

CONTINENTAL REINSURANCE PLC
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2017

Continental Reinsurance Plc
Unaudited Consolidated Financial Statements
For the half year ended 30 June, 2017

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Continental Reinsurance Plc

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the half year ended 30 June, 2017

	Note	GROUP		GROUP	
		JAN-JUNE 2017 =N='000	JAN-JUNE 2016 =N='000	APR-JUN 2017 =N='000	APR-JUN 2016 =N='000
Gross written Premium		<u>15,190,092</u>	<u>11,924,815</u>	<u>8,624,777</u>	<u>6,385,063</u>
Insurance premium revenue	1.1	12,697,070	11,849,316	6,701,495	6,337,712
Insurance premium ceded to retrocessionaires	1.2	(1,852,552)	(1,200,251)	(1,126,802)	(754,109)
Net insurance premium revenue		<u>10,844,519</u>	<u>10,649,065</u>	<u>5,574,693</u>	<u>5,583,603</u>
Insurance benefits					
Insurance claims and loss adjustment expenses	2.1	5,106,130	5,434,899	2,359,324	2,720,196
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(1,587,824)	(144,869)	(1,490,254)	(59,500)
Net insurance benefits and claims		<u>3,518,305</u>	<u>5,290,030</u>	<u>869,070</u>	<u>2,660,696</u>
Underwriting expenses	2.2	5,238,947	4,550,360	2,856,854	2,678,662
Insurance benefits and underwriting expenses		<u>8,757,252</u>	<u>9,840,390</u>	<u>3,725,924</u>	<u>5,339,358</u>
Underwriting profit		<u>2,087,267</u>	<u>808,674</u>	<u>1,848,768</u>	<u>244,245</u>
Net Interest income	3	953,605	551,154	521,336	314,827
Net gains on financial assets designated at fair value through profit or loss	4	112,667	12,972	112,667	22,320
Other income	5	241,781	89,593	84,610	54,458
Foreign exchange gain/(loss)	5.1	266,978	2,401,326	107,354	2,298,214
Income from investment in subsidiary	5.2	-	-	-	-
Administration expenses	6.1	(532,279)	(157,094)	(250,409)	(31,029)
Impairment of financial assets	6.2	(21,545)	(581,343)	(21,545)	(500,559)
Profit before taxation		<u>3,108,473</u>	<u>3,125,283</u>	<u>2,402,781</u>	<u>2,402,475</u>
Income tax expense	8	(780,774)	(760,772)	(590,738)	(537,197)
Profit after taxation		<u>2,327,699</u>	<u>2,364,510</u>	<u>1,812,043</u>	<u>1,865,279</u>
Profit for the period		<u>2,327,699</u>	<u>2,364,510</u>	<u>1,812,043</u>	<u>1,865,279</u>
Other comprehensive income:					
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:					
Remeasurement gains on available for sale financial assets	7	(168,563)	-	(22,126)	-
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-	-	-
Exchange difference on translation of foreign operations			328,297		
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:					
Actuarial (loss)/gains on defined benefit plans	26				(44,778)
Income tax relating to component of other comprehensive income			14,573		
Other comprehensive income for the period, net of tax		<u>(168,563)</u>	<u>342,870</u>	<u>(22,126)</u>	<u>(44,778)</u>
Total Comprehensive Income for the period		<u>2,159,135</u>	<u>2,707,380</u>	<u>1,789,917</u>	<u>1,820,501</u>
Profit attributable to:					
Equity holders of the parent		2,307,210	2,304,478	1,812,043	1,865,279
Non-controlling interest		20,489	60,032	-	-
		<u>2,327,699</u>	<u>2,364,510</u>	<u>1,812,043</u>	<u>1,865,279</u>
Total comprehensive income attributable to:					
Equity holders of the parent		2,138,647	2,647,348	1,789,917	1,820,501
Non-controlling interest		20,489	60,032	-	-
		<u>2,159,135</u>	<u>2,707,380</u>	<u>1,789,917</u>	<u>1,820,501</u>
Earnings per share					
Basic (kobo)	10	22	23		

Continental Reinsurance Plc

Statement of Profit or Loss and other Comprehensive Income
For the half year ended 30 June, 2017

