

1st QUARTER MANAGEMENT ACCOUNT
For The Period Ended 31 MARCH 2018

Universal Insurance Plc

RC 2460

UNIVERSAL INSURANCE PLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 MARCH 2018

| | NOTES | 03/31/2018 | 03/31/2017 |
|---------------------------------------|-------|-------------------|-------------------|
| | | N'000 | N'000 |
| Assets | | | |
| Cash and Cash Equivalents | 6 | 237,631 | 550,910 |
| Financial Assets | 7 | 3,228,991 | 2,883,497 |
| Trade Receivable | 8 | 118,147 | 11,226 |
| Reinsurance Assets | 9 | 376,376 | 84,874 |
| Deferred Acquisition cost | 10 | 19,255 | 19,743 |
| Other Receivable | 11 | 1,753,130 | 1,746,256 |
| Investment in Subsidiaries | 12 | 1,576,703 | 1,576,703 |
| Investment Properties | 13 | 1,854,000 | 1,791,910 |
| Intangible Asset | 14 | 25,012 | 18,215 |
| Property, Plant and Equipment | 15 | 2,783,583 | 2,882,350 |
| Statutory Deposits | 16 | 335,000 | 335,000 |
| Total Assets | | 12,307,829 | 11,900,684 |
| Liabilities | | | |
| Insurance Contract Liabilities | 17 | 730,601 | 482,785 |
| Borrowings | 18 | - | - |
| Trade payable | 19 | 22,900 | 18,385 |
| Other payable | 20 | 1,671,318 | 1,756,402 |
| Employee benefit liability | 21 | 2,178 | 6,584 |
| Income Tax liabilities | 22 | 68,274 | 55,934 |
| Deferred tax liabilities | 23 | 812,448 | 708,609 |
| Total Liabilities | | 3,307,718 | 3,028,699 |
| Equity | | | |
| Issued and paid Share capital | 24. 1 | 8,000,000 | 8,000,000 |
| Share Premium | 24. 2 | 825,018 | 825,018 |
| Contingency Reserves | 24. 3 | 388,309 | 358,850 |
| Fair value reserve | 24. 4 | 1,949,643 | 1,604,212 |
| Fixed asset revaluation reserve | 24. 5 | 757,329 | 757,329 |
| Retained earnings | 24. 6 | (2,920,188) | (2,673,424) |
| Shareholders funds | | 9,000,111 | 8,871,985 |
| Other equity instruments | | - | - |
| Non - controlling interests | | - | - |
| TOTAL EQUITY & LIABILITIES | | 12,307,829 | 11,900,684 |
| | | 0 | - |

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UJOATUONU BENEDICT
CHIEF EXECUTIVE OFFICER
FRC/2013/CIIN/0000003282

.....
SAMUEL U. NDUBUISI
CHIEF FINANCE OFFICER
FRC/2013/ICAN/0000003290

Universal Insurance Plc

Statements of Comprehensive Income

For the PERIOD ENDED 31 MARCH 2018

| | Notes | 31-Mar-18 | 31-Mar-17 |
|--|---------|-----------|-----------|
| | | N'000 | N'000 |
| Gross Premium written | 25 | 346,455 | 178,283 |
| Decrease/(increase) in unearned premium | | (71,487) | 85,486 |
| Gross Premium Earned | | 274,968 | 263,769 |
| Reinsurance Premium Expense | 26 | (5,712) | (504) |
| Net Insurance Premium Income | | 269,256 | 263,265 |
| Fees and Commission income | 27 | 1,690 | 151 |
| Total Underwriting Income | | 270,947 | 263,416 |
| <i>Insurance benefits</i> | | | |
| Claims expenses | 28 | 47,147 | (81,314) |
| Claims Expense Recovery from reinsurance | 28 | 6,142 | - |
| Change in contract liabilities | 28 | - | - |
| Net insurance benefit and claims | | 53,289 | (81,314) |
| Underwriting Expenses | | | |
| Acquisition expenses | 29 | (36,879) | (24,963) |
| Maintenance expenses | 29 | (19,845) | (8,457) |
| Total Underwriting Expenses | | (56,724) | (33,420) |
| Underwriting Profit/(Loss) | | 267,512 | 148,682 |
| Investment income | 30 | 27,495 | 20,171 |
| Other operating income | | - | - |
| Total investment income | | 27,495 | 20,171 |
| Net Income | | 295,006 | 168,853 |
| Impairment charges | 31 (i) | - | - |
| Net realised gains/(loss) on financial assets | 31 (ii) | - | - |
| Net fair value gain/(loss) on investment properties | 31 (ii) | - | - |
| Other operating and administrative expenses | 32 | (163,053) | (180,909) |
| Total Expenses | | (163,053) | (180,909) |
| Result of operating activities | | 131,953 | (12,056) |
| Interest expense | 33 | - | - |
| Profit or (Loss) before Taxation | | 131,953 | (12,056) |
| Income Tax Expense/ (Credit) | | (13,855) | (603) |
| Profit or Loss after Taxation | | 118,098 | (12,659) |
| Profit attributable to: | | | |
| Equity holders of the Company | | 118,098 | (12,659) |
| Non-controlling interest | | - | - |
| Profit/(loss) for the period | | 118,098 | (12,659) |
| Other Comprehensive income | | | |
| <i>Items within OCI that may be reclassified to the profit or loss;</i> | | | |
| Fair value changes in AFS financial assets | 24. 4 | - | 37,995 |
| Deferred tax impact of changes in AFS financial assets | 23 | - | (11,398) |
| <i>Items within OCI that will not be reclassified to the profit or loss;</i> | | | |
| PPE revaluation gains | 24. 5 | - | - |
| Deferred tax impact of revaluation gains | 23 | - | - |
| Other comprehensive income for the period | | - | 26,597 |
| Total comprehensive income | | 118,098 | 13,938 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the company | | 118,098 | 13,938 |
| Non-controlling interests | | - | - |
| Total comprehensive income for the period | | 118,098 | 13,938 |
| Earnings per share-(basic and diluted) | 34 | 0.74 | (0.08) |

