

**GLANVILL ENTHOVEN INSURANCE BROKERS &
PENSIONS CONSULTANTS LIMITED
(RC 1558)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER, 2019**

Prepared by:

Benjamin Akanji Omonayajo & Co.

(Chartered Accountants)

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GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS CONSULTANTS LIMITED (RC 1558)

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GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
CONSULTANTS LIMITED
(RC 1558)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the above named Company will hold on Friday, 28 August, 2020 at Board Room, 174, Funsho Williams Avenue, Costain, Surulere, Lagos at 2.00pm to transact the following business:

1. To approve the convening of the meeting at short notice
2. To receive and consider the Audited Accounts of the Company together with the Directors' and Auditors' Report thereon for the year ended 31 December 2017.
3. To receive and consider the Audited Accounts of the Company together with the Directors' and Auditors' Report thereon for the year ended 31 December 2018.
4. To receive and consider the Audited Accounts of the Company together with the Directors' and Auditors' Report thereon for the year ended 31 December 2019.
5. To receive the recommendation of the Directors and declare dividend to the shareholders for the year ended 31 December 2019.
6. To appoint new Auditors and to authorize the Directors to fix their remuneration.
5. Any other Business.

Dated this 24 day of August 2020

BY ORDER OF THE BOARD



ISRAEL ADEYEMI

Company Secretary

NOTE:

A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy on his behalf by completing and sending in the attached notification form to the Company Secretary, at Board Room, 174 Funsho Williams Avenue, Costain, Surulere, Lagos, at least 48 hours before the meeting.

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
CONSULTANTS LIMITED
(RC 1558)

CORPORATE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS

Ogbeni Lanre Banjo	—	Chairman
Adewale Raji	—	Director
Mr. K. O. Aderemi	—	Director
Salami Ademola	—	Director
Col. Ebenezer Apatartd.	—	Director
Mr. Olasupo Falana	—	Managing Director

COMPANY SECRETARY

Mr. Israel Adeyemi
174, Funso Williams Avenue,
Costain, Surulere,
Lagos, Nigeria.

REGISTERED OFFICE

174, Funso Williams Avenue,
Costain, Surulere,
Lagos.

POSTAL ADDRESS

P. M. B. 2273,
Lagos,
Nigeria.

TELECOMMUNICATION

Website: www.glanvillenthoven.com.ng
E-mail: info@glanvillenthoven.com.ng
Fax: +234 (0) 12122318; 12122317
07088535774

BANKERS

Wema Bank Plc
Guaranty Trust Bank Plc
First City Monument Bank Plc
Access Bank Plc
United Bank for Africa Plc
Main Street Bank Ltd
Eco Bank Plc

AUDITORS

Benjamin Akanji Omonayajo & Co.
(Chartered Accountants)
1, Onikoko Road, Panseke,
P. O. Box 5334,
Totoro Post Office,
Abeokuta,
Ogun State.

**GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
CONSULTANTS LIMITED
(RC 1558)**

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Distinguished Shareholders,
Fellow Directors, and
Management Team

With a great sense of joy, pride and privilege, I welcome everyone on behalf of the Board of Directors to this 62nd Annual General Meeting of GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS CONSULTANTS LIMITED (Glanvills). I am delighted to present the Annual report and Accounts of Glanvills for the year ended 31st December, 2019 to the Board. It was a positive year. With sweat and struggle, I enjoyed being part of the dynamic team at Glanvills. This is a business that has good foundations, a strong heritage and it is a market leader. The new strategy of the management has leveraged these strengths and it has yielded result as disclosed herein below:

CORPORATE GOVERNANCE:

While boards and management hold close ties to one another, their duties and responsibilities are distinctly different. The Board of Glanvills is an organized group of non-executive directors with the collective authority to control and foster an institution that is administered by executive and staff. The laws impose fiduciary responsibilities on the Board members and there are penalties for members' failure to provide appropriate and legal oversight. Consequently, Board members are ultimately held responsible and thus need to be informed of how the organization is being managed to protect their legal responsibilities. As the Chairman of the Board, I led the board in keeping with the organization's vision, mission, and strategic planning goals. The laws clearly state that the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year in compliance with the requirements of Companies & Allied Matter Act Cap C20LFN 2004. Since the laws state that the delegation of any duty or authority to the Management does not in any way diminish the overall responsibility of the Board and its directors are accountable and responsible for the affairs and performance of the company, we are duty bound to enforce every aspect of the laws, accounting and auditing standards in the interest of the Shareholders.

ECONOMIC OVERVIEW OF INDICATIONS AND BUSINESS OPERATING ENVIRONMENT:

There are some indicators that have affected the Nigeria economic in the year 2019 which invariably had also had major impact on insurance business in general; these are (a) devaluation of Nigeria currency thereby causing many businesses to retrench many of its staff with other winding up. (b) None passing relevant bills on insurance industry at National Assembly which makes it difficult to plugged the fraudulent claims in the market. (c) Too much conflict issues on tax burden imposed on insurance industry. (d) Shrinking/Lean economy which leads to unemployment which reduces life Assurance and contributory pension. (e) Government in both states and Federal level not spending premium to cover national and state assets against unforeseen risks of partial or total loss.

OPERATING RESULTS:

Glanvills delivered a year of record income of N46.9m compared to the loss of (N50.3m) in 2018. The gross brokerage income earned during the year 2019 amounted to N264.4m compared to N180.6m in 2018 and

increase of 48%. The net brokerage income equally increased by 49% from N175,407m in 2018 to N261,725m in 2019. Investment Income in 2019 was N6.9m compared to N9.6 in 2018, a decrease of 72%. It is the Board's desire that the increase in the earning of income be sustained and surpassed.

GLANVILLS TODAY:

Eminent Shareholders, Glanvills' staff have helped to develop and grow the Company into the enterprise it is today, one that is focused on exceeding customers' expectations and maximizing shareholders' wealth. The Management is working on improving its cordial relationship with the Board to be able to take Glanvills to a higher height.

GLANVILLS TOMORROW:

Glanvills has increased its efforts to obtain Micro-Insurance license to be able to begin operation hopefully before the end of Year 2020 and has also built manpower capacity to transact other classes of business such as Agriculture, Oil & Gas, Marine and Aviation in order to boost our income beyond 2020. The Board cannot gloss over the impact of Covid-19 pandemic on our income. The impact would be both negative and positive; in the sense that almost all our clients lost income, with consequence on premium payable on their risks. However, the Company devised introduction of other classes of insurance such as medical/health and travel to our clients due to the prevalence of health risks associated with the pandemic. Furthermore, Glanvills plans to leverage on any improving market conditions and pursue strong organic growth. We will continue to identify exciting opportunities for significant growth through market extension within the Oil, Gas and Mining industry. As the world evolves, so do the needs of those we serve. In order to strive to do better, we must and we will respond with an agile yet resilient business action.

CONCLUSION:

I take this opportunity to acknowledge and place on record my sincere appreciation & gratitude to our loyal customers for their continued patronage and our management and staff led by Mr. Supo Falana for their commendable teamwork, positive attitude, dedication to duty, untiring efforts and, their continuous passion that puts us ahead of the market. I want to especially praise the efforts of our Information Technology (IT) section led by Mr. Sesan Oyeleye for being a pathfinder and for his unprecedented achievements. My gratitude to fellow Board members for their pro-active guidance and valuable inputs. To this end, I would like to express a profound appreciation to our founding founders for their vision with the desire and prayer that those of us currently serving would water their efforts to enable us leave a sound and better investment for posterity. It is in this regard that I appeal to everyone to endure my perceived occasional irritation for a better Glanvills to eschew the regret of our forefathers in the grave. I wish you all the best in your endeavours. May God grant you journey mercies to your various destination.



Ogbeni Lanre Banjo
Chairman

FRC/2015/NIM/00000012448
28 August, 2020

**GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
CONSULTANTS LIMITED**
(RC 1558)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors are pleased to present the Annual Report on the Affairs of GlanvillEnthovenInsurance Brokers & Pensions Consultants Limited (The Company) and its subsidiary (The Group) together with the audited consolidated financial statements and the Auditors Report for the year ended 31 December, 2019.

1 LEGAL FORM

The Company was incorporated on 19 August 1957 as a private unlimited company, GlanvillEnthoven and Company (Nig.) unlimited but later changed its name to GlanvillEnthoven and Company (Nigeria) Ltd on 30 June 1997. The Company has two wholly owned subsidiary companies GlanvillEnthoven Life and Pension Consultants Ltd and GlanvillEnthoven Reinsurance Brokers Ltd. However, during the year under review (2016), the company changed its name to GlanvillEnthoven Insurance Brokers & Pensions Consultants Limited and acquires all the assets of GlanvillEnthoven Life and Pension Consultants Ltd

2 PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company continues to be provision of Insurance broking services to corporate and individual customers. Such services include, general insurance broking, Reinsurance broking and Insurance broking for Life Insurance.

The financial results of the subsidiary company is consolidated in the financial result of the parent.

3 OPERATING RESULTS

The commission and fee income of the group increased by ₦76,395,000 from ₦180,689,000 in 2018 to ₦257,084,000 in 2019.

Highlight of the groups operating result for the period under review are as follows:-

	GROUP		COMPANY	
	2019	2018	2019	2018
	₦'000	₦'000	₦'000	₦'000
Commission & fees	264,437	180,689	203,124	136,199
Profit/(Loss) before taxation	56,313	(44,776)	8,371	(74,263)
Taxation	(9,434)	(5,600)	(3,241)	(4,500)
Loss for the year	46,879	(50,376)	5,130	(78,763)
Other comprehensive income	-	9,871	-	9,871
Total comprehensive income	46,879	(40,505)	5,130	(68,892)

4 DIRECTORS

The names of the Directors who are currently in office are as follows:-

Ogbeni L. A. Banjo	–	Chairman
Asiwaju A. O. Sogunle	–	Vice Chairman
Col. Ebenezer Apatard.-	–	Director
Prince K. O. Aderemi	–	Director
Mrs. Funmilayo Ibrahim (Alternate to Mr. I. O. Daniel)	–	Director
Mr. OlasupoFalana	–	Managing Director

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)

5 DIRECTORS INTEREST IN CONTRACTS

None of the Directors has notified the company for the purpose of Section 277 of the Companies and Allied Matters Act Cap C20LFN 2004 of any declarable interest in the contracts with which the company was involved either as at 31 December, 2019 or as at 24 August, 2020.

6 DIRECTOR RESPONSIBILITIES

The Directors are responsible for the preparation of financial statement which gives a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that period and which complies with the requirements of Companies & Allied Matter Act Cap C20LFN 2004. In doing so they ensure that:-

- (a) Proper accounting records are maintained which disclose with reasonable accuracy the financial position of the company and the group which complies with the requirements of the Companies & Allied Matters Act of Nigeria;
- (b) Applicable International Financial Reporting Standards are followed
- (c) Suitable accounting policies are adopted and consistently applied
- (d) Judgement and estimates made are reasonable and prudent
- (e) It is appropriate for the financial statement to be prepared on going concern basis.
- (f) Adequate Internal Control procedures are instituted and maintained which are designed to safeguard the assets of the company and group and to prevent and detect fraud and other irregularities.