	Note	COMPANY		COMPANY	
		JAN-JUNE 2017 =N='000	JAN-JUNE 2016 =N='000	APR-JUN 2017 =N='000	APR-JUN 2016 =N='000
Gross written Premium		<u>11,085,915</u>	<u>9,567,114</u>	<u>6,550,720</u>	<u>5,062,361</u>
Insurance premium revenue	1.1	8,672,788	9,510,757	5,014,447	4,991,000
Insurance premium ceded to retrocessionaires	1.2	(1,217,394)	(996,671)	(781,209)	(624,807)
Net insurance premium revenue		<u>7,455,394</u>	<u>8,514,087</u>	<u>4,233,239</u>	<u>4,366,193</u>
Insurance benefits					
Insurance claims and loss adjustment expenses	2.1	3,309,758	4,457,956	1,707,669	2,197,398
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(1,245,866)	(89,618)	(1,180,877)	(61,121)
Net insurance benefits and claims		<u>2,063,892</u>	<u>4,368,338</u>	<u>526,792</u>	<u>2,136,277</u>
Underwriting expenses	2.2	4,072,506	3,609,140	2,350,419	2,061,251
Insurance benefits and underwriting expenses		<u>6,136,397</u>	<u>7,977,478</u>	<u>2,877,211</u>	<u>4,197,528</u>
Underwriting profit		<u>1,318,996</u>	<u>536,608</u>	<u>1,356,028</u>	<u>168,665</u>
Net Interest income	3	736,562	421,225	362,415	216,231
Net gains on financial assets designated at fair value through profit or loss	4	110,411	11,849	110,411	21,196
Other income	5	267,343	85,307	112,500	51,215
Foreign exchange gain/(loss)	5.1	364,464	2,433,365	162,879	2,348,306
Income from investment in subsidiary	5.2	-	-	-	-
Administration expenses	6.1	(311,957)	(173,180)	(95,227)	(109,211)
Impairment of financial assets	6.2	(0)	(507,262)	-	(404,612)
Profit before taxation		<u>2,485,820</u>	<u>2,807,913</u>	<u>2,009,006</u>	<u>2,291,792</u>
Income tax expense	8	(756,455)	(701,978)	(637,252)	(572,948)
Profit after taxation		<u>1,729,365</u>	<u>2,105,935</u>	<u>1,371,755</u>	<u>1,718,844</u>
Profit for the period		<u>1,729,365</u>	<u>2,105,935</u>	<u>1,371,755</u>	<u>1,718,844</u>
Other comprehensive income:					
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:					
Remeasurement gains on available for sale financial assets	7	(173,303)	-	(24,894)	-
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-	-	-
Exchange difference on translation of foreign operations					
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:					
Actuarial (loss)/gains on defined benefit plans	26	-	-	-	-
Income tax relating to component of other comprehensive income			11,937		
Other comprehensive income for the period, net of tax		<u>(173,303)</u>	<u>11,937</u>	<u>(24,894)</u>	<u>-</u>
Total Comprehensive Income for the period		<u>1,556,062</u>	<u>2,117,872</u>	<u>1,346,861</u>	<u>1,718,844</u>
Profit attributable to:					
Equity holders of the parent		<u>1,729,365</u>	<u>2,105,935</u>	<u>1,371,755</u>	<u>1,718,844</u>
Non-controlling interest		-	-	-	-
		<u>1,729,365</u>	<u>2,105,935</u>	<u>1,371,755</u>	<u>1,718,844</u>
Total comprehensive income attributable to:					
Equity holders of the parent		<u>1,556,062</u>	<u>2,117,872</u>	<u>1,346,861</u>	<u>1,718,844</u>
Non-controlling interest		-	-	-	-
		<u>1,556,062</u>	<u>2,117,872</u>	<u>1,346,861</u>	<u>1,718,844</u>
Earnings per share					
Basic (kobo)	10	<u>17</u>	<u>20</u>		

Continental Reinsurance Plc
Consolidated Statement of Financial Position

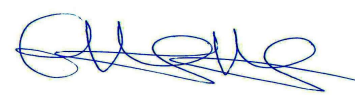
As at 30 June 2017	Note	GROUP		COMPANY	
		30 June 2017 =N='000	31 December 2016 =N='000	30 June 2017 =N='000	31 December 2016 =N='000
Assets					
Cash and cash equivalents	11	8,956,204	9,346,512	6,292,539	6,538,768
Financial assets					-
-Financial asset designated as fair value	12	2,023,024	2,046,334	-	96,177
-Loans and other receivables	13	452,788	391,505	361,739	296,442
-Available-for-sale investments	14.1	1,586,629	2,544,152	1,521,481	2,482,982
-Held to maturity investments	14.2	7,783,497	7,114,054	6,545,480	6,345,274
Reinsurance receivables	15	9,556,480	10,548,241	5,812,939	7,477,146
Retrocession assets	16	2,598,144	1,113,566	1,458,620	424,947
Deferred acquisition costs	17	1,397,285	1,532,808	782,628	782,627
Investment in Subsidiary	18.1	-	-	2,272,473	1,649,571
Other assets	18	675,595	426,753	865,580	1,950,129
Investment properties	19	2,868,728	2,868,728	2,868,728	2,868,728
Intangible assets	20	5,414	7,067	5,415	6,768
Property, plant and equipment	21	1,292,352	1,311,955	1,212,209	1,247,031
Statutory deposits	22	1,000,000	1,000,000	1,000,000	1,000,000
Total assets		40,196,141	40,251,675	30,999,831	33,166,591
Liabilities					
Insurance contract liabilities	23	15,613,499	13,745,314	11,535,005	10,137,148
Reinsurance creditors	24	830,562	2,930,856	439,800	2,568,607
Other liabilities	25	1,721,170	1,976,817	1,707,031	3,200,303
Retirement benefit obligations	26	236,078	383,858	236,078	336,008
Current income tax	8	715,324	692,603	685,034	631,518
Deferred taxation	9	792,973	793,807	686,908	686,908
Total liabilities		19,909,606	20,523,253	15,289,855	17,560,492
Equity					
Share capital	27	5,186,372	5,186,372	5,186,372	5,186,372
Share premium	28	3,915,451	3,915,451	3,915,451	3,915,451
Contingency reserve	29	4,306,578	4,003,471	4,057,795	3,754,688
Retained earnings	30	3,426,340	2,874,421	2,382,750	2,408,676
Available-for-sale reserve	31	163,043	333,265	167,609	340,912
Foreign currency translation reserve		1,939,825	2,088,662		
Equity attributed to holder of parent		18,937,609	18,401,642	15,709,977	15,606,099
Non-controlling interest		1,348,927	1,326,780		
Total equity		20,286,536	19,728,422	15,709,977	15,606,099
Total Liabilities & equities		40,196,141	40,251,675	30,999,831	33,166,591



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



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



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

Continental Reinsurance Plc
Consolidated Statement of Changes in Equity
For the half year ended 30 June, 2017