THE UNIVERSAL INSURANCE PLC

UNDERWRITING REVENUE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2018

| | MOTOR N'000 | FIRE N'000 | GENERAL ACCIDENT N'000 | BOND | ENGINEERING | OIL & GAS | AVIATION | MARINE N'000 | 2018 N'000 | 2017 N'000 |
|--|----------------|---------------|------------------------------|---------|-------------|-----------|----------|-----------------|---------------|---------------|
| Direct Premium Written | 32,656 | 23,950 | 19,441 | 38,484 | 2,592 | 152,849 | 24,632 | 23,804 | 318,408 | 132,562 |
| Reinsurance Accepted | 9,942 | 5,160 | 2,066 | 452 | 7,983 | 45 | 1,371 | 1,029 | 28,048 | 45,721 |
| Gross Premium Written | 42,598 | 29,110 | 21,507 | 38,936 | 10,575 | 152,894 | 26,003 | 24,832 | 346,455 | 178,283 |
| Changes in Reserve for Unexpired Risk (*) | 11,329 | 8,228 | 35,039 | 26,460 | 8,999 | (129,186) | (34,611) | 2,255 | (71,487) | 85,486 |
| Gross Premium Earned | 53,927 | 37,338 | 56,545 | 65,396 | 19,575 | 23,708 | (8,608) | 27,088 | 274,968 | 263,769 |
| Net Reinsurance Recovery (UPR) per actuarial valuation | - | - | - | - | - | - | - | - | - | - |
| Reinsurance cost | (186) | (1,612) | (356) | (3,558) | - | - | - | - | (5,712) | (504) |
| Net Premium Written | 53,741 | 35,726 | 56,189 | 61,838 | 19,575 | 23,708 | (8,608) | 27,088 | 269,256 | 263,265 |
| Commission Received | 32 | 484 | 107 | 1,067 | - | - | - | - | 1,690 | 151 |
| Net Income | 53,774 | 36,210 | 56,296 | 62,905 | 19,575 | 23,708 | (8,608) | 27,088 | 270,947 | 263,416 |
| Claims Incurred: | | | | | | | | | | |
| Direct Claims Paid | 10,963 | 45,560 | 15,492 | 9,000 | - | - | - | - | 81,014 | 10,345 |
| Provision for Outstanding claims (IBNR) | (11,684) | (17,199) | (12,428) | 20,711 | (572) | (626) | (428) | (1,128) | (23,355) | 6,452 |
| Additional charge to claims reserve per actuarial valuation | | | | | | | | | | |
| Changes in Provision for Outstanding Claims (**) | 1,931 | (134,443) | 12,242 | 14,109 | (895) | 1,665 | 1,075 | (490) | (104,806) | - |
| Gross Claims Incurred | 1,209 | (106,083) | 15,306 | 43,820 | (1,467) | 1,039 | 647 | (1,619) | (47,147) | 81,314 |
| Reinsurance Claims Recovery per actuarial valuation | - | - | - | - | - | - | - | - | - | - |
| Reinsurance Claims Recovery | (199) | (2,509) | (3,434) | - | - | - | - | - | (6,142) | - |
| Net Claims Incurred | 1,011 | (108,591) | 11,872 | 43,820 | (1,467) | 1,039 | 647 | (1,619) | (53,289) | 81,314 |
| Underwriting Expenses: | | | | | | | | | | |
| Commission Paid | 3,869 | 5,931 | 5,462 | 6,447 | 1,185 | 8 | 14 | 2,127 | 25,044 | 28,849 |
| Changes in deferred commission | 1,529 | 606 | 4,681 | 3,492 | (406) | 1,517 | 41 | 376 | 11,835 | 4,570 |
| Additional (DCA) per actuarial valuation report | | | | | | | | | | |
| Maintenance expenses | 1,870 | 3,254 | 3,254 | 1,870 | 3,254 | 1,870 | 1,870 | 2,601 | 19,845 | - |
| Total Underwriting Expenses | 7,269 | 9,791 | 13,397 | 11,809 | 4,033 | 3,395 | 1,925 | 5,104 | 56,724 | 33,419 |
| Total Expenses | 8,279 | (98,801) | 25,269 | 55,629 | 2,567 | 4,434 | 2,572 | 3,486 | 3,435 | 114,733 |
| Underwriting Result | 45,494 | 135,010 | 31,027 | 7,276 | 17,008 | 19,274 | (11,180) | 23,602 | 267,512 | 148,683 |
| Provision for Unexpired Risk- 1 JANUARY 2018 | 36,943 | 31,590 | 50,024 | 59,586 | 17,354 | 16,947 | 647 | 10,294 | 223,384 | 201,166 |
| Provision for Unexpired Risk- 31 MARCH 2018 | 25,615 | 23,362 | 14,985 | 33,126 | 8,354 | 146,133 | 35,259 | 8,038 | 294,872 | 115,680 |
| * Changes in reserve for unexpired Risk | 11,329 | 8,228 | 35,039 | 26,460 | 8,999 | (129,186) | (34,611) | 2,255 | (71,487) | 85,486 |
| Gross Claims Outstanding | | | | | | | | | | |
| Provision for Outsanding Claims- 1 JANUARY 2018 | 14,317 | 161,687 | 61,873 | 223,634 | 6,322 | 25,669 | 4,433 | 2,990 | 500,924 | 296,136 |
| Provision for Outsanding Claims- 31 MARCH 2018 | 16,247 | 27,243 | 74,115 | 237,743 | 5,427 | 27,334 | 5,508 | 2,500 | 396,118 | 360,653 |
| ** Changes in provision for outstanding claims | 1,931 | (134,443) | 12,242 | 14,109 | (895) | 1,665 | 1,075 | (490) | (104,806) | 64,517 |

Universal Insurance Plc
Statements of Changes in Equity (COMPANY)
for the period ended 31 MARCH 2018

Company
In millions of Nigerian naira

| | Share Capital | Share Premium | Revaluation reserve | Contingency reserve | Fair value reserves | Retained earnings | Total |
|--|------------------|------------------|------------------------|------------------------|---------------------------|----------------------|------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Balance at 1 January 2018 | 8,000,000 | 825,018 | 757,329 | 377,916 | 1,949,643 | (3,027,893) | 8,882,012 |
| Total comprehensive income | | | | | | | |
| Profit and loss | - | - | - | - | - | 118,098 | 118,098 |
| Other comprehensive income | | | | | | | |
| Gain on the revaluation of land and buildings | | | | | | - | - |
| Net Fair value changes in AFS financial assets | | | | | - | - | - |
| Fair value reserve derecognised on disposal | | | | | | | - |
| Transfer to contingency reserve | | | | 10,394 | | (10,394) | - |
| Other comprehensive income | - | - | - | 10,394 | - | (10,394) | - |
| Total comprehensive income for the period | - | - | - | 10,394 | - | 107,705 | 118,098 |
| Balance at 31 MARCH 2018 | 8,000,000 | 825,018 | 757,329 | 388,309 | 1,949,643 | (2,920,188) | 9,000,111 |
| Balance at 1 January 2017 | 8,000,000 | 825,018 | 757,329 | 337,406 | 778,649 | (2,484,539) | 8,213,863 |
| Total comprehensive income for the period | | | | | | | |
| Profit or loss | | | | | | 90,043 | 90,043 |
| Other comprehensive income | | | | | | | |
| Gain on the revaluation of land and buildings | - | - | - | - | - | - | - |
| Net Fair value changes in AFS financial assets | - | - | - | - | 787,568 | (236,321) | 551,247 |
| Fair value reserve derecognised on disposal | | | | | | | - |
| Transfer to contingency reserve | - | - | - | 16,095 | | (16,095) | - |
| Other comprehensive income for the period | - | - | - | 16,095 | 787,568 | (252,416) | 551,247 |
| Total comprehensive income for the period | - | - | - | 16,095 | 787,568 | (252,416) | 551,247 |
| Balance at 31 December 2017 | 8,000,000 | 825,018 | 757,329 | 353,501 | 1,566,217 | (2,646,912) | 8,855,153 |

Universal Insurance Plc

Statement Of Cash Flows

For the year ended 31 MARCH 2018

| | 31-Mar-18 | 31-Mar-17 |
|---|-----------|-----------|
| | N'000 | N'000 |
| Cash flows from operating activities | | |
| Insurance premium received from policy holders, Brokers & Agents, Cedants | 160,584 | 263,768 |
| Commission received | 1,690 | 151 |
| Reinsurance receipts in respect of claims | 6,142 | - |
| Reinsurance premium paid | (5,712) | (504) |
| Other operating cash payments | (367,983) | (540,950) |
| Insurance benefits and Claims paid | (81,014) | (81,314) |
| Payments to intermediaries to acquire insurance contracts | (25,044) | (33,420) |
| Maintenance expenses | (19,845) | - |
| Interest Received | 27,495 | 20,171 |
| Dividend Income Received | - | - |
| Cash generated from operations | (303,687) | (372,098) |
| Company Income Tax paid | (10,000) | (5,000) |
| Net cash provided by operating activities | (313,687) | (377,098) |
| Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (2,218) | (3,622) |
| Purchase of Intangible Assets | - | (1,906) |
| Purchase of Listed Equities | - | - |
| Investment income and other receipts | - | - |
| Unlisted AFS Disposed | - | - |
| Net Cash provided by investing activities | (2,218) | (5,528) |
| Cash Flows from Financing Activities | | |
| Proceeds from borrowings | - | - |
| Net cash provided by financing activities | - | - |
| Net Increase/(decrease) in cash and cash equiv. | | |
| Cash and Cash equivalent at the beginning | 553,536 | 933,535 |
| Net increase/decrease in cash and cash equivalents | (315,905) | (382,626) |
| Cash and Cash equivalent at the end of period | 237,631 | 550,909 |