7 SHAREHOLDINGS

The shareholding structure of the company as at 31 December, 2019 are as analysed below:

	%
- Odu'a Investment Company Ltd	60%
- UIB Nig. Ltd	40%

8 CORPORATE GOVERNANCE

Management is committed to manage the company with best practice and policies which align the strategy of the company with interest of all stakeholders. This in the long term will result in beneficial relationship and long term growth.

GlanvillEnthovenInsurance Brokers & Pension Consultants Ltd. embraces good corporate governance as a key strategy in achieving business success incorporating compliance with applicable laws and regulation as a responsible corporate entity.

The Board in line with responsibilities to shareholders works to achieve best practices in corporate governance and endeavour to conduct the business of the company and that of the group in a fair, honest and transparent manner which conforms to high ethical standards.

9 PROPERTY PLANT AND EQUIPMENT

Information relating to changes in property plant and equipment is given in Note 7 of the financial statement

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)

10 EMPLOYEE WELFARE

The company keeps its employee informed on matters affecting them and of the progress of the company. This is carried out through regular management meetings.

The company operates Health Insurance Scheme for its staff and their families. Staff safety and welfare in the office place received good attention during the year.

11 EVENTS AFTER THE REPORTING DATE

The spread of the new Coronavirus, COVID'19, making its ugly way into the country in February 2020, is causing harsh disruption to the society, businesse in Nigeria and globally. As the contry strives to cope with the uncertainties of this global crisis in respect of the implementation of the pandemic response strategies, it is important that the organisation stay on top of the Financial, Tax and Regulatory issues that could impact their operations in the short and lona term.

The pandemic rage will not however have any significant or material effect on the state of affairs of the Company at 31 December, 2019 and the profit for the year ended. The going concern of the Company as a result of the pandemic has also been evaluated by the management and found to be intact.

The Directors are of the opinion that to the best of their knowledge, there are no material event after the reporting date that could have impact on the financial statement.

12 AUDITORS

Messrs Benjamin Akanji Omonayajo & Co. Chartered Accountants have indicated their willingness to continue in office in accordance with section 257(2) of the companies & Allied Matters Act Cap C20LFN 2004. A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD



.....
Mr. Israel Adeyemi
FRC/2017/NBA/00000016156
Company Secretary
174 Funso Williams Avenue,
Costain, Surulere,
Lagos.
24 August, 2020

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
CONSULTANTS LIMITED
(RC 1558)

STATEMENT OF DIRECTORS RESPONSIBILITIES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

The Companies and Allied Matters Act Cap C20LFN 2004 require Directors to prepare financial statement for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:-

- (i) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirement of the companies and Allied Matters Act.
- (ii) Establishes adequate Internal Controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (iii) Prepares its financial statement using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accepts responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates in conformity with

- International Financial Reporting Standards
- National Insurance Commission (NAICOM) guidelines for intermediaries
- The requirements of Insurance Act; and
- The requirements of Companies and Allied Matters Act

The Directors are of the opinion that the financial statement gives a true and fair view of the state of the financial affairs of the company and its subsidiary operations and of their profit/loss for the period. The Directors accepts responsibility for maintenance of accounting records that may be relied upon in the preparation of financial statement as well as adequate system of Internal Financial Control.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve (12) months from the date of approval of the financial statement.



Ogbeni Lanre Banjo
Chairman
FRC/2014/NIM/00000012448



Mr. Olasupo Falana
Managing Director/CEO
FRC/2012/NIGSURERS/00000000587



Adedeji Olufunke
Head of Finance
FRC/2017/ICAN/00000015920

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
CONSULTANTS LIMITED
(RC 1558)

REPORT OF THE AUDIT COMMITTEE
TO MEMBERS OF GLANVILLENTHOVEN AND COMPANY (NIG) LTD

In accordance with provisions of section 359(6) of the Companies and Allied Matters Act Cap C20LFN 2004, we the members of the Audit Committee of the Board of Directors of GlanvillEnthoven and Company Nig. Ltd, having carried out our statutory functions under the Act with the cooperation of management and staff hereby report that:-

- (i) The accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices.

The scope and planning of both the external and internal audit programme for the year ended 31 December, 2019 were satisfactory and reinforces the group internal Control System;

(ii)

Having reviewed the external auditors' findings and recommendation on the management matters, we are satisfied with management responses thereon.

(iii)

In addition to the foregoing, we have complied with guidelines issued by Nigerian Insurance Commission (NAICOM) for Intermediaries.



Ogbeni Lanre Banjo
Chairman, Audit Committee

FRC/2015/NIM/00000012448

24 August, 2020

Members of the Audit Committee

Ogbeni Lanre Banjo	-	Chairman
Mrs. Funmilayo Ibrahim	-	Member
Mr. Falana Olasupo Solomon	-	Member



BENJAMIN AKANJI OMONAYAJO & CO.

(Chartered Accountants)

Member FCA Group

Fan Milk Building, Onikoko Road, Panseke
P. O. Box 5334, Totoro, Abeokuta, Ogun State.
☎: 08034042882, 08087555755, 08075777770, 08033376825.
E-mail: benjaminakanji@yahoo.com

REPORT OF THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS CONSULTANTS LIMITED

Opinion

We have audited the financial statements of Glanvill Enthoven Insurance Brokers & Pension Consultants Limited, which comprise the statement of financial position as at 31 December, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 12 to 66.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011 and the Insurance Act 2003 and relevant National Insurance Commission

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on it.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 financial statements.

REPORT OF THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLANVILLENTHOVEN INSURANCE BROKERS & PENSIONS CONSULTANTS LIMITED (CONT'D)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
We communicate with the Board of Directors/Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors/Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with Board of Directors/Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.


Mr. Benjamin Akanji Omonayaajo
for: Benjamin Akanji Omonayaajo & Co.

(Chartered Accountants)

Abeokuta, Nigeria

FRC/2013/ICAN/00000001907

24 August, 2020



GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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(RC 1558)

**BASIS OF PREPARATION OF THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

BASIS OF PREPARATION

1 Reporting Entity

Glanvill Enthoven Insurance Brokers & Pension Consultamts Limited is incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The address of its registered office is 174, Funso Williams Avenue, Costain, Surulere Lagos . The Company is principally engaged in the provision of insurance and reinsurance intermediation, risk management, claims and similar advisory services, advancing of funds to their clients and advancing of funds to insurance companies.

The Company's activities are subject to the regulations of National Insurance Commission. In accordance with Insurance Acts 2013, the following are the fiduciary duties of an insurance brokers.

Section 40(1) - An insurance broker shall establish and maintain at all times a Client's accounts into which all monies, premiums, claims and recoveries from and on behalf of clients, insurers and reinsurer shall be paid.

Section 41(1) - Where an insurance business is transacted through an insurance broker, the insurance broker shall, not later than 30 days of collecting the premium paid, pay the insurers the premium collected by him.

Section 41(2) - An insurance broker who contravenes the provisions of subsection (1) of this section commits an offence and is liable on a conviction as-

- (a) a first offence, to a fine of N10, 000 or 5 times the value of the premium whichever is greater;
- (b) a second offence, to a fine of N25,000 or to 10 times the value of the premium whichever is greater; or a third offence, to a fine of N250,000 and in addition, the certificate of the insurance broker shall be
- (c) called and the persons or in the case of a firm, the persons constituting the firm or directors of the company shall be disqualified from being again involved in the setting up of the business of insurance brokerage under this Act either by himself or themselves or in conjunction with any other persons or body.

Section 42(1) - An insurance broker shall keep records of all insurance business handled by him and, for the purposes of this section, separate records shall be kept by the broker with respect to-

- (a) insurance business entered into with insurers registered under or pursuant to this Act; and
- (b) subject to subsection (3) of this section (see below), insurance business entered into with persons outside Nigeria.

Section 42(2) - An insurance broker shall-

- (a) keep accounting records which shall show and explain the business transacted by the insurance broker and to disclose his true financial position ; and
- (b) ensure that the accounting records kept under paragraph (a) of this subsection give a true and fair view of his business at the accounting date.

Section 42(3) - An insurance broker shall submit an audited statement of account comprising-

- (a) (a) revenue
- (b) (b) the profit and loss account
- (c) (c) balance sheet in the prescribed form to the Commission not later than 6 months after the accounting date.

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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**BASIS OF PREPARATION OF THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

2 BASIS OF ACCOUNTING

(a) Statement of Compliance

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria and the relevant National Insurance Commission (NAICOM) guidelines and circulars, to the extent that they do not conflict with the requirements of IFRS.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2019.

This is the first financial statement where IFRS 9 and IFRS 15 have been applied due to the directive issued by the National Insurance Commission (NAICOM), dated 2 May 2019, which mandated all insurance brokers in Nigeria to defer the adoption of IFRS 9 and IFRS 15 until 1 January 2019.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following in the statement of financial position:

- financial instruments at fair value through profit or loss are measured at fair value
 - available-for-sale financial assets are measured at fair value (applicable before 1 January 2018)
 - financial assets measured at fair value through other comprehensive income (applicable from 1 January 2018)
 - liabilities for cash-settled share-based payment arrangements are measured at fair value.
- The Company applies accrual accounting for recognition of its income and expenses.

(c) Functional and presentation currency

These financial statements are presented in naira, which is the Company's functional currency; except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(d) Use of judgements and estimates

In preparing the financial statements, the Company makes judgement, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses within the current and subsequent financial years. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note to the financial statements.

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(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the followings notes; - Notes 4 - 33

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2019 is included in the following notes: - Notes 4 - 33

(e) Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

The Company has adopted the following new standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2019.

<i>Effective date</i>	<i>New Standards or amendments</i>	<i>Relevant sections in this</i>
1-Jan-2019	IFRS 16 <i>Leases</i>	<i>As highlighted on summary of significant accounting policy paragraph (f).</i>
1-Jan-2019	IFRS 9 <i>Financial Instruments</i>	<i>As highlighted on summary of significant accounting policy b(ii).</i>
1-Jan-2019	IFRS 15 <i>Revenue from Contracts with Customers</i>	<i>As highlighted on summary of significant accounting policy q(ii).</i>
1-Jan-2019	Amendments to IFRS 9	<i>As highlighted on summary of significant accounting policy b(ii).</i>

These standards had original effective date of 1 January 2018. However, based on the directive issued by the National Insurance Commission (NAICOM), dated 2 May 2019, all insurance brokers in Nigeria were mandated to defer the adoption of IFRS 9 and IFRS 15 until 1 January 2019.

(f) The Regulatory Requirements

Glanvill Enthoven Insurance Brokers & Pension Consultamts Limited is regulated by the National Insurance Commission, NAICOM, and all regulatory requirements and guidelines of the Commission are operative. These regulatory requirements, is a rigid observance of the 'no premium, no cover' regulations.

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(g) Presentation of Financial Statement in Accordance with IAS1

The consolidated financial statement are presented in accordance with IAS 1 Presentation of financial statements. The group has elected to present a single statement of profit or loss and other comprehensive income.

(h) Basis of Consolidation

The group financial statement involves consolidating those of the parent and its one (1) subsidiary undertakings drawn up to 31 December, 2019.

The subsidiaries are entities over which parent has power to control the financial and operating policies. The company obtain an exclusive control through more than half of the voting rights of its subsidiaries. The subsidiaries have a reporting date of 31 December.

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Company in presenting the financial statements.