		Attributable to equity holders-Group							
Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Foreign Exchange Translation Reserve =N='000	Non-controlling interest	Total equity =N='000	
	Balance at 1 January 2017	5,186,372	3,915,451	2,874,421	4,003,471	333,265	2,088,662	1,326,780	19,728,422
	Profit or loss for the period	-	-	2,307,210	-	-	-	20,489	2,327,699
	Transfer of contingency reserve	-	-	(303,107)	303,107	-	-	-	-
	Other comprehensive income								
	Fair value of equity financial assets	7	-	-	-	(170,222)	-	1,659	(168,563)
	Foreign exchange translation reserve					(148,837)			(148,837)
	Total comprehensive income or loss	-	-	2,004,103	303,107	(170,222)	(148,837)	22,147	2,010,299
	Transaction with owners								
	Dividend	25.1	-	(1,452,184)	-	-	-	-	(1,452,184)
	Total Transactions with owners	-	-	(1,452,184)	-	-	-	-	(1,452,184)
	At 30 June, 2017	5,186,372	3,915,451	3,426,340	4,306,578	163,043	1,939,825	1,348,927	20,286,538
	Balance at 1 January 2016	5,186,372	3,915,451	1,820,765	3,414,608	182,183	(116,756)	1,134,568	15,537,191
	Change in shareholding	-	-	-	-	-	-	-	-
	Profit or loss for the year	-	-	2,196,975	-	-	-	50,723	2,247,698
	Transfer of contingency reserve	-	-	(256,506)	256,506	-	-	-	-
	Other comprehensive income								
	Fair value of equity financial assets	-	-	-	-	11,363	-	-	11,363
	Foreign exchange translation reserve						1,572,538		1,572,538
	Total comprehensive income or loss	5,186,372	3,915,451	3,761,234	3,671,114	193,546	1,455,782	1,185,291	19,368,790
	Transaction with owners								
	Dividend	-	-	-	-	-	-	-	-
	Total Transactions with owners	-	-	-	-	-	-	-	-
	At 30 June, 2016	5,186,372	3,915,451	3,761,234	3,671,114	193,546	1,455,782	1,185,291	19,368,790

Continental Reinsurance Plc
Statement of Changes in Equity
For the half year ended 30 June, 2017

Attributable to equity holders-Company

Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Total equity =N='000
Balance at 1 January 2017	5,186,372	3,915,451	2,408,676	3,754,688	340,912	15,606,099
Profit or loss for the period	-	-	1,729,365	-	-	1,729,365
Transfer of contingency reserve	-	-	(303,107)	303,107	-	-
Other comprehensive income						
Fair value of equity financial assets	7	-	-	-	173,303	(173,303)
Foreign exchange translation reserve						-
Total comprehensive income or loss	-	-	1,426,258	303,107	(173,303)	1,556,062
Transaction with owners						
Dividend	25.1	-	(1,452,184)	-	-	(1,452,184)
Total Transactions with owners	-	-	(1,452,184)	-	-	(1,452,184)
At 30 June, 2017	5,186,372	3,915,451	2,382,750	4,057,795	167,609	15,709,977
Balance at 1 January 2016	5,186,372	3,915,451	1,681,345	3,250,484	182,971	14,216,623
Profit or loss for the year	-	-	2,105,935	-	-	2,105,935
Transfer of contingency reserve	-	-	(256,507)	256,507	-	-
Other comprehensive income						
Fair value of equity financial assets	-	-	-	-	11,364	11,364
Foreign exchange translation reserve						-
Total comprehensive income or loss	5,186,372	3,915,451	3,530,772	3,506,991	194,335	16,333,921
Transaction with owners						
Dividend	-	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-
At 30 June, 2016	5,186,372	3,915,451	3,530,772	3,506,991	194,335	16,333,921

Continental Reinsurance Plc
Statement of Cash flows
For the half year ended 30 June, 2017

	Group		Company	
	30 June 2017 N' 000	30 June 2016 N' 000	30 June 2017 N' 000	30 June 2016 N' 000
Cash flows from operating activities				
Premium received from policy holders	14,186,926	9,417,268	12,750,123	6,365,120
Retrocession receipts in respect of claims	212,193	190,008	212,193	88,059
Acquisition costs paid	(3,547,248)	(3,038,683)	(2,907,580)	(2,708,269)
Retrocession premium paid	(1,542,850)	(984,428)	(1,296,513)	(732,806)
Employees benefit and other admin expenses paid	(2,518,927)	(1,394,865)	(1,559,106)	(1,040,490)
Other operating cash receipts/payments	868,614	2,210,125	264,272	1,966,513
Claims paid	(7,826,342)	(2,702,262)	(6,521,951)	(2,555,113)
Income taxes paid	(836,498)	(703,514)	(702,939)	(703,514)
Net cash flows (outflow)/inflow from operating activities	-1,004,132	2,993,649	238,498	679,499
Cash flows from investing activities				
Purchase of property, plant and equipment	(18,684)	(97,560)	(3,524)	(77,995)
Purchase of intangible assets	-	-	-	-
Investment in subsidiary	-	-	(622,902)	-
Proceeds from disposal of property, plant and equipment	(5,094)	1,521	(5,094)	1,521
Purchase of investment securities	(1,240,350)	(608,680)	(532,283)	(516,504)
Proceeds on redemption /sales of investments	1,234,045	1,251,435	1,234,045	882,016
Purchase of investment property	-	-	-	-
Proceeds from sale of investment property	(0)	-	(0)	-
Rent Received	33,687	29,982	29,040	29,982
Interest received	879,752	498,451	758,407	443,070
Dividend received	22,175	14,800	21,425	14,388
Net cash generated/(used) in investing activities	905,529	1,089,949	879,112	776,477
Cash flows from financing activities				
Dividend expense	(1,847,240)	-	(1,847,240)	-
Net cash used in financing activities	(1,847,240)	-	(1,847,240)	-
Net increase in cash and cash equivalents	(1,945,842)	4,083,598	(729,629)	1,455,977
Cash and cash equivalents at start of year	7,962,050	5,878,360	4,014,649	6,019,005
Effect of exchange rate changes on cash and cash equivalents	(67,523)	58,974	0	58,974
Cash and cash equivalents at end of period	5,948,685	10,020,932	3,285,020	7,533,956
Cash and cash Equivalent	2017	2016	2017	2016
Balances held with other banks:	N' 000	N' 000	N' 000	N' 000
Cash in hand	2,726	364	2,430	99
- Current account and cash in hand	184,777	599,092	105,819	439,394
Domiciliary account	295,239	411,937	295,239	411,937
Balances held with foreign banks:	1,207,159	849,161	1,207,159	849,161
- Placements with banks and other financial institutions	4,198,794	7,505,501	1,614,383	5,178,489
Treasury bill	59,990	654,876	59,990	654,876
Cash and Cash Equivalent at end	5,948,685	10,020,931	3,285,020	7,533,955