UNIVERSAL INSURANCE PLC

**COMPUTATION OF SOLVENCY MARGIN
AS AT 31 MARCH 2018**

1 ADMISSIBLE ASSETS

Cash and bank balances
Financial Assets - Quoted
Financial Assets - Unquoted
Trade Receivable
Reinsurance Assets
Deferred Acquisition cost
Other Receivable
Investment in Subsidiaries
Investment Properties
Intangible Asset
Property, Plant and Equipment
Statutory Deposits

A

Insurance Contract Liabilities
Trade payable
Other payable
Employee benefit liability
Income Tax liabilities
Deferred tax liabilities

Less Non Admissible Liabilities:
Due to other insurance and reinsurance companies

B

Solvency Margin (A-B)

15% of Net Premium (385,759 *15%)

Minimum required paid up capital

C

D

E

| TOTAL | Inadmissible | Admissible |
|-------------------|--------------|------------------|
| N'000 | N'000 | N'000 |
| | | |
| 237,631 | | 237,631 |
| 617,215 | | 617,215 |
| 2,611,776 | 2,133,005 | 478,771 |
| 118,147 | | 118,147 |
| 376,376 | | 376,376 |
| 19,255 | | 19,255 |
| 1,753,130 | 1,731,170 | 21,960 |
| 1,576,703 | | 1,576,703 |
| 1,854,000 | 816,000 | 1,038,000 |
| 25,012 | 25,012 | (0) |
| 2,783,583 | | 2,783,583 |
| 335,000 | | 335,000 |
| 12,307,829 | | 7,602,642 |
| | | |
| 730,601 | | 730,601 |
| 22,900 | | 22,900 |
| 1,671,318 | | 1,671,318 |
| 2,178 | | 2,178 |
| 68,274 | | 68,274 |
| 812,448 | 812,448 | (0) |
| 3,307,718 | | 2,495,270 |
| | | - |
| 3,307,718 | | 2,495,270 |

5,107,372

40,388

3,000,000

Basis for conclusion:

The solvency margin arrived at in C above shall not be less than 15 per centum of the net premium income D or the minimum paid-up capital E which ever is greater.

Conclusion:

The company is solvent since its solvency margin of N8.008 billion is higher than the minimum paid up capital of N3.00 billion.

Universal Insurance Plc
Notes to the financial statements
For the PERIOD ended 31 MARCH 2018

1 General Information:

The financial statements of the company for the period ended 31 MARCH 2018 were authorised for issue in accordance with a resolution of the Directors. The company is a public limited company incorporated and domiciled in Nigeria. The corporate head office is located at 8, Gbagada Expressway Anthony, Lagos.

The Company is principally engaged in the business of providing risk underwriting, related financial services and hospitality services to its customers.

2 Summary of significant accounting policies:

The principal accounting policies applied in the preparation of these financial statements are disclosed.

3 Critical accounting estimates and judgements:

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the period. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. (i) Fair value of financial assets:

Available-for-sale financial assets are deemed to be impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, group evaluates the normal volatility in share price, the financial health of the investee industry and sector performance, technological changes and cashflow among other factors.

The fair value of financial instruments where no active market exists or where quoted prices are not available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data derived for that instrument and valued in the case of the group, by applying the ruling exchange rate at close of business.

3. (ii) Liabilities arising from insurance contract:

Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported (IBNR) are determined using statistical analyses. The group believes that the reserves are adequate for the period.

3. (iii) Impairment or receivables:

In accordance with the accounting policy, the Company tests annually whether premium receivables have suffered any impairment on individual bases. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations require the use of estimates.

4 Insurance and Financial risks management

The Company issues contracts that transfer insurance risk or financial risk or both.

4 (i) Financial risk management

The company monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

4 (ii) Market risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risks arise due to fluctuations in both value of assets and liabilities. The company has established policies and procedures in order to manage market risk.

4 (iii) Interest rate risk management

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is exposed to interest rate risk as the company invest in short term investments at fixed interest rates. Interest rate risk also exists in products sold by the company. The company manages this risk by adopting close asset/liability matching criteria, to minimise the impact of mismatches between asset and liability values arising from interest rate movements.

4 (iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The areas of exposure to credit risk for the company are in relation to loans on intermediaries and advance payment for services

The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Loans and receivables from intermediaries and suppliers generally do not have a credit rating.

4v Liquidity risk

Liquidity risk is the risk that the company cannot meet its obligations associated with financial liabilities as they fall due. The company has adopted an appropriate liquidity risk management framework for the management of the company's liquidity requirements. The company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cashflows and matching the maturity profiles of assets and liabilities. The company is exposed to liquidity risk arising from clients on its insurance contracts. In respect of catastrophic events, there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers.

Liquidity management ensures that the company has sufficient access to funds necessary to cover insurance claims, and maturing liabilities. The company's assets contain marketable securities which could be converted into cash when required.

5 Insurance Risks management

The company accepts insurance risk through its insurance contracts and certain investments contracts where it assumes the risk of loss from persons or organisations to the underlying loss.

The company is exposed to the uncertainty surrounding the timing,

The company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

The company writes general insurance businesses. The most significant risks arise from persistency, longevity, morbidity, expense variations and investment returns. Concentration of risk may arise from geographic regions, epidemics, accumulation of risks and market risk.

5 (i) Capital Management

The company manages its capital to ensure that the company will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the company operates while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management.

| | | | |
|------------|--|------------------|------------------|
| 6 | Cash and Cash Equivalents | 31-3-2018 | 31-3-2017 |
| | | N'000 | N'000 |
| | This comprises of: | | |
| | Cash In Hand | 16,150 | 25,606 |
| | Current Account Balances | 155,993 | 126,265 |
| | Placement with banks | 65,488 | 399,038 |
| | Total | 237,631 | 550,909 |
| | | | |
| 7 | Financial asset | | |
| | This comprises of: | | |
| | Financial assets at fair value through profit or loss | 617,215 | 617,851 |
| | Available-for-sale financial assets | 2,611,776 | 2,265,646 |
| | Financial assets | 3,228,991 | 2,883,497 |
| | Current | - | 617,851 |
| | Non-current | - | 2,265,646 |
| (a) | Financial assets at fair value through profit or loss | | |
| | <i>Listed Equity securities</i> | | |
| | Balance as at January 1 | 617,215 | 617,851 |
| | Addition during the year | - | - |
| | Disposal during the year | - | - |
| | Fair value gain/(loss) | - | - |
| | Foreign Exchange gain/(loss) | - | - |
| | Net impairment gain/(loss) | - | - |
| | Balance as at MARCH 31 | 617,215 | 617,851 |
| | | | |
| | Market value of Quoted Investment | | |
| | As at January 1 | - | - |
| | As at December 31 | - | - |
| | Fair value gain/(loss) | - | - |
| | | | |
| (b) | Available-for-sale financial assets | | |
| | <i>Unlisted Equity securities</i> | | |
| | Balance as at January 1 | 2,611,776 | 2,227,651 |
| | Addition during the year | - | - |
| | Disposal during the year | - | - |
| | Fair value gain/(loss) | - | 37,995 |
| | Foreign Exchange gain/(loss) | - | - |
| | Net impairment gain/(loss) | - | - |
| | Balance as at December 31 | 2,611,776 | 2,265,646 |