(a) Cash and cash equivalents

Cash and cash equivalents include cash balances and call deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

(b) Financial Instruments

(i) Recognition and Initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2019

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment: Policy applicable from 1 January 2019

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Assets - Subsequent measurement and gains and losses: Policy applicable from 1 January 2019

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit

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Financial assets - Policy applicable before 1 January 2019

The Company classified its financial assets into one of the following categories:

loans and receivables;

held to maturity;

available for sale; and

at FVTPL, and within this category as:

held for trading;

derivative hedging instruments; or

designated as at FVTPL.

Financial Assets - Subsequent measurement and gains and losses: Policy applicable from 1 January 2019

Financial assets at Measured at fair value and changes therein, including any interest or dividend income,

FVTPL: were recognised in profit or loss.

Held-to-maturity Measured at amortised cost using the effective interest method.

financial assets:

Loans and Measured at amortised cost using the effective interest method.

receivables:

Available-for-sale Measured at fair value and changes therein, other than impairment losses, interest income

financial assets: and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

The company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

(iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) *The concept of fair value measurement and amortised cost*

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

(c) Impairment

(i) *Non-derivative financial assets*

Policy applicable from 1 January 2019

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on:

financial assets measured at amortised cost;

debt investments measured at FVOCI; and

contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be between AAA and BBB per Fitch, Standard & Poor's, and Global Credit Rating.

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Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

Non-derivative financial assets

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

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Objective evidence that financial assets were impaired included:

default or delinquency by a debtor;

restructuring of an amount due to the Company on terms that the Company would not consider otherwise;

indications that a debtor or issuer would enter bankruptcy;

adverse changes in the payment status of borrowers or issuers;

the disappearance of an active market for a security because of financial difficulties; or

observable data indicating that there was a measurable decrease in the expected cash flows from a Company of financial assets.

For an investment in an equity instrument, objective evidence of impairment included a significant or prolonged decline in its fair value below its cost. The Company considered a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost	The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by Companying together assets with similar risk characteristics
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In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised

Available-for-sale financial assets	Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.
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(ii) *Non-financial assets*

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) *Other receivables and prepayments*

Other receivables and prepayments are carried at amortised cost less any accumulated impairment losses. Prepayments are recognised as payment is made and subsequently amortised on a straight-line basis over the tenor of payment.

(e) *Investment in associates and joint ventures*

Associates are entities, including an unincorporated entity such as partnership, over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the right to the net assets of the arrangement. Furthermore, a joint control is the contractually agreed sharing control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of comprehensive income of the associate. On acquisition of the investment, any difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with IFRS 3 Business Combinations. The goodwill (net of any accumulated impairment loss) relating to an investment in an associate is included within the carrying amount of that investment.

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The Company's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of the post-acquisition movements in the other comprehensive income is recognised in the other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Distributions received from an investee reduce the carrying amount of the investment.

If the Company's share of losses of an associate and joint venture equals or exceeds its interest in the associate, the Company does not provide for additional losses, unless it has incurred obligations or made payments on behalf of the associate.

Profits on Company transactions with associates are eliminated to the extent of the Company's interest in the relevant associate and joint venture whereas balances arising from unsettled trading transactions with associates are not eliminated.

Other long term interest in associate such as preference share, long term receivables and loans for which settlement is neither planned or likely in the foreseeable future are included in the Company's net investment in the associate.

(f) Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other income'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

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fulfilment of the arrangement was dependent on the use of a specific asset or assets; and the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(iii) As a lessee

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(iv) As a lessor

When the Company acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Company made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Company considered certain indicators such as whether the lease was for the major part of the economic life of the asset

(g) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

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Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(h) Investment properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	2.5%
Motor vehicles	25.0%
Office equipment	20.0%
Furniture and fittings	12.5%
Computer hardware	33.3%
Borehole	4.0%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

(j) Intangible assets

(i) Recognition and measurement

Goodwill Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

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(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not. The estimated useful lives for current and comparative periods is 3years. (33.33%)
Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of SARs, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

(iii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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The Company operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014. The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary. Obligations in respect of the Company's contributions to the scheme are recognised as an expense in the profit or loss account on an annual basis.

(iv) *Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) *Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(vi) *Termination benefits*

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

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(l) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Contingencies

(i) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has an a present obligation as a result of past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

(ii) Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realization of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statement.

(iii) Client's assets and liabilities

The Company receive premiums and commissions (cash flows) from the clients on behalf on the underwriter and other joint brokers respectively and vice-versa. The Company's operation of the clients' account is in accordance with Section 41 of the Insurance Act 2013, item 2.3b(3) of 2011 brokers operational guidelines and item 2.3b(6) of 2011 brokers operational guidelines. The Company recognised these cash flows received at cost and are disclosed in the financial statements as payables to the underwriters and/or brokers.

The Company is not expected to hold the funds for more than 30 days before remitting it to the relevant parties based on NAICOM directive.

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(n) Share capital

(i) Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

(ii) Share Premium

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

(iii) Preference shares

The Company's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Company's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders.

(iv) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(v) Dividends on ordinary shares

Dividends on ordinary shares are recognised as liabilities in the period when they are declared (ie the dividends are appropriately authorised and no longer at the discretion of the entity) and approved at the Shareholders' Annual General Meeting.

Dividends for the year that are declared after the date of the statement of financial position are disclosed in the subsequent events note.

Dividends proposed but not yet approved are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

(o) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes denominated in euro that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

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The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(p) Retained earnings

The retained earnings comprise of undistributed profit/(loss) from previous years and current year. Retained earnings is classified as part of equity in the statement of financial position.

(q) i Revenue

Revenue is recognised at the fair value of consideration received or receivable.

ii Brokerage Commission

Brokerage Commission represents the invoiced value of brokerage services rendered based on agreements with insurance companies, and becomes receivable once the insurance policies are concluded between the insurance company and the policy holder. Income is recognised, net of VAT, as they become earned based on the tenure.

(r) Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
 - interest expense;
 - dividend income;
 - the net gain or loss on the disposal of investments in debt securities measured at FVOCI;
 - the net gain or loss on financial assets at FVTPL;
 - the foreign currency gain or loss on financial assets and financial liabilities;
 - impairment losses (and reversals) on investments in debt securities carried at amortised cost or FVOCI;
 - the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination; and
 - the fair value loss on contingent consideration classified as a financial liability
- Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

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The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(s) Management expenses

Expenses are recognised in profit or loss as they are incurred unless they create an asset from which future economic benefits will flow to the Company. An expected loss on a contract is recognised immediately in profit or loss.

(t) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss)

(u) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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(i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

The tax rates enacted or substantively enacted at the reporting date were as follows:

- Company income tax computed on taxable profits;
 - Tertiary Education tax computed on assessable profits;
 - National Information Technology Development Agency levy computed on profit before tax; and
 - Nigeria Police Trust Fund levy computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).
- Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS12 and therefore, are not presented as part of income tax expense in the profit or loss.

Minimum is determined at a rate of 0.5% of the qualifying Company's turnover less franked investment income.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

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- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(v) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS are determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(w) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company management committee (being the Company's chief operating decision maker) to make decisions about resources allocated to each operating segment and assess performance, and for which discrete financial information is available.

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If the Company changes its basis of segment reporting, then comparative segment information is restated so that it aligns with the segment information reported for the current year.

(x) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

(y) New standards, amendments and interpretations issued but not yet effective¹

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of a Business (Amendments to IFRS 3)*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- *IFRS 17 Insurance Contracts*
- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*
- *Amendments to IFRS 10 and IAS 28*

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Z Impacts of adopting IFRS 9 and 15

1 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. This is how the company currently presents impairment losses in its statement of profit or loss and other comprehensive income.

Impairment losses on other financial assets are presented together with the impairment on trade receivables.

Additionally, the Company has adopted consequential amendments to *IFRS 7 Financial Instruments disclosures* that are applied to disclosures about 2018 but have not been generally applied to comparative information.

a Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied prospectively as described below.

-- The company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2019. Accordingly, the information presented for 2018 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

--The assessment below have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.

- The designation of certain investments in equity instruments not held for trading as at FVOCI

-- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Company has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of reserves:

	Note	Group N'000	Company N'000
b Impact of adopting IFRS 9 & 15 on opening balance (Group)			
Retained Earnings	15.4	(56,067)	(68,039)
Recognition of expected credit losses under IFRS 9	3, 3a	(462)	(326)
Recognition of deferred income under IFRS 15	3, 3a	(36,138)	(28,785)
Impact at 1 January 2019		<u>(92,667)</u>	<u>(97,150)</u>

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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(RC 1558)

**BASIS OF PREPARATION OF THE CONSOLIDATED AND
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c Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale financial assets.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Notes 3, 3a, 3b & 3c.

d Impairment of Financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional allowance for impairment.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2019 including impairment as a result of transition into IFRS 9.

2 IFRS 15 Revenue from Contracts with Customers

Revenue recognition:

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration which the entity expects to be entitled to in exchange for those goods and services. The standard incorporates a five step analysis to determine the amount and timing of revenue recognition.

Considering the nature of fees earned by the Company and based on management's assessment, IFRS 15 have a material impact on the Company's financial statements on transition date of 1 January 2019.

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3 NEW MEASUREMENT CATEGORIES UNDER IFRS 9 AND TRANSITION DISCLOSURE RECONCILIATION AS AT JANUARY 1, 2019 (GROUP ACCOUNTS)

		Balance as at Dec. 31, 2018 (IAS39)	Reclassifi cation	Impact of Remeas urement	Impact of Remeas urement (ECL)	Tax Impact	Balance as at 1, 2019 (IFRS 9)
	Note	N'000	N'000	N'000	N'000	N'000	N'000
ASSETS							
Cash and Cash Equivalents	3d	112,332	(22,016)	-	(225)	-	90,091
Financial Assets:		-					-
Fair value through profit or loss		21,925					21,925
Fair value through OCI		-	92,559				92,559
Available for sale		92,559	(92,559)				-
Investment in Associates		100,000					100,000
Trade Receivables		-	22,016		(44)		21,972
Other Receivables and Prepayments	3d	96,639			(193)		96,446
Intangible Assets		246					246
Deferred Tax Assets		57,379					57,379
Property, Plant and Equipment		170,361					170,361
TOTAL ASSETS		651,441	-	-	(462)	-	650,979
LIABILITIES							
Trade Payables		-					-
Provisions and Other Payables		474,758					474,758
Current Tax Liabilities		7,536					7,536
Deferred Commission Income	15.4	-		36,138			36,138
Deferred Tax Liability		809					809
TOTAL LIABILITIES		483,103	-	36,138	-	-	519,241
EQUITY							
Paid-up Share Capital		165,000					165,000
Retained Earnings	15.4	(56,067)		(36,138)	(462)		(92,667)
Fair value reserves		-	51,116				51,116
Other reserves		51,116	(51,116)				-
Foreign Exchange Equalization Reserve		8,289					8,289
TOTAL EQUITY		168,338	-	(36,138)	(462)	-	131,738
TOTAL EQUITY AND LIABILITIES		651,441	-	-	(462)	-	650,979
Clients' Assets Under Custody		57,677	-	-	-	-	57,677

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**BASIS OF PREPARATION OF THE CONSOLIDATED AND
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**3a NEW MEASUREMENT CATEGORIES UNDER IFRS 9 AND TRANSITION DISCLOSURE RECONCILIATION AS AT
JANUARY 1, 2019 (COMPANY ACCOUNTS)**