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-JUNE 2017	JAN-JUNE 2016	JAN-JUNE 2017	JAN-JUNE 2016	APR-JUN 2017	APR-JUN 2016	APR-JUN 2017	APR-JUN 2016
1 Revenue	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
1.1 Insurance premium revenue								
<i>Premium revenue arising from insurance contracts issued</i>								
Life insurance contracts								
– Gross Premium	1,819,885	1,612,627	1,473,538	1,525,366	1,105,356	930,847	915,417	878,074
– Change in life insurance contract liabilities	(25,129)	159,268	(25,129)	119,537	-	20,169	-	(19,562)
– Change in ceded unexpired risk reserve	-	(17,931)	0	(17,931)	0	2,934	0	2,934
Non life insurance contracts								
– Gross Premium	13,370,207	10,312,188	9,612,377	8,041,748	7,519,421	5,454,216	5,635,303	4,184,287
– Change in unearned premium provision	(2,467,893)	-216,837	(2,387,998)	(157,963)	(1,923,282)	(70,454)	(1,536,273)	(54,733)
Total Premium revenue arising from insurance contracts issued	12,697,070	11,849,316	8,672,788	9,510,757	6,701,495	6,337,712	5,014,447	4,991,000
1.2 Insurance premium ceded to retrocessionaire								
<i>Premium revenue ceded to retrocessionaire on insurance contracts issued</i>								
Life insurance contracts	1,579,569	241,894	221,031	228,805	960,999	139,627	137,313	131,711
Non life insurance contracts	272,983	958,357	996,364	767,866	165,803	614,482	643,896	493,096
Total Premium revenue ceded to retrocessionaire on insurance contracts	1,852,552	1,200,251	1,217,394	996,671	1,126,802	754,109	781,209	624,807
Net insurance premium revenue	10,844,519	10,649,065	7,455,394	8,514,087	5,574,693	5,583,603	4,233,239	4,366,193
2 Insurance benefits and underwriting expenses								
2.1 Insurance claims and loss adjustment expenses								
Life insurance contracts	751,855	907,201	685,149	869,901	269,637	432,793	251,884	406,029
Non life insurance contracts	4,354,275	4,568,566	2,624,609	3,628,922	2,089,687	2,287,186	1,455,784	1,791,153
ceded outstanding claim reserve - Non Life	-	-	-	-	-	-	-	-
ceded outstanding claim reserve - Life	-	(40,868)	-	(40,868)	-	217	-	217
Total cost of policyholder benefits	5,106,130	5,434,899	3,309,758	4,457,956	2,359,324	2,720,196	1,707,669	2,197,398
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(1,587,824)	(144,869)	(1,245,866)	(89,618)	(1,490,254)	(59,500)	(1,180,877)	(61,121)
Net insurance benefits and claims	3,518,305	5,290,030	2,063,892	4,368,338	869,070	2,660,696	526,792	2,136,277
2.2 Underwriting expenses								
Costs incurred for the acquisition of insurance	3,425,380	2,994,217	2,559,454	2,441,045	2,028,099	1,727,730	1,591,679	1,399,142
Costs incurred for the maintenance of insurance	495,531	404,126	348,125	271,122	224,417	237,590	166,481	157,627
Management expenses (See Note 6.1)	1,318,035	1,152,018	1,164,926	896,973	604,339	713,342	592,259	504,482
Total underwriting expenses	5,238,947	4,550,360	4,072,506	3,609,140	2,856,854	2,678,662	2,350,419	2,061,251
Total insurance benefits and underwriting expenses	8,757,252	9,840,390	6,136,397	7,977,478	3,725,924	5,339,358	2,877,211	4,197,528
3 Net Interest income								
Cash and bank balances interest income	290,486	215,598	168,322	153,047	165,027	108,116	74,993	75,857
Statutory deposits interest income	58,593	58,758	58,593	58,758	29,836	28,634	29,836	28,634
Held-to-maturity and loans and receivables interest income	604,526	276,798	509,647	209,421	326,473	178,076	257,586	111,739
Net Interest income	953,605	551,154	736,562	421,225	521,336	314,827	362,415	216,231