Investments in MTN Nigeria were fair valued using the closing exchange rates applicable to their respective balances as at 31 December. A fair value gain/(loss) of Million (2017:(N384,125)) derived has been considered in the

8 Trade Receivables

| | | |
|----------------------------|---------|-------|
| Insurance receivables | 118,147 | 3,763 |
| Net impairment gain/(loss) | - | - |
| | 118,147 | 3,763 |
| | | |
| Trade receivables | - | - |
| Net impairment gain/(loss) | - | - |
| | - | - |
| | | |
| Balance end of year | 118,147 | 3,763 |
| | 118,147 | 3,763 |
| Current | - | - |
| Non-current | - | - |

8.1 Insurance receivables

Premium receivable from agents, brokers and intermediaries

| | | |
|------------------------------|---------|--------|
| Due from agents | - | - |
| Due from brokers | 2,982 | 1,305 |
| Due from insurance companies | 115,165 | 9,921 |
| Due from insurance companies | - | - |
| | 118,147 | 11,226 |

8.1a Movements on the allowance for impairment of receivables arising out of direct insurance arrangements are as follows:

| | | |
|---|---|---|
| At beginning of year | - | - |
| Provision for impairment | - | - |
| Amount written off during the year as uncollectible | - | - |
| At end of year (31 Dec 2017) | - | - |

9 Reinsurance Assets

| | 31-3-2018 | 31-3-2017 |
|--|----------------|---------------|
| | N'000 | N'000 |
| Reinsurance Prepaid | 1,139 | 265 |
| PREPAID MINIMUM AND DEPOSIT (M & D) Oil & Gas/Treaty | 21,634 | 18,044 |
| REINSURANCE RECOVERY ON CLAIMS(IBNR) | 297,396 | 28,759 |
| REINSURANCE RECOVERY ON (UPR) | 56,207 | 37,806 |
| Total Reinsurance Assets | 376,376 | 84,874 |
| ALLOWANCE FOR IMPAIRMENT | | - |
| | 376,376 | 84,874 |
| | | |
| Current | 376,376 | 84,874 |
| Non-current | | |

| | | |
|---|----------|----------|
| 9.1 IMPAIRMENT: | | |
| Minimum and Deposit (M & D) | - | - |
| REINSURANCE RECOVERY ON CLAIMS (IBNR) | - | - |
| REINSURANCE RECOVERY ON (UPR) | - | - |
| | <u>-</u> | <u>-</u> |
| 9.2 Movements on Reinsurance Assets are as follows: | | |
| At the beginning of the year | - | - |
| Additions during the year | - | - |
| Amortised in the year (Reinsurance expenses) | - | - |
| Balance at the end of the year | <u>-</u> | <u>-</u> |
| 9.3 Movement in Reinsurance Share of outstanding Claims and IBNR | | |
| Balance at the beginning of the year | - | - |
| Increase/(Decrease) during the year | - | - |
| Balance at the end of the year | <u>-</u> | <u>-</u> |
| 9.4 Movement in Reinsurance Share of Recoverable on Claims Reserve | | |
| Balance at the beginning of the year | - | - |
| Increase/(Decrease) during the year | - | - |
| Allowance for impairment | - | - |
| Balance at the end of the year | <u>-</u> | <u>-</u> |

There were no indicators of impairments for re-insurance assets as balance are set-off against payable from retrocession at the end of every quarter
Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value

10 Deferred acquisition

Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:

| | 31-3-2018 | 31-3-2017 |
|---|---------------|---------------|
| | N'000 | N'000 |
| Motor | 2,834 | 114 |
| Fire | 4,717 | 2,016 |
| General accident | 3,764 | 5,132 |
| BOND | 5,264 | 8,366 |
| ENGINEERING | 1,004 | 673 |
| OIL & GAS | 3 | 10 |
| AVIATION | 9 | 120 |
| Marine | 1,659 | 3,312 |
| Additional (DCA) per actuarial Valuation Report | - | - |
| | <u>19,255</u> | <u>19,743</u> |

10.1 Movement in deferred acquisition cost

| | | |
|-------------------------------|---------------|---------------|
| At beginning of year | 19,743 | 19,608 |
| Changes during the year | (488) | 135 |
| At end of year | <u>19,255</u> | <u>19,743</u> |
| Due within 12 months | 19,255 | 19,743 |
| Due after more than 12 months | - | - |

10.1a Additional (DCA) per actuarial valuation Report

| | | |
|------------------|----------|----------|
| Motor | - | - |
| Fire | - | - |
| General accident | - | - |
| BOND | - | - |
| ENGINEERING | - | - |
| OIL & GAS | - | - |
| AVIATION | - | - |
| Marine | - | - |
| | <u>-</u> | <u>-</u> |

11 Other Receivables and prepayments

The balance is analysed as follow:

| | | |
|--|------------------|------------------|
| Prepayment | 130,234 | 128,939 |
| Other loans and receivables | 2,327,632 | 2,324,553 |
| Other loans and receivables from related parties | 33,960 | 31,460 |
| Stock of raw materials | - | - |
| | <u>2,491,825</u> | <u>2,484,952</u> |
| Impairment of other loans and receivables | (738,695) | (738,695) |
| Balance at period end | <u>1,753,130</u> | <u>1,746,257</u> |
| Current | 154,188 | 147,315 |
| Non-current | 1,598,942 | 1,598,942 |

11. (i) Other loans and receivables

| | | |
|--|------------------|------------------|
| Staff Debtors | 5,486 | 2,488 |
| Staff Share Loan | 1,598,942 | 1,598,942 |
| Deposit for properties (reclassified from inv. Properties) (11(v)) | 720,000 | 720,000 |
| Other receivables | 3,203 | 3,123 |
| | <u>2,327,632</u> | <u>2,324,553</u> |
| Impairment of other loans and receivables | - | - |
| | <u>2,327,632</u> | <u>2,324,553</u> |

11 (ii) Staff Share Loan:-

The amount is made up of African Alliance Insurance Company Plc share purchased during the Private Placement exercise on behalf of staff of the company.

11. (iii) Other loans and receivables due from related parties

| | | |
|--|---------------|---------------|
| Due from related parties | 33,960 | 31,460 |
| | <u>33,960</u> | <u>31,460</u> |
| Impairment of due from related parties | - | - |
| | <u>33,960</u> | <u>31,460</u> |

| | 31-3-2018 | 31-3-2017 |
|--|------------------|------------------|
| | N'000 | N'000 |
| Balance beginning of year | (738,695) | (738,988) |
| Impairment of other loans and receivables | - | - |
| Impairment of receivables due from related parties | - | - |
| Balance at period end | <u>(738,695)</u> | <u>(738,988)</u> |

11. iv

In December 2007, Universal Insurance Plc paid for 20 units of Houses to be developed by Minaj Holdings Limited in the Vine Garden Estate Abuja. Commencement of this project is doubtful. Effort is being made to recover the fund as development of the property is no longer feasible. Minaj Holdings Limited, (the developer) have confirmed that the project was stalled and Union Bank of Nigeria eventually sold the debt to the Asset Management Corporation of Nigeria (AMCON). Universal Insurance Plc have registered their interest with AMCON and is waiting response while still in discussion with Minaj Holdings Limited. This amount has been fully provided for in the financial statement.

| | | |
|--|------------------|------------------|
| 12 Investment in subsidiaries | 31-3-2018 | 31-3-2017 |
| This comprises of investment in: | N'000 | N'000 |
| Molit Hotels & Catering Services Limited (a) | - | - |
| Universal Hotels Limited (b) | 2,040,199 | 2,040,199 |
| | <u>(463,496)</u> | <u>(463,496)</u> |
| Investment in subsidiaries | <u>1,576,703</u> | <u>1,576,703</u> |