		Balance as at Dec. 31, 2018 (IAS39)	Reclassif ication	Impact of Remeas urement	Impact of Remeas urement (ECL)	Tax Impact	Balance as at 1, 2019 (IFRS 9)
	Note	N'000	N'000	N'000	N'000	N'000	N'000
ASSETS							
Cash and Cash Equivalents	3d	88,858	(20,979)		(178)		67,701
Financial Assets:		-					-
Fair value through profit or loss		21,925					21,925
Fair value through OCI		-	92,559				92,559
Available for sale		92,559	(92,559)				-
Investment in Associates		100,000					100,000
Trade Receivables		-	20,979		(42)		20,937
Other Receivables and Prepayments	3d	53,079			(106)		52,973
Intangible Assets		173					173
Deferred Tax Assets		57,379					57,379
Property, Plant and Equipment		170,213					170,213
TOTAL ASSETS		<u>584,186</u>	<u>-</u>	<u>-</u>	<u>(326)</u>	<u>-</u>	<u>583,860</u>
LIABILITIES							
Trade Payables		-					-
Provisions and Other Payables		427,010					427,010
Current Tax Liabilities		520					520
Deferred Commission Income	15.4	-		28,785			28,785
Deferred Tax Liability		290					290
TOTAL LIABILITIES		<u>427,820</u>	<u>-</u>	<u>28,785</u>	<u>-</u>	<u>-</u>	<u>456,605</u>
EQUITY							
Paid-up Share Capital		165,000					165,000
Retained Earnings	15.4	(68,039)		(28,785)	(326)		(97,150)
Fair value reserves		-	51,116				51,116
Other reserves		51,116	(51,116)				-
Foreign Exchange Equalization Reserve		8,289					8,289
TOTAL EQUITY		<u>156,366</u>	<u>-</u>	<u>(28,785)</u>	<u>(326)</u>	<u>-</u>	<u>127,255</u>
TOTAL EQUITY AND LIABILITIES		<u>584,186</u>	<u>-</u>	<u>-</u>	<u>(326)</u>	<u>-</u>	<u>583,860</u>
<u>Clients' Assets Under Custody</u>		<u>22,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,979</u>

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BASIS OF PREPARATION OF THE CONSOLIDATED AND
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FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)

3b

NOTES ON IFRS 9 MEASUREMENT CATEGORIES AS TRANSITION DATE

	GROUP		COMPANY	
	Balance as at Dec. 31, 2018	Balance as at Jan. 1, 2019	Balance as at Dec. 31, 2018	Balance as at Jan. 1, 2019
Note	(IAS 39) N'000	(IFRS 9) N'000	(IAS 39) N'000	(IFRS 9) N'000
Cash and Cash Equivalents				
Balance as at Dec. 31, 2018	112,332	112,332	88,858	88,858
Re-measurement	-	(22,016)	-	(20,979)
Impairment (ECL)	-	(225)	-	(178)
Balance as at Jan. 1, 2019	<u>112,332</u>	<u>90,091</u>	<u>88,858</u>	<u>67,701</u>
Fair value through other comprehensive income				
Balance as at Dec. 31, 2018	-	-	-	-
Reclassified	-	92,559	92,559	-
Impairment (ECL)	-	-	-	-
Balance as at Jan. 1, 2019	<u>-</u>	<u>92,559</u>	<u>92,559</u>	<u>-</u>
Available for sale				
Balance as at Dec. 31, 2018	92,559	-	92,559	-
Reclassified	(92,559)	-	(92,559)	-
Impairment (ECL)	-	-	-	-
Balance as at Jan. 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trade receivables				
Balance as at Dec. 31, 2018	-	-	-	-
Remeasurement	-	22,016	-	20,979
Impairment (ECL)	-	(44)	-	(42)
Balance as at Jan. 1, 2019	<u>-</u>	<u>21,972</u>	<u>-</u>	<u>20,937</u>
Other receivables and Prepayments				
Balance as at Dec. 31, 2018	96,639	96,639	53,079	53,079
Reclassified	-	-	-	-
Impairment (ECL)	-	(193)	-	(106)
Balance as at Jan. 1, 2019	<u>96,639</u>	<u>96,446</u>	<u>53,079</u>	<u>52,973</u>
Deferred Commission Income				
Balance as at Dec. 31, 2018	-	-	-	-
Reclassified	-	-	-	-
Impairment (ECL)	-	36,138	-	28,785
Balance as at Jan. 1, 2019	<u>-</u>	<u>36,138</u>	<u>-</u>	<u>28,785</u>

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BASIS OF PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)

3c

NOTES ON IFRS 9 MEASUREMENT CATEGORIES AS TRANSITION DATE

	GROUP		COMPANY	
	Balance as at Dec. 31, 2018 (IAS 39) N'000	Balance as at Jan. 1, 2019 (IFRS 9) N'000	Balance as at Dec. 31, 2018 (IAS 39) N'000	Balance as at Jan. 1, 2019 (IFRS 9) N'000
Retained Earnings				
Balance as at Dec. 31, 2018	(56,067)	(56,067)	(68,039)	(68,039)
ECL Impairment (Cash & Cash Equivalents}	-	(225)	-	(178)
ECL Impairment (trade receivables}	-	(44)	-	(42)
ECL Impairment (other receivables & prepayments}	-	(193)	-	(106)
Re-measurement	-	(36,138)	-	(28,785)
Balance as at Jan. 1, 2019	<u>(56,067)</u>	<u>(92,667)</u>	<u>(68,039)</u>	<u>(97,150)</u>
Fair value reserve				
Balance as at Dec. 31, 2018	-	-	-	-
Reclassified	-	51,116	-	51,116
Re-measurement	-	-	-	-
Balance as at Jan. 1, 2019	<u>-</u>	<u>51,116</u>	<u>-</u>	<u>51,116</u>
Other reserves				
Balance as at Dec. 31, 2018	51,116	-	51,116	-
Reclassified	(51,116)	-	(51,116)	-
Re-measurement	-	-	-	-
Balance as at Jan. 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

3d

BASIS OF ECL IMPAIRMENT COMPUTATION

LINE ITEMS	Amount as at Jan 1, 2019 N'000	Rate (%) N'000	ECL Impairment N'000
Cash and Cash Equivalents (Group)	112,332	0.2	225
Cash and Cash Equivalents (Company)	88,858	0.2	178
Trade receivables (Group)	22,016	0.2	44
Trade receivables (Company)	20,979	0.2	42
Other receivables and Prepayment (Group)	96,639	0.2	193
Other receivables and Prepayment (Company)	53,079	0.2	106

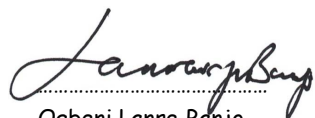
**GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
CONSULTANTS LIMITED**
(RC 1558)

STATEMENT FINANCIAL POSITION
AS AT 31 DECEMBER 2019

ASSET	NOTE(S)	GROUP		COMPANY	
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
Cash and cash equivalents	4	81,205	112,332	56,173	88,858
Investment Securities	5	203,282	114,484	203,282	114,484
Trade receivables	6a	16,171	-	13,757	-
Other receivables and Prepayments	6b	244,092	96,639	159,736	53,079
Investment in Associates	7	-	100,000	-	100,000
Deferred tax assets	8	57,379	57,379	57,379	57,379
Intangible Assets	9.2	86	246	86	173
Property, Plant & Equipment	10	159,872	170,361	159,750	170,213
TOTAL ASSETS:		762,087	651,441	650,164	584,186
<u>LIABILITIES</u>					
Provisions and other payables	11	518,884	474,758	464,079	427,010
Deferred Commission Income	12	48,629	-	48,629	-
Current Tax Liabilities	13	13,110	7,536	2,758	520
Deferred tax liabilities	14	1,014	809	480	290
TOTAL LIABILITIES		581,637	483,103	515,945	427,820
<u>EQUITY:</u>					
Share Capital	15.1	165,000	165,000	165,000	165,000
Foreign Exchange Equalization Reserve	15.3	8,289	8,289	8,289	8,289
Reserves	15.2	51,116	51,116	51,116	51,116
Retained Earnings	15.4	(43,954)	(56,067)	(90,186)	(68,039)
TOTAL EQUITY		180,451	168,338	134,219	156,366
TOTAL EQUITY & LIABILITIES		762,087	651,441	650,164	584,186
Client's Asset Under Custody	27	125,206	57,677	78,793	22,979

The notes on pages 50 to 66 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24th August 2020 and signed on its behalf by:



Ogbeni Lanre Banjo
Chairman
FRC/2014/NIM/00000012448



Mr. Olasupo Falana
Managing Director/CEO
FRC/2012/NIGSURERS/00000000587



Adedeji Olufunke
Head of Finance
FRC/2017/ICAN/00000015920

The accompanying explanatory notes and significant accounting policies form an integral part of the consolidated and separate financial statements.

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

Revenue	NOTE	GROUP		COMPANY	
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
Commission and fee	18	264,437	180,689	203,124	136,199
Direct Commission Expenses	19	(2,712)	(5,282)	(2,683)	(5,282)
Gross Profit		261,725	175,407	200,441	130,917
Other Income	20	2,048	7,373	2,048	7,024
Finance Income	21	6,997	9,635	6,731	9,011
Finance Cost	22	(4,387)	(4,561)	(3,259)	(2,513)
Impairment loss on financial assets and non financial assets	24	(674)	-	(446)	-
Operating profit		265,710	187,854	205,515	144,439
Personnel expenses	23.1	(108,632)	(123,397)	(99,534)	(111,869)
Depreciation	23.2	(14,057)	(18,963)	(13,954)	(18,211)
Amortization	23.3	(74)	(370)	(1)	(86)
Other operating expenses	23.4	(83,645)	(86,991)	(80,666)	(85,627)
Fair value gains/losses at FVTPL	24.1	(2,990)	(2,909)	(2,990)	(2,909)
Profit before tax		56,313	(44,776)	8,371	(74,263)
Tax Expense	25	(9,434)	(5,600)	(3,241)	(4,500)
Profit/(Loss) for the year		46,879	(50,376)	5,130	(78,763)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Equity investments at FVOCI- net change in fair value	15	-	9,871	-	9,871
		-	9,871	-	9,871
Items that are or may be reclassified subsequently to profit or loss					
Building Revaluation		-	-	-	-
Fair Value Gains/(Losses)	15	-	9,871	-	9,871
Total Comprehensive (Loss)/Income for the year		46,879	(40,505)	5,130	(68,892)
The notes on pages 50 to 66 form an integral part of these financial statements.					
Earnings per share					
Basic earnings per share (in kobo)		28.41	(30.53)	3.11	(47.74)
Diluted earnings per share (in kobo)		28.41	(30.53)	3.11	(47.74)

