	30-Sep	31-Dec	30-Sep	31-Dec
	2017	2016	2017	2016
	=N='000	=N='000		=N='000
Securities at Available-for-sale -Fair				
Bonds	28,983	576,066	-	537,028
	<u>28,983</u>	<u>576,066</u>	<u>-</u>	<u>537,028</u>

Securities at held-to-maturity - amortised

Listed	4,179,600	3,957,298	4,110,437	3,501,080
Unlisted	3,816,334.67	3,156,756	2,448,802	2,844,194
	<u>7,995,934</u>	<u>7,114,054</u>	<u>6,559,239</u>	<u>6,345,274</u>
Total debt instruments	<u>8,024,917</u>	<u>7,690,120</u>	<u>6,559,239</u>	<u>6,882,302</u>

None of these investment securities have been pledged to third party as collateral.

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

15	Reinsurance receivables	GROUP		COMPANY	
		30-Sep 2017 =N='000	31-Dec 2016 =N='000	30-Sep 2017 =N='000	31-Dec 2016 =N='000
	Due from ceding companies	8,020,872	8,655,742	5,419,791	6,249,052
	Due from ceding companies (Pipeline)	3,803,851	3,169,706	2,797,473	2,525,279
	Premium reserves retained by ceding companies	795,809	259,271	663,849	-
		<u>12,620,533</u>	<u>12,084,718</u>	<u>8,881,112</u>	<u>8,774,331</u>
	Impairment on reinsurance receivables(Note 1)	(1,899,711)	(1,536,478)	(1,604,153)	(1,297,185)
		<u>10,720,822</u>	<u>10,548,241</u>	<u>7,276,959</u>	<u>7,477,146</u>
15.1	Reconciliation of impairment on reinsurance receivables				
	At 1 January	1,536,478	1,258,343	1,297,185	1,178,599
	Write off during the year	-	(1,350,748)	-	(1,390,068)
	Charge for the year	363,233	1,628,882	306,969	1,508,653
	Recovery during the year	-	-	-	-
		<u>1,899,711</u>	<u>1,536,478</u>	<u>1,604,153</u>	<u>1,297,185</u>
15.1a	Breakdown of charge for the year				
	impairment on gross receivables	363,233	1,628,882	306,969	1,508,653
	reversal of exchange gain on impaired reinsurance receivables	-	-	-	-
	Net charge to income statement	<u>363,233</u>	<u>1,628,882</u>	<u>306,969</u>	<u>1,508,653</u>
16	Retrocession Assets				
	Retrocessionaires' share of claims recoverable	968,882	850,411	125,715	161,791
	Retrocessionaires' share of reserve for outstanding claims	143,347	139,221	139,221	139,221
	Retrocession share of unearned premium reserve	25,496	-	-	-
	Retrocessionaires' share of life insurance contract liabilities	260,655	238,344	238,345	238,345
	Impairment of retro assets	(114,410)	(114,410)	(114,410)	(114,410)
	Total retrocession assets	<u>1,283,969</u>	<u>1,113,566</u>	<u>388,870</u>	<u>424,947</u>
16.1	Reconciliation of impairment on retro assets				
	At 1 January	114,410	-	114,410	-
	Write off during the year	-	-	-	-
	Charge for the year	-	114,410	-	114,410
	Recovery during the year	-	-	-	-
		<u>114,410</u>	<u>114,410</u>	<u>114,410</u>	<u>114,410</u>
17	Deferred acquisition costs				
	At 1 January	1,532,808	1,458,436	782,627	1,107,837
	Net deferral during the year	(187,550)	74,372.23	1	325,209.68
		<u>1,345,258</u>	<u>1,532,808</u>	<u>782,628</u>	<u>782,627</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