12 (i) The movement in impairment charge is as follow:-

| | | |
|--|------------------|------------------|
| | 31-3-2018 | 31-3-2017 |
| | N'000 | N'000 |
| Molit Hotels & Catering Services Limited | - | - |
| Universal Hotels Limited | <u>(463,496)</u> | <u>(463,496)</u> |
| | <u>(463,496)</u> | <u>(463,496)</u> |

12 (a) Universal Hotels Limited

The company was established to carry on the business of providing hotel, accommodation, tourist and hospitality activities. Universal Insurance Plc has 100% investments in the company.

| | | |
|--|------------------|------------------|
| 13 Investment properties | | |
| Oyigbo Garden Avenue estate | 513,000 | 475,910 |
| Rumudumu For Model Estate | 816,000 | 816,000 |
| Others | 175,369 | 175,369 |
| MOLIT MALL | 525,000 | 500,000 |
| | <u>2,029,369</u> | <u>1,967,279</u> |
| Impairment loss on investment properties | <u>(175,369)</u> | <u>(175,369)</u> |
| | <u>1,854,000</u> | <u>1,791,910</u> |

Investment properties represent buildings and un-developed landed properties acquired for subsequent disposal in the near future and not occupied substantially by the company or members of the group of the holding company. They are not subjected to periodic charges for depreciation. Valuation was carried out at point of purchase and this value has been carried at transition as fair value of the investment with provision made for impairment on Vine Estate investment as project development is yet to commence. Other investments have been fully provided for under NGAAP.

| | Balance as at Jan 1 | Addition | Disposal | Reclassi fication | Transfer | Revalua tion Gain | Impairment | Balance as at MARCH 31 |
|-------------------------------|------------------------|----------|----------|----------------------|----------|----------------------|----------------|---------------------------|
| 13.a Movement of Assets | | | | | | | | |
| 1 Oyigbo Garden Avenue Estate | 480,000 | - | - | - | - | 33,000 | - | 513,000 |
| 2 Rumudumu For Model Estate | 816,000 | - | - | - | - | - | - | 816,000 |
| 3 Others | 175,369 | - | - | - | - | - | 175,369 | - |
| 4 Molit Mall | 500,000 | - | - | - | - | 25,000 | - | 525,000 |
| Total | <u>1,971,369</u> | - | - | - | - | <u>58,000</u> | <u>175,369</u> | <u>1,854,000</u> |

13 a. Assets In The Name of Conau Limited:

| | | |
|------------------------------------|---------|---------|
| | N'000 | N'000 |
| | Amount | Amount |
| Rumudumu Model Estate Portharcourt | 816,000 | 816,000 |

These assets were introduced by Conau Limited in 2007 during the recapitalisation exercise, with deeds assigning the properties to Universal Insurance Plc.

Status of Perfection of Title:

The firm of IBOM Partners, a firm of attorneys, solicitors, fraud examiners & legal consultants have been appointed to commence the process of perfecting the title to the properties in the name of Universal Insurance Plc.

| 14 Intangible Assets | 31-3-2018 | 31-3-2017 |
|--|---------------|---------------|
| | N'000 | N'000 |
| Cost | | |
| Balance, beginning of period | 36,989 | 28,259 |
| Additions | 5,849 | 1,906 |
| Transferred from PPE (computer) | - | - |
| Balance, end of period | 42,838 | 30,165 |
| Accumulated amortisation | | |
| Balance, beginning of period | 16,439 | 10,890 |
| Amortisation expense/impairment charge | 1,387 | 1,060 |
| Transferred from PPE (computer) | - | - |
| Balance, end of period | 17,826 | 11,950 |
| Net book amount | | |
| End of period | 25,012 | 18,215 |

The intangible assets of the company comprised of computer software. The computer softwares are accounted for using the cost model of IAS 38 i.e. cost less accumulated amortization and less accumulated impairment. The amortization is charged to the income statement in line with the Company's policy.

15 Property, plants and equipments

| | Land & Building N'000 | Plant & Machinery N'000 | Furniture and Fittings N'000 | Motor Vehicles N'000 | Computer Hardware N'000 | Total N'000 |
|---|--------------------------|----------------------------|---------------------------------|-------------------------|----------------------------|------------------|
| Cost/Revalued amount | | | | | | |
| Balance, beginning of period | 3,360,675 | 15,982 | 93,746 | 271,389 | 11,993 | 3,753,784 |
| Additions during the year | - | 2,050 | - | - | 168 | 2,218 |
| Disposals | - | - | - | - | - | - |
| Revaluation | - | - | - | - | - | - |
| Balance, end of period | 3,360,675 | 18,032 | 93,746 | - | 12,161 | 3,756,002 |
| Accumulated depreciation | | | | | | |
| Balance, beginning of period | 664,782 | 8,443 | 72,542 | - | 5,441 | 945,000 |
| Charge for the year | 16,803 | 340 | 1,003 | 8,992 | 280 | 27,419 |
| On Disposal | - | - | - | - | - | - |
| Balance, end of period | 681,585 | 8,783 | 73,546 | 202,784 | 5,722 | 972,419 |
| Netbook value as at 31 MARCH 2018 | 2,679,089 | 9,249 | 20,201 | 68,605 | 6,440 | 2,783,583 |
| Netbook value as at 1 JANUARY 2017 | 2,695,893 | 7,539 | 21,204 | - | 6,552 | 2,808,784 |

15.a(ii) Movement in Land & Building (Group)

| | Jan 1 | Addition | Disposal | Reclassifica | Transfer | Revaluation | impairment | MARCH 31 |
|--|------------------|----------|----------|--------------|----------|-------------|----------------|------------------|
| Property at Ridgeway Station Road Enugu | 505,680.00 | - | - | - | - | - | 107,174 | 398,506 |
| Property at New Owerri Road Behind CBN, Owerri | 1,336,316.00 | - | - | - | - | - | 299,560 | 1,036,756 |
| Property at no 2 Emole Street Enugu | 100,500.00 | - | - | - | - | - | 21,708 | 78,792 |
| 49A,50A,51A,52A and 53A city Layout Enugu | 805,000.00 | - | - | - | - | - | 169,417 | 635,583 |
| Eliowahani Shell estate, Obior Akpor LGA, Portharcourt | 355,680.00 | - | - | - | - | - | 66,986 | 288,694 |
| Land at Awka ,Anambra State | 257,500.00 | - | - | - | - | - | 16,738 | 240,762 |
| Total | 3,360,676 | - | - | - | - | - | 681,583 | 2,679,093 |

16 Statutory deposit

| | 31-3-2018 N'000 | 31-3-2017 N'000 |
|-------------------|--------------------|--------------------|
| Statutory deposit | 335,000 | 335,000 |
| Total | 335,000 | 335,000 |

Non-current

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 10 (3) of the Insurance Act, CAP I17 LFN 2004.