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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STATEMENT OF CHANGES IN EQUITY - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital N'000	Forex Equalisation Reserve N'000	Total Other Reserve Per SFP N'000	Total Retained Earnings Per SFP N'000	Total Attributable Equity Per SFP N'000
Balance as at 1 January, 2019	165,000	8,289	51,116	(68,039)	156,366
Prior Year Adjustment				1,834	1,834
Adjustment on initial application of IFRS 9 (note 15.4)	-	-	-	(326)	(326)
Adjustment on initial application of IFRS 15 (note 15.4)				(28,785)	(28,785)
Adjusted balance as at 1 January 2019	165,000	8,289	51,116	(95,316)	129,089
Transaction with owners of the Company					
Dividend paid	-	-	-	-	-
Issue of ordinary shares	-	-	-	-	-
Reclassification from deposit for shares	-	-	-	-	-
Transaction with owners	-	-	-	-	-
Total comprehensive income for the year:					
Profit/(Loss) for the year	-	-	-	5,130	5,130
Other comprehensive income:					
AFS Fair Value Gain/(Losses):	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,130	5,130
Balance as at 31 December, 2019	165,000	8,289	51,116	(90,186)	134,219
Balance as at 1 January, 2018	165,000	8,289	41,245	10,724	225,258
Prior year Adjustments	-	-	-	-	-
Balance as at 1 January 2018 (Restated)	165,000	8,289	41,245	10,724	225,258
Transaction with owners:					
Dividend paid	-	-	-	-	-
Other reserve additions	-	-	-	-	-
Reclassification from deposit for shares	-	-	-	-	-
Transaction with owners	-	-	-	-	-
Total comprehensive income for the year:					
Profit/(Loss) for the year	-	-	-	(78,763)	(78,763)
Other Comprehensive Income:					
AFS Fair Value Gain/Losses	-	-	9,871	-	9,871
Total comprehensive income for the year	-	-	9,871	(78,763)	(68,892)
Balance as at 31 December, 2018	165,000	8,289	51,116	(68,039)	156,366

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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STATEMENT OF CHANGES IN EQUITY - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital	Forex Equalisation Reserve	Total Other Reserve Per SFP	Total Retained Earnings Per SFP	Total Attributable Equity Per SFP
	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January, 2019	165,000	8,289	51,116	(56,067)	168,338
Prior Year Adjustment				1,834	1,834
Adjustment on initial application of IFRS 9 (note 15.4)	-	-	-	(462)	(462)
Adjustment on initial application of IFRS 15 (note 15.4)				(36,138)	(36,138)
Adjusted balance as at 1 January 2019	165,000	8,289	51,116	(90,833)	133,572
Transaction with owners of the Company					
Dividend paid	-	-	-	-	-
Issue of ordinary shares	-	-	-	-	-
Reclassification from deposit for shares	-	-	-	-	-
Transaction with owners	-	-	-	-	-
Profit/(loss) for the year	-	-	-	46,879	46,879
Other comprehensive income					
AFS- Fair Value Gains/(Losses):	-	-	-	-	-
Total comprehensive income for the year	-	-	-	46,879	46,879
Balance as at 31 December, 2019	<u>165,000</u>	<u>8,289</u>	<u>51,116</u>	<u>(43,954)</u>	<u>180,451</u>
Balance as at 1 January, 2018	165,000	8,289	41,245	(11,259)	203,275
Prior Year Adjustment	-	-	-	5,568	5,568
Balance as at 1 January 2018 (Restated)	<u>165,000</u>	<u>8,289</u>	<u>41,245</u>	<u>(5,691)</u>	<u>208,843</u>
Transaction with owners:					
Dividend paid	-	-	-	-	-
Reclassification	-	-	-	-	-
De-recognition of reserve	-	-	-	-	-
Reclassification from deposit for shares	-	-	-	-	-
Transaction with owners:	-	-	-	-	-
Profit/(loss) for the year	-	-	-	(50,376)	(50,376)
Other comprehensive income:					
AFS Value Gains/(Losses)	-	-	9,871	-	9,871
Total comprehensive income for the year	-	-	9,871	(50,376)	(40,505)
Balance as at 31 December, 2018	<u>165,000</u>	<u>8,289</u>	<u>51,116</u>	<u>(56,067)</u>	<u>168,338</u>

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	GROUP		COMPANY	
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit for the year	15	46,879	(50,376)	5,130	(78,763)
Adjustments for:					
Depreciation	23	14,057	18,963	13,954	18,211
Amortization	23	74	370	1	86
Impact of ECL allowance	4,6	674	-	446	-
Fair value gain FVTPL		(5,346)		(5,346)	
Impact of adjustments		(12,852)		(2,601)	
Net finance income	21	(6,997)	(9,635)	(6,731)	(9,011)
Net finance cost	22	4,387	4,561	3,259	2,513
Gain on sale of property, plant and equipment & scrap	20	(1,380)	(390)	(1,380)	(390)
Tax expense	25	9,434	5,600	3,241	4,500
Changes in:					
Trade receivables	6	(16,171)		(13,757)	-
Other receivables and Prepayments	6	(147,453)	(14,016)	(106,657)	8,852
Trade and other payables	11	44,126	9,374	37,069	12,540
Other liabilities		-	-	-	-
Deferred Commission income	12	48,629	36,138	48,629	28,785
Cash generated from operating activities		(21,940)	589	(24,743)	(12,677)
Interest paid	22	(4,387)	(4,561)	(3,259)	(2,513)
Income tax paid	13	(600)	(6,924)	(293)	(6,924)
Net cash from operating activities		(26,927)	(10,896)	(28,296)	(22,114)
Cash flows from investing activities					
Acquisition of property, plant and equipments	10	(3,569)	(23,535)	(3,492)	(23,337)
Acquisition of financial assets-Amortized cost		(7,453)		(7,453)	
Acquisition of intangible assets	9	-	259	-	259
Dividend from equity-accounted investees	21	5,381	6,104	5,381	6,104
Interest received	21	1,617	3,531	1,351	2,907
Net cash (used in)/ by investing activities		(4,024)	(13,641)	(4,213)	(14,067)
Cash flows from financing activities					
Proceeds from issue of share capital		-	-	-	-
Dividend paid		-	-	-	-
Net cash generated from financing activities		-	-	-	-
Net change in cash and cash equivalents		(30,951)	(24,537)	(32,509)	(36,181)
Cash and cash equivalents as 1 January		112,332	136,869	88,858	125,039
Effect of movements in exchange rates on cash held	20	(176)	-	(176)	-
Cash and cash equivalents as 31 December		81,205	112,332	56,173	88,858

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	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
4 CASH AND CASH EQUIVALENTS				
Cash in hand	957	1,990	957	1,990
Cash at bank	31,528	110,342	6,394	86,868
Short-term deposits	49,141	-	49,141	-
Cash & Cash Equivalents for cashflow purposes	81,625	112,332	56,491	88,858
Impairment loss allowance (note 3,3a)	(420)	-	(318)	-
Total	81,205	112,332	56,173	88,858

Cash and cash equivalents are held in financial instruments of not more than 3 months tenor.

The movement in impairment on cash and cash equivalents was as follows:

4.1	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Balance, beginning of year under IFRS 9 (note 3,3a)	(225)	-	(178)	-
Remeasurement of loss allowance (Notes 17 & 24)	(196)	-	(141)	-
Balance, end of year	(420)	-	(318)	-

5 INVESTMENT SECURITIES

Opening balance :	-	-	-	100,000
Debt securities - at amortized cost (see note a below)	7,453	-	7,453	-
Equity securities - at FVOCI (see note b below)	168,558	92,559	168,558	92,559
Equity securities - at FVTPL (see note c below)	27,271	21,925	27,271	21,925
	203,282	114,484	203,282	114,484

5.1 Debt securities - at amortised cost

Debt securities classified at amortised cost (2018: held to maturity) have interest rate of 1.20% and matured at year 2020.

Reconciliation of movement in amortized cost

Movement in Amortized cost during the year

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Opening balance	-	-	-	-
Addition during the year	7,453	-	-	-
Disposal/redemption/repayment	-	-	-	-
Accrued interest (Amortized cost only)	-	-	-	-
ECL Impairment loss during the year (Amortized cost only)	-	-	7,453	-
Balance at 31 December	7,453	-	7,453	-
Nigerian Treasury bills	2,002	-	2,002	-
FGN Bonds	5,451	-	5,451	-
Less impairment allowance	-	-	-	-
	7,453	-	7,453	-

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5.2 Equity securities - at FVOCI

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Quoted equities	-	-	-	-
Unquoted equities	168,558	92,559	168,558	92,559
	<u>168,558</u>	<u>92,559</u>	<u>168,558</u>	<u>92,559</u>

At 1 January 2019, the Company designated the investment shown below as equity securities at FVOCI because these equity securities represent investments that the Company intends to hold for the long term for strategic purposes. In 2018, the investments were classified as available-for-sale.

5.2a FVOCI - Unquoted equities

Reconciliation of movement in FVOCI

Movement in FVOCI during the year

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Opening balance	92,559	-	92,559	-
Reclassification during the year (see note 5.2b)	100,000	-	100,000	-
Disposal during the year	-	-	-	-
Fair value gain/(loss) during the year	(24,002)	-	(24,002)	-
Balance at 31 December	<u>168,557</u>	<u>-</u>	<u>168,557</u>	<u>-</u>

5.2b EQUITY SECURITY

	GROUP		COMPANY	
	Fair value at 31 Dec. 2019	Dividend income recognised during 2019	Fair value at 31 Dec. 2019	Dividend income recognised during 2019
	N'000	N'000	N'000	N'000
Investment in WAMCO	68,558	4,577	68,558	4,577
Investment in Veritas Glanvills Pensions Limited	100,000	-	100,000	-

5.2c EQUITY SECURITY

	GROUP		COMPANY	
	Fair value at 31 Dec. 2018	Dividend income recognised during 2018	Fair value at 31 Dec. 2018	Dividend income recognised during 2018
	N'000	N'000	N'000	N'000
Investment in WAMCO	92,559	5,127	92,559	5,372

This strategic investment was not disposed during 2019, and there was no transfer of any cumulative gain or loss within equity relating to this investment.

5.3 Equity securities - at mandatorily FVTPL

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Quoted equities	27,271	21,925	27,271	21,925
Unquoted equities	-	-	-	-
	<u>27,271</u>	<u>21,925</u>	<u>27,271</u>	<u>21,925</u>

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5.3a EQUITY SECURITY

Quoted Securities

	GROUP		COMPANY	
	Fair value at 31 Dec. 2019	Dividend income recognised during 2019	Fair value at 31 Dec. 2019	Dividend income recognised during 2019
ACCESS (INT BANK CONV)	163,270	-	163,270	-
C & I LEASING PLC	24,145	-	24,145	-
CUSTODIAN & ALLIED INS PLC	1,552,944	104,824	1,552,944	104,824.00
FIDELITY BANK PLC	410,000	-	410,000	-
FIRST BANK PLC	129,464	6,555	129,464	6,555.00
GUARANTY TRUST BANK	3,564,000	-	3,564,000	-
NIG BREWERIES PLC	204,022	-	204,022	-
OANDO PLC	14,963	-	14,963	-
OANDO PLC RT ISSUE 2013	64,838	-	64,838	-
STERLING BANK PLC	1,152,105	-	1,152,105	-
U A C PROP. DEV	10,282	-	10,282	-
UNION HOMES SAVINGS	18,875	-	18,875	-
UNIVERSAL INS. CO. PLC	104,901	-	104,901	-
WEMA BANK PLC	444,528	-	444,528	-
WAPIC	1,185	-	1,185	-
ACCESS BANK	1,164,270	-	1,164,270	-
AFRICAN PRUDENTIAL REGISTRAR	3,476	-	3,476	-
DANGOTE CEMENT PLC	1,631,438	-	1,631,438	-
FCMB	507	-	507	-
FIRST BANK	100,522	-	100,522	-
FLOUR MILLS PLC	544,350	-	544,350	-
JULIUS BERGER	399,055	-	399,055	-
NESTLE FOODS PLC	3,851,138	442,797	3,851,138	442,796.52
NIGERIAN BREWRIES PLC	363,145	-	363,145	-
CADBURY NIG PLC	162,238	-	162,238	-
STERLING BANK PLC	103,566	-	103,566	-
UNITED BANK PLC	205,112	-	205,112	-
UBA CAPITAL PLC	8,345	-	8,345	-
UNILEVER NIGERIA PLC	875,424	-	875,424	-
UNITY BANK	7,098	-	7,098	-
UPDC REAL ESTATE INV. TRUST	850,000	116,000	850,000	116,000.00
LAFARGE CEMENT PLC	468,272	-	468,272	-
WEST AFRICAN PROV. INS PLC	8,447	-	8,447	-
ZENITH BANK	203,428	-	203,428	-
CONTINEN. REIN PLC	3,741,494	-	3,741,494	-
DAN. SUGAR PLC	1,001,395	80,995	1,001,395	80,995.20
DIAMOND	142,160	-	142,160	-
SUNU ASSURANCE	300,000	-	300,000	-
JAPPAUL OIL & MARINE	4,000	-	4,000	-
FLOUR MILLS(BAGCO-148,136UNITS)	128,405	-	128,405	-
OKOMU OIL	1,278,800	-	1,278,800	-
Balance carried forward to the next page (List continues on the next page)	25,405,604	751,171	25,405,604	751,171