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-JUNE 2017 =N='000	JAN-JUNE 2016 =N='000	JAN-JUNE 2017 =N='000	JAN-JUNE 2016 =N='000	APR-JUN 2017 =N='000	APR-JUN 2016 =N='000	APR-JUN 2017 =N='000	APR-JUN 2016 =N='000
4 Net fair value gains on assets at fair value t								
Net fair value gains/ (losses) on financial assets designated at fair value through profit	112,667	12,972	110,411	11,849	112,667	22,320	110,411	21,196
Fair value gains on investment property	-	0	-	-	-	-	-	-
Total	112,667	12,972	110,411	11,849	112,667	22,320	110,411	21,196
5 Other income								
Available-for-sale								
- Dividends	22,175	14,800	21,425	14,388	12,873	12,511	12,231	12,188
- Gain on disposal of available-for-sale securities:								
Equity	100,202	27,779	100,202	27,779	100,202	27,779	100,202	27,779
Bond	40,907	0	40,907.12	-	(70,676)	-	(70,676)	-
Income on investment property	35,725	31,729	35,725	31,729	5,124	9,354	5,124	9,354
- Gain/(Loss) on disposal of investment proper	-	0	-	-	-	-	-	-
-(Loss)/gain on disposal of property, plant and	(5,154)	1,423	(5,154)	1,423	(5,139)	1,510	(5,139)	1,510
Other income	47,925	13,862	74,238	9,988	42,224	3,304	70,757	384
Total	241,781	89,593	267,343	85,307	84,610	54,458	112,500	51,215
5.1 Foreign exchange gain/(loss)								
Foreign exchange gain/(loss)	266,978	2,401,326	364,464	2,433,365	107,354	2,298,214	162,879	2,348,306
Total	266,978	2,401,326	364,464	2,433,365	107,354	2,298,214	162,879	2,348,306
Breakdown of foreign exchange gain/(loss)								
5.1a								
Investment assets	5,415	1,368,790	5,415	1,368,790	(64,316)	1,343,012	(64,316)	1,347,525
Bank balances	203,971	195,868	203,971	226,150	186,330	173,183	186,330	207,437
Reinsurance receivables	57,592	1,219,965	155,078	1,221,722	(14,660)	1,165,315	40,865	1,176,641
Total	266,978	2,784,623	364,464	2,816,662	107,354	2,681,510	162,879	2,731,603
Less gain on impaired reinsurance receivables	-	(383,297)	-	(383,297)	-	(383,297)	-	(383,297)
Total	266,978	2,401,326	364,464	2,433,365	107,354	2,298,214	162,879	2,348,306
5.2 Income from investment in Subsidiary								
- Dividend received	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
6 Operating expenses								
6.1 Management and administration expenses								
Management expenses	1,318,035	1,152,018	1,164,926	896,973	1,144,339	713,342	592,259	504,482
Administration expenses	532,279	157,094	311,957	173,180	250,409	31,029	95,227	109,211
Total	1,850,314	1,309,112	1,476,883	1,070,152	1,394,747	744,371	687,486	613,693
<i>Management and administration expenses comprises the following:</i>								
Depreciation and amortisation	58,100	63,294	37,728	36,983	27,586	21,380	18,281	19,572
Auditor's remuneration	10,820	12,263	1,793	9,563	6,030	9,761	1,500	9,563
Employee benefits expenses (a)	974,468	689,247	753,429	528,261	559,388	319,554	434,969	307,443
Other operating expenses	806,926	544,309	683,933	495,345	261,745	393,676	232,736	277,115
Total management and administrative expense	1,850,314	1,309,112	1,476,883	1,070,152	854,747	744,371	687,486	613,693
<i>(a) Employee benefit expense</i>								
Wages and salaries (local)	444,202	375,886	444,202	339,912	249,405	117,079	249,405	219,594
Wages and salaries (other regions)	461,615	166,327	240,576	166,327	268,086	81,674	143,667	81,674
Pension	-	0	-	-	-	-	-	-
Defined Benefit Staff Gratuity Plan	30,540	0	30,540	-	30,540	-	30,540	-
Defined Contributory Plan	38,111	29,797	38,111	22,022	11,356	6,748	11,356	6,175
Total	974,468	572,010	753,429	528,261	559,388	205,500	434,969	307,443

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-JUNE 2017 =N='000	JAN-JUNE 2016 =N='000	JAN-JUNE 2017 =N='000	JAN-JUNE 2016 =N='000	APR-JUN 2017 =N='000	APR-JUN 2016 =N='000	APR-JUN 2017 =N='000	APR-JUN 2016 =N='000
6 Other operating expenses (cont'd)								
6.2 Impairment of financial assets								
Reinsurance receivables	21,545	581,343	0	507,262	21,545	500,559	-	404,612
Retrocessionaire's share of receivables	-	-	-	-	-	-	-	-
	<u>21,545</u>	<u>581,343</u>	<u>0</u>	<u>507,262</u>	<u>21,545</u>	<u>500,559</u>	<u>-</u>	<u>404,612</u>
7 Net unrealised gain/(loss) on financial assets								
Unrealised gain/(loss) on financial asset - Available-for-sale								
- Equity instruments	(168,563)	0	(173,303)	-	(22,126)	58,392	(24,894)	-
- Debt Instruments	-	0	-	-	-	-	-	-
Total	<u>(168,563)</u>	<u>-</u>	<u>(173,303)</u>	<u>-</u>	<u>(22,126)</u>	<u>58,392</u>	<u>(24,894)</u>	<u>-</u>
Reclassification adjustments to gains included in	-	0	-	-	-	-	-	-
Income tax relating to component of other com	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net	<u>(168,563)</u>	<u>-</u>	<u>(173,303)</u>	<u>-</u>	<u>(22,126)</u>	<u>58,392</u>	<u>(24,894)</u>	<u>-</u>
8 Taxation								
Per statement of comprehensive income:								
Income tax based on profit for the year	780,774	760,772	756,455	701,978	590,738	537,197	637,252	572,948
Education tax	-	-	-	-	-	-	-	-
Back duty charge prior year	-	-	-	-	-	-	-	-
	<u>780,774</u>	<u>760,772</u>	<u>756,455</u>	<u>701,978</u>	<u>590,738</u>	<u>537,197</u>	<u>637,252</u>	<u>572,948</u>
Deferred taxation (Note 9)	-	-	-	-	-	-	-	-
	<u>780,774</u>	<u>760,772</u>	<u>756,455</u>	<u>701,978</u>	<u>590,738</u>	<u>537,197</u>	<u>637,252</u>	<u>572,948</u>
Per statement of financial position:								
At 1 January	692,603	722,035	631,518	648,999				
Based on profit for the year	780,774	898,337	756,455	686,034				
Payments during the year	(758,053)	(927,769)	(702,940)	(703,515)				
	<u>715,324</u>	<u>692,603</u>	<u>685,034</u>	<u>631,518</u>				