17 Insurance Contract Liabilities

| | 31-3-2018 | 31-3-2017 |
|---|----------------|----------------|
| Aggregate Insurance Contract Liabilities | | |
| Unearned Premium | 294,872 | 115,680 |
| Outstanding Claims | 396,118 | 360,653 |
| IBNR | 39,612 | 6,452 |
| Total | 730,601 | 482,785 |

17.a(i) Age Analysis of Outstanding Claims:

| | 31-3-2018 | 31-3-2017 |
|--------------------|----------------|----------------|
| 0 - 90days | 24,754 | 30,838 |
| 91 - 180days | 14,901 | 30,838 |
| 181 - 270days | 24,829 | 41,172 |
| 271 - 365days | 97,559 | 80,215 |
| 366 Days and Above | 234,075 | 177,590 |
| Total | 396,118 | 360,653 |

| | Movement | | |
|---|----------------|----------------|----------------|
| | N'000 | N'000 | N'000 |
| Reserve for Unearned premium | | | |
| Motor | 25,615 | 19,996 | 5,619 |
| Fire | 23,362 | 12,576 | 10,786 |
| General Accident | 14,985 | (9,166) | 24,151 |
| BOND | 33,126 | (27,122) | 60,248 |
| ENGINEERING | 8,354 | 25,238 | 16,884 |
| OIL & GAS | 146,133 | 144,069 | 2,064 |
| AVIATION | 35,259 | 29,665 | 5,594 |
| Marine | 8,038 | (16,063) | 24,101 |
| Additional charge (UPR) per actuarial valuation | - | - | - |
| Gross Unearned Premium Reserve | <u>294,872</u> | <u>179,192</u> | <u>115,680</u> |
| Reinsurance element in UPR | - | - | - |
| Net Unearned Premium Reserve | <u>294,872</u> | <u>179,192</u> | <u>115,680</u> |
| Reinsurance recovery on UPR per actuarial valuation | - | - | - |
| Net Unearned Premium Reserve | <u>294,872</u> | <u>179,192</u> | <u>115,680</u> |
| Reserve for Outstanding Claims | | | |
| Motor | 16,247 | 2,720 | 13,527 |
| Fire | 27,243 | 9,162 | 18,082 |
| General Accident | 74,115 | (217) | 74,333 |
| BOND | 237,743 | 67,280 | 170,463 |
| ENGINEERING | 5,427 | (22,771) | 28,198 |
| OIL & GAS | 27,334 | (14,157) | 41,491 |
| AVIATION | 5,508 | (1,434) | 6,941 |
| Marine | 2,500 | (5,119) | 7,618 |
| | <u>396,118</u> | <u>35,464</u> | <u>360,653</u> |
| Add 10% IBNR | 39,612 | 33,160 | 6,452 |
| | <u>435,729</u> | <u>68,624</u> | <u>367,105</u> |
| Additional charge to claims reserve (IBNR) as per valuation | - | - | - |
| Gross claim reserve | <u>435,729</u> | <u>68,624</u> | <u>367,105</u> |
| Reinsurance projection on IBNR | - | - | - |
| Net Claims reserve | <u>435,729</u> | <u>68,624</u> | <u>367,105</u> |
| Gross Insurance Contract Liabilities | <u>730,601</u> | <u>247,816</u> | <u>482,785</u> |
| Net Insurance Contract Liabilities | <u>730,601</u> | <u>247,816</u> | <u>482,785</u> |

| 17 b. Hypothetication of investment/assets | 31-3-2018 | | 31-3-2017 | | 31-3-2017 | |
|--|-------------------------|-----------------------------|---------------------------------|-----------------------------|-----------------------------|---------------------------------|
| | total Funds N'000 | Insurance Funds N'000 | Shareholder's Funds N'000 | 31-3-2017 Funds N'000 | Insurance Funds N'000 | Shareholder's Funds N'000 |
| Cash and Cash Equivalents | 237,631 | 90,539 | 147,092 | 550,910 | 165,892 | 385,018 |
| Financial Assets: Quoted | 617,215 | 154,463 | 462,752 | 617,851 | 154,463 | 463,388 |
| Financial Assets: UnQuoted | 2,611,776 | | | 2,265,646 | | 2,265,646 |
| Trade Receivable | 118,147 | | 118,147 | 11,226 | | 11,226 |
| Reinsurance Assets | 376,376 | | 376,376 | 84,874 | | 84,874 |
| Deferred Acquisition cost | 19,255 | | 25,516 | 19,743 | | 19,743 |
| Other Receivable | 1,753,130 | | 1,753,130 | 1,746,257 | | 1,746,257 |
| Investment in Subsidiaries | 1,576,703 | | 1,576,703 | 1,576,703 | | 1,576,703 |
| Investment Properties | 1,854,000 | 485,599 | 1,368,401 | 1,791,910 | 162,430 | 1,629,480 |
| Intangible Asset | 25,012 | | 25,012 | 18,215 | | 18,215 |
| Property, Plant and Equipment | 2,783,583 | | 2,783,583 | 2,882,350 | | 2,882,350 |
| Statutory Deposits | 335,000 | | 335,000 | 335,000 | | 335,000 |
| | <u>12,307,829</u> | <u>730,601</u> | <u>8,971,713</u> | <u>11,900,685</u> | <u>482,785</u> | <u>11,417,900</u> |
| Insurance Contract Liabilities | | <u>730,601</u> | | | <u>482,785</u> | |

19 Trade payables
Trade payables represent liabilities to agents, brokers and re-insurers on insurance contracts during the year

| | | |
|-----------------------|---------------|---------------|
| Reinsurance payable | 22,900 | 18,385 |
| Insurance payable | - | - |
| Other trade creditors | - | - |
| Balance at year end | <u>22,900</u> | <u>18,385</u> |
| Current | 22,900 | 18,385 |

20 Other payables

| | 31-3-2018 N'000 | 31-3-2017 N'000 |
|-----------------------------|--------------------|--------------------|
| This is analysed as follow: | | |
| Due to related parties | 1,613,995 | 1,613,995 |
| Provisions and accruals | 57,323 | 142,407 |
| | <u>1,671,318</u> | <u>1,756,402</u> |
| Current | 71,651 | 156,735 |
| Non-current | 1,599,667 | 1,599,667 |

| | | |
|--------------------------------|------------------|------------------|
| 20.1 Due to related companies | | |
| Conau Limited | - | - |
| African Alliance Insurance Plc | 1,599,667 | 1,599,667 |
| Due to other related parties | 14,328 | 14,328 |
| | <u>1,613,995</u> | <u>1,613,995</u> |

20.1a African Alliance Insurance Plc:
This is a sister company having common directorship with Universal Insurance Plc.
Universal Insurance Plc is not indebted to African Alliance Plc in any form.
The amount of =N=1,598,942,000 (one billion five hundred and ninety eight million nine hundred and forty two thousand naira only) represents African Alliance Insurance Plc shares warehoused for Universal Insurance Plc staff. However Universal Insurance Plc Staff did not take up the shares. Universal Insurance Plc has written African Alliance to cancel the shares, which African Alliance Plc has accepted.

21 Employee benefit liabilities

Defined contributory scheme

The Company runs a defined contributory plan in accordance with the Pensions Reform Act where contributions are made to an approved pension fund administrator. The amount recognised as an expense for defined contribution plan in the income statement is N5,319(2012) and N5.318(2011).