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Balance brought forward from the previous page	25,405,604	751,171	25,405,604	751,171
PRESCO PLC	1,256,185	52,892	1,256,185	52,892.00
STERLING BANK PLC	523,682	-	523,682	
UNION BANK PLC	29,532	-	29,532	
FIRST ALUMINIUM NIG. PLC	55,680	-	55,680	
	<u>27,270,683</u>	<u>804,063</u>	<u>27,270,683</u>	<u>804,063</u>
Quoted security in (N'000)	<u>27,271</u>	<u>804</u>	<u>27,271</u>	<u>804</u>

Dividend in year 2019 was made up of N4,577,000 dividend in WAMCO and N804,000 dividend in quoted securities, thereby, given a total dividend received of N5,381,000 at 2019 year end. (see notes 5.2b and 5.3a).

5.3b FVTPL - Equity securities

Reconciliation of movement in FVTPL

Movement in FVTPL during the year

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Opening balance	21,925	21,925	21,925	21,925
Addition during the year	-	-	-	-
Disposal during the year	-	-	-	-
Fair value gain/(loss) during the year	5,346	-	5,346	-
Balance at 31 December	<u>27,271</u>	<u>21,925</u>	<u>27,271</u>	<u>21,925</u>

6a Trade Receivables

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Commission awaiting remittance	<u>16,171</u>		<u>13,757</u>	-

6(a)i Movement in commission awaiting remittance

Balance as at January 1	-	-	-	-
Impairment as at January 1	<u>22,016</u>	-	<u>20,979</u>	-
Balance as at January 1 as per IFRS 9	22,016	-	20,979	-
Total commission on production during the year	276,928	-	222,968	-
Total commission received during the year	(282,741)	-	(230,162)	-
Impairment of trade receivables at year end	(32)	-	(28)	-
Total commission awaiting remittance net of impairment	<u>16,171</u>	<u>-</u>	<u>13,757</u>	<u>-</u>

6(a)ii Movement in ECL Allowance

Impairment as at Jan. 1 on adoption of IFRS 9	(44)	-	(42)	-
Impairment of net remeasurement of ECL as at yer end	<u>12</u>	-	<u>14</u>	-
Amount written off	<u>(32)</u>	<u>-</u>	<u>(28)</u>	<u>-</u>

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6b OTHER RECEIVABLES AND PREPAYMENTS	2019	2018	2019	2018
Other Receivables	N'000	N'000	N'000	N'000
Due from group of companies	178,454	34,033	125,068	22,194
Due from associates	34,006	34,006	2,819	2,819
Staff receivables	4,951	5,736	4,951	5,736
Glanvill staff trustee account	252	252	252	252
Thrift club investment	273	273	273	273
Sundry Debit Balances	287	286	287	286
Total other receivables	218,222	74,586	133,650	31,560
Prepayments	26,553	22,053	26,513	21,519
Other receivables and Prepayments	244,775	96,639	160,163	53,079
Impairment loss allowance (ECL) - see note 6.1	(683)	-	(426)	-
Balance as at year end	244,092	96,639	159,736	53,079

The movement in impairment on cash and cash equivalents was as follows:

6(b)i	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Balance, beginning of year under IFRS 9 (see note 3d)	(193)	-	(106)	-
Remeasurement of loss allowance (see notes 17 & 24)	(490)	-	(320)	-
Balance, end of year	(683)	-	(426)	-

Due from group members and associates are intercompany transactions which represents expenses incurred on behalf of sister company for operational activities.

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7 EQUITY - ACCOUNTED INVESTEE	GROUP		COMPANY	
	2019	2018	2019	2018
Investment in associates (see note (7.1) below	100,000	100,000	100,000	100,000
Reclassification during the year	(100,000)		(100,000)	
Balance at 31 December	-	100,000	-	100,000

- 7.1 The Company has 30% ownership interest in Veritas Glanvills Pensions Limited (VG Pensions) as per our review of Veritas Financial Statements. The principal activity of Veritas VG (Pensions) is administration of Pensions. However, the documentary evidence at our disposal indicates that Glanvills Enthoven Insurance Brokers & Pension Consultants Limited has 6.7% interest in Veritas Glanvills Pensions Limited. This informed us to reclassify the investment in associates to ordinary investment. See note 5.2a.

8 DEFERRED TAX ASSETS	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Opening balance as at 1 Jan.	57,379	57,379	57,379	57,379
Transfer	-	-	-	-
Charge/(release) for the year	-	-	-	-
As at 31 December	57,379	57,379	57,379	57,379

9 INTANGIBLE ASSETS	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
9.1 SOFTWARE COST				
Bal. at beginning of year 1 Jan.	14,998	14,739	8,163	7,904
Additions	-	259	-	259
Reclassifications	-	-	-	-
Disposal	-	-	-	-
Bal. as at end of year	14,998	14,998	8,163	8,163

9.2 <u>Amortization & Impairment</u>	GROUP		COMPANY	
	2019	2018	2019	2018
Bal. at the beginning of year	14,752	14,382	7,990	7,904
Adjustment on opening balance	86	-	86	-
Amortization for the year	74	370	1	86
Impairment for the year	-	-	-	-
Bal. as at end of year	14,912	14,752	8,077	7,990
Carrying Amount - 31 Dec.	86	246	86	173

The adjustment was due to over provision of amortization of intangible assets

- c There were no capital commitments contracted or authorised as at the reporting date (31 December 2018: Nil).
- d There were no capitalised borrowing costs related to the acquisition of intangible asset during the year (2018: Nil)
- e There is no lien or encumbrance on the Company's assets.
- f All the classes of intangible asset are non-current.
- g The Company did not test for the intangible of impairment and did not recognised an impairment loss on the value of the intangible assets as at the beginning and the end of the year, considering the value of the assets and the insignificant effect it would have on the account. The intangible assets are almost fully amortised.

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10 PROPERTY, PLANT & EQUIPMENT - COMPANY

COST	Building Renovation	Lease Hold Building	Furniture & Fittings	Office Equipment	Plant & Machinery	Boreholes	Motor Vehicles	Motor Vehicle Under Lease	Computer Equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January, 2019	-	187,331	52,280	32,681	21,816	592	127,401	24,596	44,773	491,470
Transfer	-	-	-	-	-	-	-	-	-	-
Additions	-	200	174	150	1,080	-	934	-	954	3,492
Disposal	-	-	-	-	-	-	-	-	-	-
As at 31 December, 2019	-	187,531	52,454	32,831	22,896	592	128,335	24,596	45,727	494,962

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PROPERTY, PLANT & EQUIPMENT - COMPANY
(Accumulated Depreciation and Impairments Losses)

	Building Renovation	Lease Hold Building	Furniture & Fittings	Office Equipment	Plant & Machinery	Boreholes	Motor Vehicles	Motor Vehicle Under Lease	Computer Equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January, 2019	-	34,662	51,991	32,415	20,280	480	113,095	24,594	43,740	321,257
Charged for the year	-	2,817	322	259	1,147	23	7,889	-	1,497	13,954
Transfer	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
As at 31 December, 2019	-	37,479	52,313	32,674	21,427	503	120,984	24,594	45,237	335,211
<u>CARRYING AMOUNT:</u>										
As at 31 December, 2019	-	150,052	141	157	1,469	89	7,351	2	490	159,750
As at 31 December, 2018	-	152,669	289	266	1,536	112	14,306	2	1,033	170,213

The company building situated at 17A Funso Williams, Costain Surulere Lagos was revalued for the sum of ₦172,000,000 as at 31 May 2013 by Messrs. Jide Taiwo and Co. Estate Surveyor and values. The revalued amount has been grossed up and incorporated into the books. The related revaluation surplus is treated in revaluation reserve.

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10.1 PROPERTY, PLANT & EQUIPMENT - GROUP

Cost	Building Renovation	Lease Hold Building	Furniture & Fittings	Office Equipment	Plant & Machinery	Boreholes	Motor Vehicles	Motor Vehicle Under Lease	Computer Equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1 January, 2019	-	187,331	52,361	32,681	28,816	592	135,022	24,596	47,683	509,082
										-
Additions	-	200	174	150	1,080	-	934	-	1,031	3,569
										-
Disposal	-	-	-	-	-	-	-	-	-	-
										-
Adjustments	-	-	-	-	-	-	-	-	-	-
As at December 2019	-	187,531	52,535	32,831	29,896	592	135,956	24,596	48,714	512,651

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PROPERTY, PLANT & EQUIPMENT - GROUP
(Accumulated Depreciation and Impairments Losses)

	Building Renovation	Lease Hold Building	Furniture & Fittings	Office Equipment	Plant & Machinery	Boreholes	Motor Vehicles	Motor Vehicle Under Lease	Computer Equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1 January, 2019	-	34,662	52,056	32,415	27,280	480	120,714	24,595	46,519	338,721
Charged for the year	-	2,817	332	259	1,147	23	7,890	-	1,589	14,057
Transfer	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-	-	-
31 December, 2019	-	37,479	52,388	32,674	28,427	503	128,604	24,595	48,108	352,778
Carrying Amount										
As at 31 December 2019	-	150,052	147	157	1,469	89	7,352	1	606	159,872
As at 31 December, 2018	-	152,669	305	266	1,536	112	14,308	1	1,164	170,361