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

9	Deferred taxation Deferred income tax (assets)/liabilities are attributable to the following items:	GROUP		COMPANY	
		30-Jun 2017 =N='000	31-Dec 2016 =N='000	30-Jun 2017 =N='000	31-Dec 2016 =N='000
	Deferred tax liabilities				
	Balance b/f	793,807	72,908	686,908	68,777
	Recognised in profit and loss				
	Property plants and equipment	0	236,889	0.00	134,121
	Unrealised FX gain	-	484,009	-	484,009
	Employee benefits	-	-	-	-
	Total recognised in profit and loss	0	720,899	0	618,131
	Recognised in other comprehensive income				
	Employee benefit	-	-	-	-
	Available for sale financial assets	(834)	-	-	-
		(834)	-	-	-
	Net	792,973	793,807	686,908	686,908

10 Earnings per share

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

	GROUP		COMPANY	
	30-Jun 2017 =N='000	31-Dec 2016 =N='000	30-Jun 2017 =N='000	31-Dec 2016 =N='000
The following reflects the income and share data used in the basic earnings per share computations:				
Net profit attributable to ordinary shareholders	2,327,699	3,118,635	1,729,365	2,514,962
Weighted average number of ordinary shares in issue as at year end ('000)	10,372,744	10,372,744	10,372,744	10,372,744
Basis earnings per ordinary share (kobo)	22	30	17	24

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

11	Cash and cash equivalents	GROUP		COMPANY	
		30-Jun 2017 =N='000	31-Dec 2016 =N='000	30-Jun 2017 =N='000	31-Dec 2016 =N='000
	Cash in hand	2,726	384	2,430	98
	Balances held with local banks:				
	- Current account	184,777	235,464	105,819	125,836
	- Domiciliary account	295,239	389,221	295,239	389,221
	Balances held with foreign banks	1,207,159	954,595	1,207,159	954,595
	Placements with banks and other financial institutions	7,266,303	7,766,848	4,681,892	5,069,018
		8,956,204	9,346,512	6,292,539	6,538,768

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

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

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

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

12	Financial assets designated at fair value through profit or loss	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
	Managed Funds				
	External Portfolio Management	2,023,024	2,046,334	-	96,177
		<u>2,023,024</u>	<u>2,046,334</u>	<u>-</u>	<u>96,177</u>

13	Loans and other receivables	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
	Staff Loans and advances	484,238	361,810	393,188	266,746
	Other advances	375,491	436,636	375,491	436,637
	Impairment on other advances	(406,941)	(406,941)	(406,941)	(406,941)
	Total Loans and other receivables	<u>452,788</u>	<u>391,505</u>	<u>361,739</u>	<u>296,442</u>

14	Investment Securities	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
	Analysis of investment securities				
	Equity	1,521,481	1,944,109	1,521,481	1,925,253
	Debt	7,848,644	7,714,097	6,545,480	6,903,003
		<u>9,370,126</u>	<u>9,658,206</u>	<u>8,066,961</u>	<u>8,828,256</u>

Analysis by class

14.1	Available-for-sale:				
	Equity instruments	1,547,409	1,968,086	1,521,481	1,945,954
	Debt instruments	39,219	576,066	-	537,028
	Total available-for-sale	<u>1,586,629</u>	<u>2,544,152</u>	<u>1,521,481</u>	<u>2,482,982</u>
14.2	Held-to-maturity				
	Debt instruments	7,783,497	7,114,054	6,545,480	6,345,274
	Total Investment securities	<u>9,370,126</u>	<u>9,658,206</u>	<u>8,066,961</u>	<u>8,828,256</u>

Equity Instruments

Securities at Available-for-sale - Fair value

Quoted	928,205	-	928,205	-
Unquoted	593,277	1,944,109	593,277	1,925,253
Total equity instruments	<u>1,521,481</u>	<u>1,944,109</u>	<u>1,521,481</u>	<u>1,925,253</u>

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

Debt Instruments

	30-Jun	31-Dec	30-Jun	31-Dec
	2017	2016	2017	2016
	=N='000	=N='000		=N='000
Securities at Available-for-sale -Fair				
Bonds	39,219	576,066	-	537,028
	<u>39,219</u>	<u>576,066</u>	<u>-</u>	<u>537,028</u>

Securities at held-to-maturity - amortised

Listed	3,875,575	3,957,298	3,806,998	3,501,080
Unlisted	3,907,921.80	3,156,756	2,738,481	2,844,194
	<u>7,783,497</u>	<u>7,114,054</u>	<u>6,545,480</u>	<u>6,345,274</u>
Total debt instruments	<u>7,822,717</u>	<u>7,690,120</u>	<u>6,545,480</u>	<u>6,882,302</u>