| | 31-3-2018 | 31-3-2017 |
|--------------------------|--------------|--------------|
| | N'000 | N'000 |
| Staff pension scheme | <u>2,178</u> | <u>6,584</u> |
| Current | 2,178 | 6,584 |
| Balance as per January 1 | 2,178 | 6,584 |
| Current Service Cost | - | - |
| Payment during the year | - | - |
| Interest Expense | - | - |
| Actuarial Re-Measurement | - | - |
| Balance as per MARCH 31 | <u>2,178</u> | <u>6,584</u> |

| | 31-3-2018 | 31-3-2017 |
|----------------------------------|---------------|---------------|
| | N'000 | N'000 |
| 22 Income tax payable | | |
| 22.1 Per Profit and Loss Account | | |
| Income Tax | 9,897 | 302 |
| Education Tax | 2,639 | 241 |
| Provision for NITDA Tax | 1,320 | 60 |
| | <u>13,855</u> | <u>603</u> |
| Deferred Taxation | - | - |
| Profit and Loss Account | <u>13,855</u> | <u>603</u> |
| 22.2 Per Balance Scheet | | |
| Taxation | | |
| At beginning of year | 64,419 | 60,331 |
| Charge for the Year | 13,855 | 603 |
| Payment during the Year | (10,000) | (5,000) |
| At year end | <u>68,274</u> | <u>55,934</u> |

| | | |
|---|----------------|----------------|
| 23 Deferred Tax Liability | | |
| At beginning of year | 812,448 | 697,211 |
| Addition during the year | - | 11,398 |
| Charged to profit and loss | - | - |
| At year end | <u>812,448</u> | <u>708,609</u> |
| To be recovered after more than 12 months | 812,448 | 708,609 |
| To be recovered in 12 months | - | - |

| 24. 1. Share capital | | |
|---|------------------|------------------|
| The share capital comprises: | 31-3-2018 | 31-3-2017 |
| | N'000 | N'000 |
| Authorised - | | |
| 16,000,000,000 Ordinary shares of 50k each | <u>8,000,000</u> | <u>8,000,000</u> |
| Issued and fully paid - | | |
| 16,000,000,000 Ordinary shares of N0.50k each | 8,000,000 | 8,000,000 |

24. 2. Share premium
Share premium is made up of payments in excess of par value of paid-in capital. This reserve is not ordinarily available for distribution.

24. 3. Contingency Reserve

| | | |
|-------------------------------|----------------|----------------|
| Balance, beginning of period | 377,916 | 353,502 |
| Transfer from profit and loss | 10,394 | 5,348 |
| Balance, end of period | <u>388,309</u> | <u>358,850</u> |

In accordance with the Insurance act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of total profits after tax. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

24. 4. Fair Value Reserve
This is the net accumulated change in the fair value of available for sale asset until the investment is derecognised or impaired.

| | | |
|--|-------------------------|-------------------------|
| Balance, beginning of period | 1,949,643 | 1,566,217 |
| Net Fair value gain/(loss) on available-for-sale unquoted equity | - | 37,995 |
| Net Fair Value derecognised at disposal | - | - |
| Balance as at period end | <u>1,949,643</u> | <u>1,604,212</u> |

| | | |
|---------------------------------|-----------------------|-----------------------|
| 24. 5. Revaluation Reserve | 31-3-2018 | 31-3-2017 |
| | N'000 | N'000 |
| Balance, beginning of period | 757,329 | 757,329 |
| Revaluation Surplus | - | - |
| Balance as at period end | <u>757,329</u> | <u>757,329</u> |

24. 6. Retained earnings

The retained earnings represents the amount available for dividend distribution to the equity holders of the company.
See statement of changes in equities for movement in retained earnings.

| | | | |
|----|---|------------------------|-----------------------|
| 25 | Gross Premium Income | 31-3-2018 | 31-3-2017 |
| | | N'000 | N'000 |
| | Gross premium written | | |
| | Direct Premium: | | |
| | Motor | 32,656 | 14,931 |
| | Fire | 23,950 | 8,867 |
| | General Accident | 19,441 | 59,844 |
| | BOND | 38,484 | 25,387 |
| | ENGINEERING | 2,592 | 11,993 |
| | OIL & GAS | 152,849 | 3,809 |
| | AVIATION | 24,632 | 1,980 |
| | Marine | 23,804 | 5,751 |
| | | <u>318,408</u> | <u>132,562</u> |
| | Inward Reinsurance Premium: | | |
| | Motor | 9,942 | 10,087 |
| | Fire | 5,160 | 18,483 |
| | General Accident | 2,066 | 6,511 |
| | BOND | 452 | 2,053 |
| | ENGINEERING | 7,983 | 6,674 |
| | OIL & GAS | 45 | 234 |
| | AVIATION | 1,371 | - |
| | Marine | 1,029 | 1,679 |
| | | <u>28,048</u> | <u>45,721</u> |
| | Gross premium written | <u>346,455</u> | <u>178,283</u> |
| | Changes in unearned premium | | |
| | Motor | 11,329 | 52,327 |
| | Fire | 8,228 | 12,659 |
| | General Accident | 35,039 | 1,451 |
| | BOND | 26,460 | (19,706) |
| | ENGINEERING | 8,999 | 34,877 |
| | OIL & GAS | (129,186) | 5,559 |
| | AVIATION | (34,611) | (1,472) |
| | Marine | 2,255 | (210) |
| | Net change in unearned premium | <u>(71,487)</u> | <u>85,485</u> |
| | Change in UPR per Actuarial Valuation | - | - |
| | Net change in unearned premium | <u>(71,487)</u> | <u>85,485</u> |
| | Gross premium earned | <u>274,968</u> | <u>263,768</u> |
| | Reinsurance expenses | (5,712) | (504) |
| | Net insurance premium income | <u>269,256</u> | <u>263,264</u> |
| 26 | Reinsurance expenses | | |
| | Reinsurance costs | | |
| | Motor | 186 | - |
| | Fire | 1,612 | - |
| | General Accident | 356 | 504 |
| | BOND | 3,558 | - |
| | ENGINEERING | - | - |
| | OIL & GAS | - | - |
| | AVIATION | - | - |
| | Marine | - | - |
| | | <u>5,712</u> | <u>504</u> |
| | Prepaid re-insurance cost | - | - |
| | Reinsurance projection on IBNR | - | - |
| | Net Reinsurance expenses | <u>5,712</u> | <u>504</u> |
| | Reinsurance projection on UPR per Actuarial Valuation | - | - |
| | Net Reinsurance expenses | <u>5,712</u> | <u>504</u> |

| 27 Fees and Commission Income | 31-3-2018 | 31-3-2017 |
|-------------------------------|--------------|------------|
| | N'000 | N'000 |
| Motor | 32 | - |
| Fire | 484 | 151 |
| General Accident | 107 | - |
| BOND | 1,067 | - |
| ENGINEERING | - | - |
| Marine | - | - |
| | <u>1,690</u> | <u>151</u> |

Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.

| 28 Claims expenses | 31-3-2018 | 31-3-2017 |
|---|-----------------|---------------|
| | N'000 | N'000 |
| Direct claims paid during the year | 81,014 | 10,345 |
| Changes in outstanding claims | (104,806) | 64,517 |
| Net Changes in outstanding claims per actuarial valuation | - | - |
| Changes in Outstanding claims (IBNR) | (23,355) | 6,452 |
| Gross claims incurred | <u>(47,147)</u> | <u>81,314</u> |
| Reinsurance claims recovery | (6,142) | - |
| Reinsurance recovery per Actuarial Valuation | - | - |
| | <u>(53,289)</u> | <u>81,314</u> |

29 Underwriting expenses

Underwriting expenses are those expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other attributable incidental costs.