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	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
11 PROVISIONS AND OTHER PAYABLES				
Due to subsidiaries	112,928	140,880	112,928	123,709
Due to associates	92,939	63,937	92,878	38,360
Sundry payables	236,972	185,588	204,073	182,391
Accruals:	-	-	-	-
Accrued gratuity	721	3,387	721	3,387
Other accruals	57,833	81,166	53,479	81,163
Other accounts payable	17,491	-	-	-
Total provisions and other payables	518,884	474,958	464,078	429,010
12 DEFERRED COMMISSION INCOME				
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Balance at 1 January	36,138	-	28,785	-
Commission received during the year	276,928	-	222,968	-
Commission earned recognised in revenue (see note 18)	(264,437)	-	(203,124)	-
Balance at 31 December	48,629	-	48,629	-
12.1 The following tables illustrates when the Company expects to recognise the above balances as revenue.				
Within one year	264,437	-	203,124	-
More than one year	48,629	-	48,629	-
	313,066	-	251,753	-
13 CURRENT TAX LIABILITIES				
Balance as at 1 January:				
Income tax b/f	7,536	9,182	520	4,071
Income tax for the year	9,229	5,600	3,051	4,500
Adjustment	(3,055)	(322)	(520)	(1,127)
Income tax paid during the year	(600)	(6,924)	(293)	(6,924)
Balance as at 31 December	13,110	7,536	2,758	520
The adjustment was due to the difference between the Company opening balance and 2018 audited accounts.				
14 DEFERRED TAX LIABILITY				
Balance B/fwd	809	809	290	290
Charged for the year	205	-	190	-
	1,014	809	480	290
15 EQUITY				
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Share Capital				
Authorizes share capital				
At 1 January (175,000,000 ordinary shares @ N1 each)	175,000	175,000	175,000	175,000
Addition	-	-	-	-
As at 31 December	175,000	175,000	175,000	175,000

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	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
15.1 Issued & fully paid:				
At 1 January (165,000,000 ordinary shares @ ₦1 each)	165,000	165,000	165,000	165,000
Share issued during the year	-	-	-	-
Reclassification	-	-	-	-
As at 31 December	165,000	165,000	165,000	165,000
15.2 Reserves				
Opening balance	51,116	41,245	51,116	41,245
Prior year adjustment	-	-	-	-
Addition during the year (AFS reserve)	-	9,871	-	9,871
	51,116	51,116	51,116	51,116
15.3 Foreign Exchange Equalization Reserves				
As at 1 January	8,289	8,289	8,289	8,289
Addition	-	-	-	-
As at 31 December	8,289	8,289	8,289	8,289
15.4 RETAINED EARNINGS				
Opening balance	(56,067)	(11,259)	(68,039)	10,724
Adjustment on initial application of IFRS 9 (note 3)	(462)	-	(326)	-
Adjustment on initial application of IFRS 15 (note 3)	(36,138)	-	(28,785)	-
Profit for the year	46,879	(50,376)	5,130	(78,763)
Other Adjustment	1,834	5,568	1,834	-
Balance at 31 December	(43,954)	(56,067)	(90,186)	(68,039)

The other adjustments were prior year adjustments accounted for during the year due to correction of errors in the financial statements.

16 CAPITAL MANAGEMENT

The company manages its capital to ensure that the entity will be able to continue as a going concerns while maximizing the return to stakeholders through the optimizes of the debt and equity balances.

The company has been injecting more capital since year 2012.

The Companies and Allied Matters Act (CAMA) requires that the amount of the company's share capital shall not be less than the authorized minimum share capital.

The Company Management Committee reviews the capital structure of the company regularly to ensure that the company meet up with minimum share capital requirement as may be prescribed by NAICOM from time to time.

The company has complied with the minimum capital requirement specified by National Insurance Commission (NAICOM) as specified in the Acts and guidelines.

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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**EXPLANATORY NOTES TO THE CONSOLIDATED
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17 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Risk Management is carried out primarily by the Internal Audit and Risk Management department in the company. The department identifies, evaluates and manages financial risk in close cooperation with the company's other department. Written principles for the overall risk management of the company are approved by the Board of Directors.

17.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalent, deposit with banks and other financial institutions, receivables from related parties as well as credit exposures to the company's customers.

The company's financial instrument that are exposed to concentration of credit risk relate primarily to cash receivables from the underwriters and other brokers for commission on premiums. The company's exposure to credit risk is low as the regulation governing insurance brokers business allows for minimum or no credit terms.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Cash & cash equivalent	81,205	112,332	56,173	88,858
Trade and other receivables	260,263	96,639	173,494	53,079
	<u>341,468</u>	<u>208,971</u>	<u>229,667</u>	<u>141,937</u>

Cash & Cash Equivalents

The company holds cash & cash equivalents of ₦81,205,000 at 31 December, 2019 (2018, ₦112,332,000) which represent its maximum exposure on these assets.

17.2 ECL Impairment Loss Allowance

Reconciliation of movement in ECL impairment loss allowance between Jan. 1, 2019 and Dec. 31, 2019:

	Gross Amount as at Jan. 1, 2019	ECL as at Jan 1, 2019	Gross Amount as at Dec. 31, 2019	ECL as at Dec. 31, 2019	Increase/ (Decrease) as at Dec. 31, 2019
Group	N'000	N'000	N'000	N'000	N'000
Cash & Cash Equivalents	112,332	225	81,625	420	195
Other Receivables	96,639	193	244,775	683	490
Total Group	208,971	418	326,400	1,103	684
Company					
Cash & Cash Equivalents	88,858	178	56,491	318	140
Other Receivables	53,079	106	160,163	426	319
Total Company	141,937	284	216,654	744	459

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**EXPLANATORY NOTES TO THE CONSOLIDATED
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FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

17.3 Liquidity risks

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with the financial liabilities that are settled by delivering cash or another financial asset.

The company's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation.

The company aims to maintain the level of cash and cash equivalent at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days. The company also monitors the level of expected cash inflow on trade & other receivables together with expected cash outflow on trade and payables.

17.4 Market risks

Market risks is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise those types of risk: Interest rate risk, and currency risk. Financial instrument affected by market risk include, loans and borrowing, deposits, trade receivables, trade payables, accrued liabilities etc.

18 COMMISSION AND FEE

	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
General/Marine Insurance	203,124	136,199	203,124	136,199
Life and Pension	-	-	-	-
Reinsurance	61,313	44,490	-	-
	<u>264,437</u>	<u>180,689</u>	<u>203,124</u>	<u>136,199</u>

Brokerage income is recognized in accordance with NAICOM operational guidelines for intermediaries which requires that brokerage income are recognized on cash basis.

19 DIRECT COMMISSION EXPENSES

Commission Expenses	<u>2,712</u>	<u>5,282</u>	<u>2,683</u>	<u>5,282</u>
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20 OTHER INCOME

Profit on sale of property, plant & equipment	-	390	-	390
Profit on sale of scrap	1,380	-	1,380	-
Foreign exchange gain/(loss)	176	-	176	-
Sundry income	493	6,983	493	6,634
	<u>2,048</u>	<u>7,373</u>	<u>2,048</u>	<u>7,024</u>

21 FINANCE INCOME

Interest on deposit & other acct.	1,617	3,531	1,351	2,907
Dividend received	5,381	6,104	5,381	6,104
	<u>6,997</u>	<u>9,635</u>	<u>6,731</u>	<u>9,011</u>

22 FINANCE COST

Interest and other bank charges	<u>4,387</u>	<u>4,561</u>	<u>3,259</u>	<u>2,513</u>
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GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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**EXPLANATORY NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
23.0 OPERATING EXPENSES				
23.1 Personnel expenses:				
Salaries & wages	80,823	83,747	74,019	74,175
Long service award	-	180	-	180
Pension and gratuity contribution	4,740	10,987	4,293	10,490
Training	1,987	5,705	1,776	5,525
Other staff cost	21,082	22,778	19,446	21,499
	<u>108,632</u>	<u>123,397</u>	<u>99,534</u>	<u>111,869</u>
23.2 Depreciation	<u>14,057</u>	<u>18,963</u>	<u>13,954</u>	<u>18,211</u>
23.3 Amortization	<u>74</u>	<u>370</u>	<u>1</u>	<u>86</u>
23.4 Other operating expenses:				
Rent	5,658	6,650	5,118	6,650
Insurance	4,059	4,229	4,059	4,229
Repairs and Maintenance	9,453	7,239	9,133	7,199
Director expenses	15,026	13,985	15,026	13,985
Light & heat	8,972	4,145	8,972	4,145
Telephone & postages	1,224	1,645	1,224	1,645
Subscription & donation	2,200	1,299	1,384	1,299
Insurance supervisory levy	2,510	1,695	1,970	1,250
Legal & professional expenses	3,300	2,293	3,300	2,293
Entertainment & business promotion	14,087	5,273	13,584	4,998
Office expenses	-	640	-	532
Transport & travellings	2,647	6,601	2,647	6,601
Motor running expenses	8,238	9,103	7,979	8,904
General expenses	-	7,009	-	7,009
Audit fees	2,900	3,000	2,900	3,000
Business subscription and renewal	390	950	390	950
Advertisement	696	8,730	696	8,510
Security & Safety	1,462	-	1,462	-
Printing & stationery	824	2,505	824	2,428
	<u>83,645</u>	<u>86,991</u>	<u>80,666</u>	<u>85,627</u>
	<u>206,408</u>	<u>229,721</u>	<u>194,154</u>	<u>215,793</u>

Insurance supervisory levy: This is accrued on 1% of the brokerage income of the previous year which is based on financial statements prepared under Nigeria GAAP.

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**EXPLANATORY NOTES TO THE CONSOLIDATED
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24	Impairment loss on financial assets and non-financial assets	GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
	Impairment charged on financial assets				
	Cash and cash equivalents (see note 4)	196	-	141	-
	Trade receivables (see note 6a)	(12)	-	(14)	-
	Other receivables and prepayments (see note 6b)	490	-	320	-
		<u>674</u>	<u>-</u>	<u>446</u>	<u>-</u>
24.1	Fair Value gain/(loss) on FVTPL				
	Equity security loss at FVTPL	2,990	2,909	2,990	2,909
		<u>2,990</u>	<u>2,909</u>	<u>2,990</u>	<u>2,909</u>
25	CURRENT TAX	GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
	Profit or loss:				
	Company income tax	7,989	5,600	2,543	4,500
	Education tax	1,240	-	509	-
	ITDF-Levy	-	-	-	-
	Current tax reported in profit or loss (Note 13)	<u>9,229</u>	<u>5,600</u>	<u>3,051</u>	<u>4,500</u>
	Deferred tax reported in profit or loss	205	-	190	-
		<u>9,434</u>	<u>5,600</u>	<u>3,241</u>	<u>4,500</u>
26	RECONCILIATION OF NET INCOME FROM OPERATION ACTIVITIES				
		GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
	Profit/(loss) after tax	46,879	(50,376)	5,130	(78,763)
	Adjustments:				
-	Depreciation, amortization and impairment of non-financial assets	14,805	19,333	14,401	18,297
-	Loss/(gain) on disposal of non-financial assets	-	(390)	-	(390)
-	Foreign exchange (gain)/loss	(176)	-	(176)	-
-	Adjustments and other Intercompany transactions	(2,495)	28,664	(80,918)	20,130
-	Interest, dividend and similar income	(6,997)	(9,635)	(6,731)	(9,011)
-	Interest expenses	4,387	4,561	3,259	2,513
-	Net adjustments	<u>9,523</u>	<u>42,533</u>	<u>(70,164)</u>	<u>31,539</u>
	Total adjustments	<u>63,597</u>	<u>(13,454)</u>	<u>29,236</u>	<u>(49,740)</u>

The current taxation was based on provision of Company Income Tax Act Cap C21LFN 2004. Also Education Tax was provided for at 2% of the Adjusted profit and Information Technology Fund Levy (ITF Levy) was based on profit before taxation all in accordance with the current tax laws.