18	Other Assets	GROUP		COMPANY	
		30-Sep 2017 =N='000	31-Dec 2016 =N='000	30-Sep 2017 =N='000	31-Dec 2016 =N='000
	Prepayments	125,677	62,938	105,532	47,577
	Intercompany balances	-	-	723,487	2,023,307
	Deposit for shares (Note 18 a)	11,000	11,000	11,000	11,000
	Proposed head office W.I.P	-	-	-	-
	Other	698,189	482,608	287,774	274,073
		834,865	556,546	1,127,793	2,355,957
	Impairment on others	(129,793)	(129,793)	(405,828)	(405,828)
		<u>705,073</u>	<u>426,753</u>	<u>721,965</u>	<u>1,950,129</u>
18a	Prepayments				
	Office rent	28,657	29,832	23,049	23,253
	Staff upfront	43,320	-	38,890	-
	Other prepaid services	53,700	33,106	43,593	24,324
		<u>125,677</u>	<u>62,938</u>	<u>105,532</u>	<u>47,577</u>
18b	Intercompany balances				
	Payable to related parties on retro	-	-	875,655	754,653
	Payable to related parties on reinsurance conti	-	-	(152,168)	1,268,654
		<u>-</u>	<u>-</u>	<u>723,487</u>	<u>2,023,307</u>
18c	Others				
	Interest receivables	264,205	245,816	234,205	222,816
	WHT recoverable	1,168	4,168	1,168	4,168
	Sundry receivables	432,815	232,624	52,401	47,089
		<u>698,189</u>	<u>482,608</u>	<u>287,774</u>	<u>274,073</u>

18.1	Investment in Subsidiary	GROUP		COMPANY	
		30-Sep 2017 =N='000	31-Dec 2016 =N='000	30-Sep 2017 =N='000	31-Dec 2016 =N='000
	Continental Reinsurance Limited, Nairobi Kenya			1,572,699	949,797
	Continental Reinsurance Limited, Gaborone, Botswana			699,774	699,774
				<u>2,272,473</u>	<u>1,649,571</u>

19	Investment Properties	GROUP		COMPANY	
		30-Sep 2017 =N='000	31-Dec 2016 =N='000	30-Sep 2017 =N='000	31-Dec 2016 =N='000
	Opening	2,868,728	2,685,646	2,868,728	2,685,646
	Fair value adjustments	-	623,082	-	623,082
	Additions	-	-	-	-
	Disposal during the year	0.05	(440,000)	0.05	(440,000)
	Closing	<u>2,868,728</u>	<u>2,868,728</u>	<u>2,868,728</u>	<u>2,868,728</u>

20	Intangible assets	Group		Company	
		Computer software =N='000	Computer software =N='000	Computer software =N='000	Computer software =N='000
	Cost:				
	At 1 January 2017	67,485	67,186		
	Cost capitalised	18,333	18,333		
	At 30 September 2017	<u>85,818</u>	<u>85,519</u>		
	Accumulated amortisation and impairment:				
	At 1 January 2017	60,418	60,418		
	Amortisation for the year	3,348	3,049		
	At 30 September 2017	<u>63,766</u>	<u>63,466</u>		
	NBV At 30 September 2017	<u>22,053</u>	<u>22,053</u>		
	NBV At 31 December 2016	<u>7,067</u>	<u>6,768</u>		

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

Group

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2017	869,393	357,367	196,272	190,490	80,006	104,018	1,797,545
Additions	(0)	0	21,733	-	22,469	14,935	59,137
Disposals	-	(31,921)	(37,501)	-	-	(3,042)	(72,465)
Reclassification	-	-	-	-	-	-	-
At 30 September, 2017	869,393	325,446	180,504	190,490	102,475	115,911	1,784,218
							-
Accumulated depreciation:							
At 1 January 2017	-	206,949	135,047	-	64,743	78,851	485,590
Charge for the year	-	36,314	11,466	-	2,155	6,821	56,756
Disposal	-	(31,921)	(31,871)	-	-	(1,052)	(64,844)
Reclassification	-	-	-	-	-	-	-
At 30 September, 2017	-	211,342	114,643	-	66,897	84,620	477,502
NBV At 30 September 2017	869,393	114,104	65,861	190,490	35,577	31,291	1,306,715
NBV At 31 December 2016	869,393	150,418	61,224	190,490	15,263	25,167	1,311,955