| Gross commission paid | 31-3-2018 | 31-3-2017 |
|---------------------------------------|---------------|---------------|
| | N'000 | N'000 |
| Motor | 3,869 | 1,937 |
| Fire | 5,931 | 6,922 |
| General Accident | 5,462 | 13,753 |
| BOND | 6,447 | 3,957 |
| ENGINEERING | 1,185 | 874 |
| OIL & GAS | 8 | 12 |
| AVIATION | 14 | 53 |
| Marine | 2,127 | 1,341 |
| | <u>25,044</u> | <u>28,849</u> |
| Changes in deferred commission | | |
| Motor | 1,529 | 4,332 |
| Fire | 606 | 2,225 |
| General Accident | 4,681 | (272) |
| BOND | 3,492 | (2,344) |
| ENGINEERING | (406) | 441 |
| OIL & GAS | 1,517 | 123 |
| AVIATION | 41 | - |
| Marine | 376 | 66 |
| Additional (DCA) per actuarial Report | - | - |
| | <u>11,835</u> | <u>4,571</u> |
| Maintenance expenses | 19,845 | - |
| Underwriting expenses | <u>56,724</u> | <u>33,420</u> |
| Acquisition expenses | 36,879 | 24,963 |
| Maintenance expenses | 19,845 | 8,457 |
| | <u>56,724</u> | <u>33,420</u> |

| | | |
|---|---------------|---------------|
| 30 (i) Investment Income | | |
| Investment income attributable to policyholders | | - |
| Investment income attributable to shareholders | 27,495 | 20,171 |
| | <u>27,495</u> | <u>20,171</u> |

| | | |
|--|---------------|---------------|
| (b) Investment income attributable to shareholders | | |
| Dividend - Quoted and unquoted investments | - | - |
| Gains on sales of shares | - | - |
| Interest on call deposits | 27,495 | 20,171 |
| Exchange gain/(loss) | - | - |
| Profit/(loss) on disposal of fixed assets | - | - |
| Rental Income | - | - |
| Other income | 0 | - |
| | <u>27,495</u> | <u>20,171</u> |

| | | |
|--|-----------|-----------|
| (b.1) Other income : | | |
| Interest on Staff Loan | - | - |
| Rental | - | - |
| Bank Interest | - | - |
| | <hr/> | <hr/> |
| | - | - |
| 31 (i) Allowances for impairment; | | |
| On trade receivables | - | - |
| on other receivables | - | - |
| on stock of raw materials | - | - |
| Impairment Recovery on Molit Hotel | - | - |
| on other payable | - | - |
| | <hr/> | <hr/> |
| Net impairment recovery | - | - |
| 31 (ii) NET Fair Value Gains/(Loss) | | |
| On Investment properties | | |
| On Financial Assets | - | - |
| NET Fair Value Gains/(Loss) | <hr/> | <hr/> |
| | - | - |
| 32 Other operating and administrative expenses | | |
| (i) <i>Employee benefits expense</i> | | |
| Staff cost | 35,590 | 30,953 |
| Contributions to defined pension scheme | - | - |
| Other staff costs | 44,785 | 46,878 |
| | <hr/> | <hr/> |
| | 80,375 | 77,831 |
| (i.a) Other staff costs | | |
| TEMPORARY STAFF SALARIES | 520 | 334 |
| STAFF TRAINING & ENTERTAINMENT | - | 4,892 |
| STAFF OTHER BENEFITS | 22,978 | 28,144 |
| LEAVE ALLOWANCE | 17,287 | 10,815 |
| STAFF GRATUITY | 4,000 | 2,694 |
| NIGERIA SOCIAL INS TRUST FUND | - | - |
| STAFF GPA INS | - | - |
| | <hr/> | <hr/> |
| | 44,785 | 46,878 |
| (ii) Management expenses comprise; | | |
| Bank charges | 172 | 231 |
| Other charges and expenses | 29,339 | 48,434 |
| General maintenance and running costs | 12,426 | 7,719 |
| Legal and professional fees | 11,901 | 19,179 |
| Audit fees | - | - |
| Insurance supervision fees | 33 | - |
| Depreciation | 27,419 | 26,454 |
| Amortisation of Intangible Assets | 1,387 | 1,060 |
| Interest on overdrafts | - | - |
| Cost of sales - Hotels | - | - |
| | <hr/> | <hr/> |
| Other operating expenses | 82,678 | 103,077 |
| Other operating and administrative expenses | <hr/> | <hr/> |
| | 163,053 | 180,908 |
| | 31-3-2018 | 31-3-2017 |
| | N'000 | N'000 |
| (ii.a) Other charges and expenses | | |
| OTHER PROFESSIONAL CHARGES | - | - |
| TRANSPORT ALLOWANCE | 11 | 435 |
| TERMINAL PAY | 1,946 | - |
| HOTEL ACCOMODATION | 4,525 | 832 |
| ANNUAL GENERAL MEETING | 57 | - |
| SECURITY EXPENSES | 90 | 90 |
| ADJUSTER/ENGINEERS FEES H/O | - | 817 |
| RENT & RATES - ABAKALIKI | - | - |
| ENTERTAINMENT | 784 | 1,460 |
| SUPERINTENDENT/SURVEYORS FEES H/O | - | 1,713 |
| ADVERTISEMENT | 146 | - |
| NEWSPAPERS & PERIODICALS | - | - |
| TELEPHONE BILLS | 698 | 527 |
| POSTAL BOX CHARGES | - | - |
| INTERNET CONNECTIVITY | 1,825 | 297 |
| BUSINESS PROMOTION | - | 2,946 |
| PRINTING COST | 2,529 | 2,069 |
| STATIONERY COST | 1,592 | - |
| LOCAL GOVT. LEVIES | - | 374 |
| VALUE ADDED TAX | - | - |
| LEVY/FEE/PENALTY | 1,398 | 3,707 |
| DIRECTORS EXPENSES | - | - |
| DIRECTORS SITTING ALLOWANCES | 3,110 | 3,620 |
| ASSETS INSURANCE EXPENSES | - | - |
| MEDICAL MGT FEE | - | - |
| STAFF GPA INS | - | 1,383 |
| FILING FEE | - | - |
| DIRECTORS FEES | - | 12,000 |
| STAFF GRATUITY | - | 2,694 |
| GIFTS | - | 1,345 |
| INDUSTRIAL TRAINING FUND LEVY | 1,393 | - |
| OFFICE CLEANING EXPENSES | - | - |
| CHRISTMAS GIFT | - | - |
| SUBSCRIPTIONS TO PROFESSIONAL BODIES | - | - |
| DONATIONS | - | - |
| NIA LEVIES | 3,487 | 4,368 |
| MEDICAL EXPENSES | 1,285 | 1,704 |
| GIFTS | 3,626 | - |
| REPAIRS & MAINTENANCE OTHER FITTINGS | - | - |
| REFUND OF EXAM EXPENSES | - | - |
| WATER BILL | - | - |
| ENTERTAINMENT ALLOWANCE | - | - |
| ASSETS INSURANCE EXPENSES | - | 5,927 |
| EXCHANGE VARIANCE A/C | - | - |
| POSTAGES & COURIER | 838 | 126 |
| INTEREST ON LOANS | - | - |
| OVERSEAS TRAVEL EXPENSES | - | - |
| SERVICE CHARGE - ABUJA | - | - |
| RENT & RATES - ENUGU | - | - |
| ABIA STATE COMPULSORY INS SCHEM 1 | - | - |
| TRAINING | <hr/> | <hr/> |
| | 29,339 | 48,434 |

33 Interest expense

Interest expense represents finance cost recognized on the bank loan during the year under review.

Earnings per share

| | 31-3-2018 | 31-3-2017 |
|---|----------------|-----------------|
| | N'000 | N'000 |
| Profit attributable to equity holders | <u>118,098</u> | <u>(12,659)</u> |
| Weighted average number of ordinary shares in issue (in thousands) | 16,000,000 | 16,000,000 |
| Basic earnings per share (kobo per share) | 0.74 | (0.08) |

The calculation of basic earnings per share at 31 MARCH 2018 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares

35 Related parties

35.1 Universal Hotels Limited

This is a subsidiary of the company.

35.2 Related party transactions

| Related party | transaction |
|--------------------------------|----------------------|
| Conau Limited | Business acquisition |
| African Alliance Insurance Plc | Insurance policy |

a. Employees

The average number of persons employed by the Company during the year was as follows:

| | 31-3-2018 | 31-3-2017 |
|---------------------|-----------|-----------|
| | Number | Number |
| Executive directors | 3 | 3 |
| Management | 8 | 7 |
| Non-management | 73 | 65 |
| | <u>84</u> | <u>75</u> |