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

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

15	Reinsurance receivables	GROUP		COMPANY	
		30-Jun 2017 =N='000	31-Dec 2016 =N='000	30-Jun 2017 =N='000	31-Dec 2016 =N='000
	Due from ceding companies	6,878,006	8,655,742	3,667,656	6,249,052
	Due from ceding companies (Pipeline)	3,445,242	3,169,706	2,797,473	2,525,279
	Premium reserves retained by ceding companies	791,255	259,271	644,994	-
		11,114,503	12,084,718	7,110,123	8,774,331
	Impairment on reinsurance receivables(Note 1)	(1,558,023)	(1,536,478)	(1,297,185)	(1,297,185)
		<u>9,556,480</u>	<u>10,548,241</u>	<u>5,812,939</u>	<u>7,477,146</u>
15.1	Reconciliation of impairment on reinsurance receivables				
	At 1 January	1,536,478	1,258,343	1,297,185	1,178,599
	Write off during the year	-	(1,350,748)	-	(1,390,068)
	Charge for the year	21,545	1,628,882	0	1,508,653
	Recovery during the year	-	-	-	-
		<u>1,558,023</u>	<u>1,536,478</u>	<u>1,297,185</u>	<u>1,297,185</u>
15.1a	Breakdown of charge for the year				
	impairment on gross receivables	21,545	1,628,882	0	1,508,653
	reversal of exchange gain on impaired reinsurance receivables	-	-	-	-
	Net charge to income statement	<u>21,545</u>	<u>1,628,882</u>	<u>0</u>	<u>1,508,653</u>
16	Retrocession Assets				
	Retrocessionaires' share of claims recoverable	2,292,983	850,411	1,195,464	161,791
	Retrocessionaires' share of reserve for outstanding claims	131,916	139,221	139,221	139,221
	Retrocession share of unearned premium reserve	23,719	-	-	-
	Retrocessionaires' share of life insurance contract liabilities	263,936	238,344	238,345	238,345
	Impairment of retro assets	(114,410)	(114,410)	(114,410)	(114,410)
	Total retrocession assets	<u>2,598,144</u>	<u>1,113,566</u>	<u>1,458,620</u>	<u>424,947</u>
16.1	Reconciliation of impairment on retro assets				
	At 1 January	114,410	-	114,410	-
	Write off during the year	-	-	-	-
	Charge for the year	-	114,410	-	114,410
	Recovery during the year	-	-	-	-
		<u>114,410</u>	<u>114,410</u>	<u>114,410</u>	<u>114,410</u>
17	Deferred acquisition costs				
	At 1 January	1,532,808	1,458,436	782,627	1,107,837
	Net deferral during the year	(135,523)	74,372.23	1	325,209.68
		<u>1,397,285</u>	<u>1,532,808</u>	<u>782,628</u>	<u>782,627</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

18	Other Assets	GROUP		COMPANY	
		30-Jun 2017 =N='000	31-Dec 2016 =N='000	30-Jun 2017 =N='000	31-Dec 2016 =N='000
	Prepayments	205,760	62,938	192,119	47,577
	Intercompany balances	-	-	755,756	2,023,307
	Deposit for shares (Note 18 a)	11,000	11,000	11,000	11,000
	Proposed head office W.I.P	-	-	-	-
	Other	588,628	482,608	312,533	274,073
		805,388	556,546	1,271,408	2,355,957
	Impairment on others	(129,793)	(129,793)	(405,828)	(405,828)
		<u>675,595</u>	<u>426,753</u>	<u>865,580</u>	<u>1,950,129</u>
18a	Prepayments				
	Office rent	28,657	29,832	23,049	23,253
	Staff upfront	43,320	-	38,890	-
	Other prepaid services	133,783	33,106	130,180	24,324
		<u>205,760</u>	<u>62,938</u>	<u>192,119</u>	<u>47,577</u>
18b	Intercompany balances				
	Payable to related parties on retro	-	-	575,655	754,653
	Payable to related parties on reinsurance conti	-	-	180,101	1,268,654
		<u>-</u>	<u>-</u>	<u>755,756</u>	<u>2,023,307</u>
18c	Others				
	Interest receivables	264,205	245,816	234,205	222,816
	WHT recoverable	1,168	4,168	1,168	4,168
	Sundry receivables	323,255	232,624	77,160	47,089
		<u>588,628</u>	<u>482,608</u>	<u>312,533</u>	<u>274,073</u>

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

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

20	Intangible assets	Group		Company	
		Computer software =N='000	Computer software =N='000	Computer software =N='000	Computer software =N='000
	Cost:				
	At 1 January 2017	67,485	67,186		
	Cost capitalised	-	-		
	At 30 June 2017	<u>67,485</u>	<u>67,186</u>		
	Accumulated amortisation and impairment:				
	At 1 January 2017	60,418	60,418		
	Amortisation for the year	1,653	1,354		
	At 30 June 2017	<u>62,071</u>	<u>61,771</u>		
	NBV At 30 June 2017	<u>5,414</u>	<u>5,415</u>		
	NBV At 31 December 2016	<u>7,067</u>	<u>6,768</u>		

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

Group

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2017	869,393	357,367	196,272	190,490	80,006	104,018	1,797,545
Additions	(0)	(0)	16,644	-	-	2,040	18,684
Disposals	-	(32,973)	(37,467)	-	-	-	(70,440)
Reclassification	-	-	-	-	-	-	-
At 30 June 2017	869,393	324,394	175,448	190,490	80,006	106,058	1,745,789
							-
Accumulated depreciation:							
At 1 January 2017	-	206,949	135,047	-	64,743	78,851	485,590
Charge for the year	-	22,022	9,775	-	1,359	5,132	38,288
Disposal	-	(31,921)	(37,467)	-	-	(1,052)	(70,440)
Reclassification	-	-	-	-	-	-	-
At 30 June 2017	-	197,050	107,355	-	66,101	82,931	453,437
NBV At 30 June 2017	869,393	127,344	68,093	190,490	13,905	23,127	1,292,352
NBV At 31 December 2016	869,393	150,418	61,224	190,490	15,263	25,167	1,311,955

Company

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2017	868,892	285,256	141,942	190,490	70,601	83,298	1,640,479
Additions	(0)	(0)	1,484	-	-	2,040	3,524
Disposals	-	(32,973)	(37,467)	-	-	-	(70,440)
Reclassification	-	-	-	-	-	-	-
At 30 June 2017	868,892	252,283	105,959	190,490	70,601	85,339	1,573,563
							-
Accumulated depreciation:							
At 1 January 2017	-	164,184	100,370	-	62,902	65,991	393,448
Charge for the year	-	22,022	9,775	-	1,359	5,132	38,288
Disposal	-	(31,861)	(37,467)	-	-	(1,052)	(70,380)
Reclassification	-	-	-	-	-	-	-
At 30 June 2017	-	154,345	72,678	-	64,261	70,071	361,355
NBV At 30 June 2017	868,892	97,937	33,281	190,490	6,340	15,268	1,212,209
							1,212,209
NBV At 31 December 2016	868,892	121,071	41,572	190,490	7,699	17,308	1,247,031