Company

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2017	868,892	285,256	141,942	190,490	70,601	83,298	1,640,479
Additions	(0)	0	10,076	-	596	4,123	14,795
Disposals	-	(31,921)	(37,501)	-	-	(3,042)	(72,465)
Reclassification	-	-	-	-	-	-	-
At 30 September, 2017	868,892	253,335	114,517	190,490	71,197	84,379	1,582,809
							-
Accumulated depreciation:							
At 1 January 2017	-	164,184	100,370	-	62,902	65,991	393,448
Charge for the year	-	34,314	10,606	-	2,068	5,834	52,822
Disposal	-	(31,921)	(31,871)	-	-	(1,052)	(64,844)
Reclassification	-	-	-	-	-	-	-
At 30 September, 2017	-	166,578	79,106	-	64,970	70,773	381,426
NBV At 30 September 2017	868,892	86,757	35,411	190,490	6,227	13,605	1,201,383
							1,201,382
NBV At 31 December 2016	868,892	121,071	41,572	190,490	7,699	17,308	1,247,031

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

22 Statutory deposits	GROUP		COMPANY	
	30 Sept. 2017 =N='000	31 December 2016 =N='000	30 Sept. 2017 =N='000	31 December 2016 =N='000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<p>Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost.</p>				
23 Insurance contract liabilities	30 Sept. 2017 =N='000	31 December 2016 =N='000	30 Sept. 2017 =N='000	31 December 2016 =N='000
Reserve for Unearned Premium (Note 23.1)	5,258,869	4,923,170	3,248,650	2,772,852
Reserve for Outstanding Claims (Note 23.2)	7,602,573	6,883,939	6,030,875	5,775,330
	<u>12,861,442</u>	<u>11,807,109</u>	<u>9,279,525</u>	<u>8,548,182</u>
Life (Note 23.3)	1,685,338	1,938,205	1,256,610	1,588,966
Total insurance liabilities	<u>14,546,780</u>	<u>13,745,314</u>	<u>10,536,135</u>	<u>10,137,148</u>
Total retrocessionaire's share of insurance liabilities (Note 16)	(1,283,969)	(1,113,566)	(388,870)	(424,947)
Net insurance contracts	<u>13,262,811</u>	<u>12,631,748</u>	<u>10,147,265</u>	<u>9,712,201</u>
23.1 Reserve for Unearned Premium				
At 1 January	4,923,170	4,912,295	2,772,852	3,684,628
Increase in the year	13,536,179	20,911,910	13,601,572	15,000,920
Release of unearned premium during the year	(13,200,480)	(20,901,035)	(13,125,774)	(15,912,696)
	<u>5,258,869</u>	<u>4,923,170</u>	<u>3,248,650</u>	<u>2,772,852</u>
23.2 Reserve for Outstanding Claims				
At 1 January	6,883,939	4,647,288	5,775,330	4,103,731
Claims incurred in the current accident year	9,616,218	9,790,772	6,964,044	7,297,162
Claims paid during the year	(8,897,585)	(7,554,121)	(6,708,499)	(5,625,563)
	<u>7,602,573</u>	<u>6,883,939</u>	<u>6,030,875</u>	<u>5,775,330</u>
23.3 Insurance liabilities on life policy holders				
At 1 January	1,938,205	1,522,370	1,588,966	1,365,204
(Decrease)/Increase in retrocessionaire's share	-	1,015,389	-	823,316
Changes in life policy contracts	- 252,867	(599,554)	- 332,356	-599,554
	<u>1,685,338</u>	<u>1,938,205</u>	<u>1,256,610</u>	<u>1,588,966</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

24 Reinsurance creditors	30 Sept. 2017 =N='000	31 December 2016 =N='000	30 Sept. 2017 =N='000	31 December 2016 =N='000
Due to retrocessionaires	1,462,202	777,047	881,606	518,918
Due to ceding companies	2,083,392	2,153,809	1,980,595	2,049,689
	<u>3,545,594</u>	<u>2,930,856</u>	<u>2,862,202</u>	<u>2,568,607</u>