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**EXPLANATORY NOTES TO THE CONSOLIDATED
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**RECONCILIATION OF NET INCOME FROM OPERATION
ACTIVITIES (CONTINUES)**

	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Changes in working capital:	-	-	-	-
Increase/(decrease) in other receivable & prepayment	(147,453)	(14,016)	(106,657)	8,852
Increase/(decrease) in provisions and other payables	44,126	9,374	37,069	12,540
Change in other assets and liabilities	-	-	-	-
Change in deferred/income tax	9,434	5,600	3,241	4,500
Net cash flow from operating activities	(28,278)	(10,478)	(35,093)	(21,830)

27 CLIENTS ACCOUNTS

Cash/Cheque in hand	-	-	-	-
Bank balances	125,206	57,677	78,793	22,979
Premium receivable	-	-	-	-
Total	125,206	57,677	78,793	22,979
Liabilities				
Premium awaiting remittance	108,290	33,664	64,356	168
Commission awaiting remittance	16,203	22,016	13,785	20,979
VAT awaiting remittance	713	1,063	651	989
Commission payable	-	934	-	843
Others	-	-	-	-
	125,206	57,677	78,793	22,979

This disclosure of client account is in compliance with the requirement of paragraph 6.5 of NAICOM guidelines for intermediaries.

28 DIRECTORS

The aggregate directors emoluments were	15,026	13,985	15,026	13,985
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28.1 The emoluments (excluding pension contribution) of the highest paid director amounted to

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28.2 The Chairman

The chairman's emolument (excluding pension contribution) amounted to

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28.3 The statistics below shows the number of employees of the group other than directors who discharged their duties wholly or mainly in Nigeria and who earned over ₦150,000 in the year and fall within the ranges stated below:

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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Range (N)	GROUP		COMPANY	
	2019	2018	2019	2018
150000 - 160000	0	0	0	0
160001 - 170000	1	0	0	0
170001 - 200000	0	0	0	0
200001 - 250000	0	2	0	0
270001 - 290000	0	0	0	0
290001 - 300000	1	4	0	0
300001 - 400000	5	5	0	0
400001 - 500000	2	8	0	0
500001 -1000000	23	29	21	21
1000001 - 1500000	4	5	8	8
1500001 - 2000000	7	9	3	3
2000001 - And above	8	10	5	5
	<u>51</u>	<u>72</u>	<u>37</u>	<u>37</u>

Staff members and costs

The average number of persons employed (excluding directors) in the group during the year are as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
Management/senior staff	30	34	0	0
Junior staff	<u>21</u>	<u>38</u>	<u>0</u>	<u>0</u>
	<u>51</u>	<u>72</u>	<u>0</u>	<u>0</u>

The aggregate payroll costs of these persons are as follows:

	N'000	N'000	N'000	N'000
Wages and salaries including staff bonus and contribution to pension schemes	<u>108,632</u>	<u>117,117</u>	<u>99,534</u>	<u>105,589</u>

29 RELATED PARTIES TRANSACTIONS

These are the amounts due to and from subsidiaries i.e. GlanvillEnthoven Reinsurance Nig. Ltd and the Associated Companies such as UIB during the year. The subsidiaries company is wholly owned by the parent company.

Other Receivable & Prepayment

Due from subsidiaries(Glanvill Reinsurance brokers)	178,454	34,032	125,069	22,194
Due from associates (UIB)	<u>34,007</u>	<u>34,006</u>	<u>2,819</u>	<u>2,819</u>

PROVISION AND OTHER PAYABLES

Due to subsidiaries(Glanvill Reinsurance brokers)	112,928	140,880	54,517	123,709
Due to associates(GN-Bishop)	<u>92,939</u>	<u>63,937</u>	<u>38,360</u>	<u>38,360</u>

30 CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the reporting date.

31 CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date.

32 OPERATIONAL LICENCE/MERGER OF SISTER COMPANIES

The company's annual operating licence was renewed by the Regulatory Authority (NAICOM) and will expire on 30th September 2020.

33 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorized for issue by the Board of Directors on 24 August, 2020.

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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STATEMENT OF VALUE ADDED - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	%	2018	%
	N'000		N'000	
Turnover	211,903		152,234	
Operational cost & services	(86,784)		(93,818)	
Value Added	<u>125,119</u>	<u>100</u>	<u>58,416</u>	<u>100</u>
Distribution of Value Added				
<u>To Pay Employees</u>				
Salaries, wages & other benefits	99,534	80	111,869	192
<u>To Pay Provider Capital</u>				
Bank interest	3,259	3	2,513	4
<u>To Pay Government</u>				
Tax	3,241	3	4,500	8
<u>To Provide for Maintenance of Assets</u>				
Depreciation/Amortization	13,955	11	18,297	31
Profit for the year	5,130	4	(78,763)	(135)
Value Added	<u>125,119</u>	<u>100</u>	<u>58,416</u>	<u>100</u>

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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STATEMENT OF VALUE ADDED - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	%	2018	%
	N'000		N'000	
Turnover	273,482		197,697	
Bought material & services	(90,020)		(95,182)	
Value added	183,462	100	102,515	100
Distribution of Value Added				
<u>To Pay Employees</u>				
Salaries, wages & other benefits	108,632	59	123,397	120
<u>To Pay Provider of Capital</u>				
Bank interest	4,387	2	4,561	4
<u>To Pay Government</u>				
Tax	9,434	5	5,600	5
<u>To Provide for Maintenance of Assets</u>				
Depreciation/Amortization	14,131	8	19,333	19
Profit/Loss for the year	46,879	26	(50,376)	(49)
Value added	183,462	100	102,515	100

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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FIVE YEAR FINANCIAL SUMMARY - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2019

	IFRS				
	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalent	56,173	88,858	125,039	98,757	34,240
Investment securities	203,282	114,484	107,522	102,914	145,290
Trade receivables	13,757	-	-	-	-
Other receivable & prepayment	159,736	53,079	70,931	50,415	47,204
Property, plant & equipment	159,750	170,213	165,483	182,703	210,900
Intangible assets	86	173	-	-	-
Investment in associates	-	100,000	100,000	100,000	100,000
Deferred tax asset	57,379	57,379	57,379	57,379	51,206
Total assets	650,164	584,186	626,354	592,168	588,840
LIABILITIES					
Provision and other payables	464,079	427,010	396,735	299,118	258,054
Deferred Commission Income	48,629	-	-	-	-
Current tax liabilities	2,758	520	4,071	1,743	2,548
Finance Obligation	-	-	-	-	2,506
Deferred tax liabilities	480	290	290	290	-
	515,945	427,820	401,096	301,151	263,108
EQUITY					
Share capital	165,000	165,000	165,000	165,000	165,000
Retained earnings	(90,186)	(68,039)	10,724	79,859	70,488
Other reserves	51,116	51,116	41,245	37,869	81,955
Foreign exchange reserve	8,289	8,289	8,289	8,289	8,289
Total equity	134,219	156,366	225,258	291,017	325,732
Total equity and liabilities	650,164	584,186	626,354	592,168	588,840
Revenue	211,903	152,234	155,222	163,238	170,613
Profit/(Loss) before taxation	8,371	(74,263)	(65,135)	15,023	28,613
Tax expense	(3,241)	(4,500)	(4,000)	(5,652)	(3,721)
Profit/(Loss) after taxation	5,130	(78,763)	(69,135)	9,371	24,892

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS
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FIVE YEAR FINANCIAL SUMMARY - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2019

	IFRS				
	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalent	81,205	112,332	136,869	123,696	43,964
Investment securities	203,282	114,484	107,522	96,921	143,088
Trade receivables	16,171	-	-	-	-
Other receivable & prepayment	244,092	96,639	108,142	195,511	164,063
Property, plant & equipment	159,872	170,361	166,186	184,041	210,944
Intangible assets	86	246	357	641	733
Investment in associates	-	100,000	100,000	100,000	100,000
Goodwill	-	-	2,194	2,194	2,194
Deferred tax asset	57,379	57,379	57,379	57,379	58,999
Total Assets	762,087	651,441	678,649	760,383	723,985
LIABILITIES					
Provision and other payables	518,884	474,758	465,384	510,418	387,687
Deferred Commission Income	48,629	-	-	-	-
Current tax liabilities	13,110	7,536	9,181	6,459	7,746
Deferred tax liabilities & finance lease	1,014	809	809	809	2,636
Total Liabilities	581,637	483,103	475,374	517,686	398,069
EQUITY					
Share capital	165,000	165,000	165,000	165,000	165,000
Retained earnings	(43,954)	(56,067)	(11,259)	31,539	70,672
Other reserves	51,116	51,116	41,245	37,869	81,955
Foreign exchange	8,289	8,289	8,289	8,289	8,289
Total Equity	180,451	168,338	203,275	242,697	325,916
Total Equity and Liabilities	762,087	651,441	678,649	760,383	723,985
Revenue	273,482	197,697	202,514	186,593	324,089
Profit/(Loss) before taxation	56,313	(44,776)	(37,598)	(38,406)	33,976
Tax expense	(9,434)	(5,600)	(5,200)	(6,500)	(6,566)
Profit/(Loss) after taxation	46,879	(50,376)	(42,798)	(44,906)	27,410



BENJAMIN AKANJI OMONAYAJO & CO.

(Chartered Accountants)

Member FCA Group

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FORM 7. 1A

GLANVILL ENTHOVEN INSURANCE BROKERS & PENSIONS CONSULTANTS LIMITED

BALANCE SHEET OF CLIENT'S ACCOUNT AS AT DECEMBER 31 (CERTIFIED BY EXTERNAL AUDITORS)

ASSETS

CASH IN HAND
CHEQUES IN HAND
BANK BALANCES
TOTAL ASSETS (NET OF ECL, IF ANY)

GROUP		COMPANY	
2019	2018	2019	2018
N'000	N'000	N'000	N'000
-	-	-	-
-	-	-	-
125,206	57,677	78,793	22,979
125,206	57,677	78,793	22,979

LIABILITIES

PREMIUM AWAITING REMITTANCE
COMMISSION AWAITING REMITTANCE (CO-BROKERS)
COMMISSION AWAITING REMITTANCE (REPORTING BROKERS)

VAT DEDUCTED AWAITING REMITTANCE
COMMISSION PAYABLE
OTHERS

GROUP		COMPANY	
2019	2018	2019	2018
N'000	N'000	N'000	N'000
108,290	33,664	64,356	168
-	-	-	-
16,203	22,016	13,785	20,979
713	1,063	651	989
-	934	-	843
-	-	-	-
125,206	57,677	78,793	22,979

ASSETS

Total cash, cheques, and bank balance
ECL Impairment Allowance

GROUP		COMPANY	
2019	2018	2019	2018
N'000	N'000	N'000	N'000
125,206	57,677	78,793	22,979
-	-	-	-
125,206	57,677	78,793	22,979

COMMISSION AWAITING REMITTANCE (REPORTING BROKERS)

Commission Awaiting Remittance (Gross Amount)
ECL Impairment Allowance (Borne by Reporting Brokers)

16,203	22,016	13,785	20,979
-	-	-	-
16,203	22,016	13,785	20,979

MOVEMENT IN ECL IMPAIRMENT ALLOANCE ON CLIENT'S ACCOUNT ASSETS AS AT DECEMBER 31, 2019

Balance as at January 1
Increase (Reversal) in ECL Impairment during the year
Balance as at December 31

-	-	-	-
-	-	-	-
-	-	-	-

Benjamin Akanji Omonayajo