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

22 Statutory deposits	GROUP		COMPANY	
	30 June 2017 =N='000	31 December 2016 =N='000	30 June 2017 =N='000	31 December 2016 =N='000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<p>Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost.</p>				
23 Insurance contract liabilities	30 June 2017 =N='000	31 December 2016 =N='000	30 June 2017 =N='000	31 December 2016 =N='000
Reserve for Unearned Premium (Note 23.1)	7,375,330	4,923,170	5,160,850	2,772,852
Reserve for Outstanding Claims (Note 23.2)	6,268,777	6,883,939	4,760,060	5,775,330
	<u>13,644,107</u>	<u>11,807,109</u>	<u>9,920,910</u>	<u>8,548,182</u>
Life (Note 23.3)	1,969,393	1,938,205	1,614,095	1,588,966
Total insurance liabilities	<u>15,613,499</u>	<u>13,745,314</u>	<u>11,535,005</u>	<u>10,137,148</u>
Total retrocessionaire's share of insurance liabilities (Note 16)	(2,598,144)	(1,113,566)	(1,458,620)	(424,947)
Net insurance contracts	<u>13,015,355</u>	<u>12,631,748</u>	<u>10,076,385</u>	<u>9,712,201</u>
23.1 Reserve for Unearned Premium				
At 1 January	4,923,170	4,912,295	2,772,852	3,684,628
Increase in the year	9,759,718	20,911,910	9,612,377	15,000,920
Release of unearned premium during the year	(7,307,558)	(20,901,035)	(7,224,379)	(15,912,696)
	<u>7,375,330</u>	<u>4,923,170</u>	<u>5,160,850</u>	<u>2,772,852</u>
23.2 Reserve for Outstanding Claims				
At 1 January	6,883,939	4,647,288	5,775,330	4,103,731
Claims incurred in the current accident year	4,087,144	9,790,772	2,624,609	7,297,162
Claims paid during the year	(4,702,306)	(7,554,121)	(3,639,879)	(5,625,563)
	<u>6,268,777</u>	<u>6,883,939</u>	<u>4,760,060</u>	<u>5,775,330</u>
23.3 Insurance liabilities on life policy holders				
At 1 January	1,938,205	1,522,370	1,588,966	1,365,204
(Decrease)/Increase in retrocessionaire's share	-	1,015,389	-	823,316
Changes in life policy contracts	31,188	(599,554)	25,129	-599,554
	<u>1,969,393</u>	<u>1,938,205</u>	<u>1,614,095</u>	<u>1,588,966</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

24 Reinsurance creditors	30 June 2017 =N='000	31 December 2016 =N='000	30 June 2017 =N='000	31 December 2016 =N='000
Due to retrocessionaires	727,736	777,047	439,800	518,918
Due to ceding companies	102,826	2,153,809	-	2,049,689
	<u>830,562</u>	<u>2,930,856</u>	<u>439,800</u>	<u>2,568,607</u>

This represents the amount payable to insurance and reinsurance companies

25 Other liabilities

Rent received in advance	4,375	11,060	4,375	11,060
Accrued expenses	319,955	363,037	33,240	352,937
Dividend payable (Note 25.1)	846,395	1,241,451	846,395	1,241,451
Unclaimed dividend	270,241	257,204	270,241	257,204
Information technology development levy	-	37,821	-	37,820
Others	280,204	66,244	252,518	119,158.56
Intercompany Balance	-	-	300,262	1,180,673
	<u>1,721,170</u>	<u>1,976,817</u>	<u>1,707,031</u>	<u>3,200,303</u>

25.1 Dividends paid and proposed

At 1 January	1,241,451	588,786	1,241,451	588,786
Declared during the year	1,452,184	1,244,729	1,452,184	1,244,729
Paid during the year	(1,847,240)	(592,065)	(1,847,240)	(592,065)
	<u>846,395</u>	<u>1,241,451</u>	<u>846,395</u>	<u>1,241,451</u>

25.2 Others;

Staff bonus	119,469	65,756	119,469	-
Sundry creditors	154,674	-	112,145	-
PAYE and other statutory liabilities	6,061	488	20,904	119,159
	<u>280,204</u>	<u>66,244</u>	<u>252,518</u>	<u>119,159</u>

25.3 Intercompany balance;

Receivables from related parties on retro	-	-	207,461	207,934
Receivables from related parties on reinsurance contract	-	-	92,801	972,739
	<u>-</u>	<u>-</u>	<u>300,262</u>	<u>1,180,673</u>

26 Retirement benefit obligations

Define contribution scheme

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

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

Defined benefit staff gratuity scheme

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

Statement of financial position obligation for:	30 June 2017 =N='000	31 December 2016 =N='000	30 June 2017 =N='000	31 December 2016 =N='000
<i>The amounts recognised in the balance sheet are determined as follows:</i>				
Balance as at the beginning of the year	383,858	265,481	336,008	286,873
Net Expense/Income recognised in P & L	-	135,602	-	61,961
Remeasurement recognised in OCR	-	40,378	-	44,778
Company's contribution	(147,779)	(57,604)	(99,930)	(57,604)
Fair value of plan assets		-		-
Deficit of funded plans		<u>383,858</u>	<u>236,078</u>	<u>336,008</u>
(Asset)/liability in the balance sheet	<u>236,078</u>	<u>383,858</u>	<u>236,078</u>	<u>336,008</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

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

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

29 Contingency reserve

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

	30 June 2017 =N='000	31 December 2016 =N='000	30 June 2017 =N='000	31 December 2016 =N='000
Non - Life	4,057,471	3,733,983	3,808,688	3,520,317
Life	249,106	269,488	249,106	234,371
Total	4,306,578	4,003,471	4,057,795	3,754,688

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

30 Retained earnings:

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

31 Available-for-sale reserve:

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

32 Significant accounting policies

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