This represents the amount payable to insurance and reinsurance companies

25 Other liabilities

Rent received in advance	-	11,060	-	11,060
Accrued expenses	68,643	363,037	58,740	352,937
Dividend payable (Note 25.1)	80,826	1,241,451	80,826	1,241,451
Unclaimed dividend	270,241	257,204	270,241	257,204
Information technology development levy	-	37,821	-	37,820
Others	319,987	66,244	264,213	119,158.56
Intercompany Balance	-	-	256,074	1,180,673
	<u>739,697</u>	<u>1,976,817</u>	<u>930,094</u>	<u>3,200,303</u>

25.1 Dividends paid and proposed

At 1 January	1,241,451	588,786	1,241,451	588,786
Declared during the year	1,452,184	1,244,729	1,452,184	1,244,729
Paid during the year	(2,612,808)	(592,065)	(2,612,808)	(592,065)
	<u>80,826</u>	<u>1,241,451</u>	<u>80,826</u>	<u>1,241,451</u>

25.2 Others;

Staff bonus	117,067	65,756	117,067	-
Sundry creditors	154,674	-	123,687	-
PAYE and other statutory liabilities	48,246	488	23,458	119,159
	<u>319,987</u>	<u>66,244</u>	<u>264,213</u>	<u>119,159</u>

25.3 Intercompany balance;

Receivables from related parties on retro	-	-	207,461	207,934
Receivables from related parties on reinsurance contract:	-	-	48,613	972,739
	-	-	-	-
	-	-	256,074	1,180,673

26 Retirement benefit obligations

Define contribution scheme

In accordance with the provisions of the Pensions Act 2004, AS AMENDED 2014 the Company and its staff commenced a contributory pension scheme in January 2005. The contribution by employees and the Company are 8% and 10% respectively of the employees' basic salary, housing and transport allowances. The contribution made and transferred to the pension fund administrator during the period are as follows;

	30 Sept. 2017 =N='000	31 December 2016 =N='000	30 Sept. 2017 =N='000	31 December 2016 =N='000
Balance at start of period	-	-	-	-
Provision during the period		0		0
Transfer to PFA		0		0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Defined benefit staff gratuity scheme

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

Statement of financial position obligation for:	30 Sept. 2017 =N='000	31 December 2016 =N='000	30 Sept. 2017 =N='000	31 December 2016 =N='000
<i>The amounts recognised in the balance sheet are determined as follows:</i>				
Balance as at the beginning of the year	383,858	265,481	336,008	286,873
Net Expense/Income recognised in P & L	-	135,602	-	61,961
Remeasurement recognised in OCR	-	40,378	-	44,778
Company's contribution	(151,057)	(57,604)	(103,208)	(57,604)
Fair value of plan assets		-		-
Deficit of funded plans		383,858	232,800	336,008
(Asset)/liability in the balance sheet	<u>232,800</u>	<u>383,858</u>	<u>232,800</u>	<u>336,008</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

27 Share capital	30 Sept. 2017 =N='000	31 December 2016 =N='000	30 Sept. 2017 =N='000	31 December 2016 =N='000
Authorised				
20,000,000,000 Ordinary shares of 50k each	10,000,000	10,000,000	10,000,000	10,000,000
Issued and fully paid				
10,372,744,000 Ordinary shares of 50k each	5,186,372	5,186,372	5,186,372	5,186,372
28 Share premium				
	3,915,451	3,915,451	3,915,451	3,915,451

Premiums from the issue of shares are reported in share premium.

29 Contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap I17 LFN 2004. The movements on the account are as follows:

	30 Sept. 2017 =N='000	31 December 2016 =N='000	30 Sept. 2017 =N='000	31 December 2016 =N='000
Non - Life	4,177,147	3,733,983	3,928,364	3,520,317
Life	254,594	269,488	254,594	234,371
Total	4,431,741	4,003,471	4,182,958	3,754,688

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

30 Retained earnings:

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

31 Available-for-sale reserve:

The fair value reserve shows the effects from the fair value measurement of financial instruments of the category available-for-sale after deduction of deferred taxes. Any gains or losses are not recognised in the statement of comprehensive income until the asset has been sold or impaired.

32 Significant accounting policies

The statement of accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement. There have not been any change in the policies and methods of computation adopted.