

4TH QUARTER MANAGEMENT ACCOUNT

For The Period Ended 31 DEC 2020

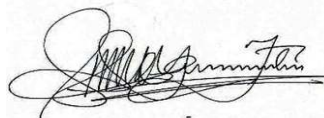
Universal Insurance Plc

RC 2460

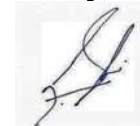
UNIVERSAL INSURANCE PLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 DEC 2020

	NOTES	COMPANY	
		31/12/2020	31/12/2019
Assets		N'000	N'000
Cash and Cash Equivalents	6	392,565	111,730
Financial Assets	7	2,005,454	1,329,992
Trade Receivable	8	256,828	8,735
Reinsurance Assets	9	488,892	453,343
Deferred Acquisition cost	10	120,443	89,168
Deferred tax assets	23.a	403,685	403,685
Other Receivable	11	336,167	174,747
Investment in Subsidiaries	12	2,449,516	2,449,516
Investment Properties	13	1,886,000	1,886,000
Intangible Asset	14	63,029	55,242
Property, Plant and Equipment	15	2,669,939	2,730,026
Statutory Deposits	16	335,000	335,000
Total Assets		11,407,520	10,027,184
Liabilities			
Insurance Contract Liabilities	17	1,265,570	1,161,345
Borrowings	18	-	-
Trade payable	19	199,342	93,459
Other payable	20	128,801	104,003
Employee benefit liability	21	-	-
Income Tax liabilities	22	28,241	18,902
Deferred tax liabilities	23	296,875	296,875
Total Liabilities		1,918,829	1,674,584
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	586,123	484,775
Fair value reserve	24. 4	6,460	6,459
Non Current assets revaluation reserve	24. 5	768,329	768,329
Retained earnings	24. 6	(697,239)	(1,731,982)
Shareholders funds		9,488,691	8,352,599
Other equity instruments		-	-
Non - controlling interests			
TOTAL EQUITY & LIABILITIES		11,407,520	10,027,183

Signed on behalf of the Board of Directors on 26 January, 2021



BENEDICT UJOATUONU
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 DEC 2020

	Notes	COMPANY	
		31-Dec-20 N'000	31-Dec-19 N'000
Gross Premium written	25	3,378,272	1,870,255
Decrease/(increase) in unearned premium		(145,055)	(80,700)
Gross Premium Earned		3,233,216	1,789,555
Reinsurance Premium Expense	26	(648,954)	(410,488)
Net Insurance Premium Income		2,584,262	1,379,067
Fees and Commission income	27	129,729	79,984
Total Underwriting Income		2,713,991	1,459,051
<i>Insurance benefits</i>			
Claims expenses	28	(428,684)	(405,950)
Claims Expense Recovery from reinsurance	28	72,976	216,213
Change in contract liabilities	28	-	-
Net insurance benefit and claims		(355,708)	(189,737)
<i>Underwriting Expenses</i>			
Acquisition expenses	29	(534,087)	(297,382)
Maintenance expenses	29	(615,309)	(377,217)
Total Underwriting Expenses		(1,149,396)	(674,599)
Underwriting Profit/(Loss)		1,208,887	594,715
Investment income	30	201,493	123,396
Other operating income		-	-
Total investment income		201,493	123,396
Net Income		1,410,380	718,111
Unrealised fair value loss		675,461	(368,940)
Net realised gains/(loss) on financial assets	31 (i)	-	418,158
Deferred tax derecognised on reclassification of financial assets	23	-	-
Net fair value gain/(loss) on investment properties		-	11,000
Other operating and administrative expenses	32	(915,095)	(1,106,441)
Total Expenses		(239,634)	(1,046,223)
Result of operating activities		1,170,745	(328,112)
Interest expense	33	-	-
Profit or (Loss) before Taxation		1,170,745	(328,112)
Income Tax Expense/ (Credit)	22	(34,654)	393,185
Profit or Loss after Taxation		1,136,091	65,073
Profit or Loss for the period		1,136,091	65,073
Other comprehensive income /(loss)		-	-
Revaluation surplus on PPE		-	-
Total other comprehensive income		-	-
Total comprehensive income / (loss) for the year			
Profit attributable to:			
Equity holders of the Company		1,136,091	65,073
Non-controlling interest		-	-
Profit/(loss) for the period		1,136,091	65,073
Other Comprehensive income			
<i>Items within OCI that may be reclassified to the profit or loss;</i>			
Fair value changes in AFS financial assets		-	(1,159,221)
Deferred tax impact of changes in AFS financial assets			403,685
<i>Items within OCI that will not be reclassified to the profit or loss;</i>			
2020 impairment gain/loss on Financial Assets		(2,475)	(938)
PPE revaluation gains		-	-
Deferred tax impact of revaluation gains		-	-
Other comprehensive income for the period		(2,475)	(756,474)
Total comprehensive income		1,133,616	(691,401)
Total comprehensive income attributable to:			
Equity holders of the company		1,133,616	(691,401)
Non-controlling interests		-	-
Total comprehensive income for the period		1,133,616	(691,401)
Earnings per share-(basic and diluted)(Kobo)	34	7.10	0.41

THE UNIVERSAL INSURANCE PLC

UNDERWRITING REVENUE ACCOUNT FOR THE PERIOD ENDED 31 DEC 2020

	GENERAL								31/12/2020	31/12/2019	
	MOTOR	FIRE	ACCIDENT	BOND	ENGINEERING	OIL & GAS	AVIATION	MARINE			
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct Premium Written	367,788	966,950	294,452	87,929	115,749	583,923	121,880	234,227	2,772,897	1,614,854	
Reinsurance Accepted	43,775	265,435	35,597	695	23,480	183,837	-	52,555	605,374	255,402	
Gross Premium Written	411,564	1,232,385	330,049	88,624	139,229	767,760	121,880	286,781	3,378,272	1,870,255	
Changes in Reserve for Unexpired Risk (*)	(24,683)	(211,539)	9,485	35,885	(24,032)	(9,556)	47,792	31,593	(145,055)	(80,700)	
Gross Premium Earned	386,881	1,020,846	339,534	124,509	115,197	758,203	169,672	318,375	3,233,216	1,789,555	
Net Reinsurance Recovery (UPR) per actuarial valuation										117,025	
Reinsurance cost	(14,329)	(312,189)	(70,849)	(18,452)	(24,761)	(120,436)	-	(87,939)	(648,954)	(527,513)	
Net Premium Written	372,552	708,657	268,685	106,057	90,436	637,767	169,672	230,436	2,584,262	1,379,067	
Commission Received	75,383	49,053	2,462	610	728	(1,734)	-	3,226	129,729	79,984	
Net Income	447,935	757,710	271,147	106,667	91,165	636,034	169,672	233,662	2,713,991	1,459,051	
Claims Incurred:											
Direct Claims Paid	83,465	85,297	131,898	118,753	11,350	22,740	2,196	13,815	469,515	343,483	
Provision for Outstanding claims (IBNR)	(4,946)	(39,485)	(3,203)	(41,921)	(7,340)	(74,938)	(7,853)	(12,958)	(192,644)	(64,583)	
Additional charge to claims reserve per ac										207,825	
Changes in Provision for Outstanding Claims (**)	33,786	143,651	(4,395)	(49,375)	2,227	23,861	3,318	(1,259)	151,813	(80,775)	
Gross Claims Incurred	112,304	189,463	124,300	27,457	6,237	(28,337)	(2,339)	(402)	428,684	405,950	
Reinsurance Claims Recovery per actuarial	-									2,254	
Reinsurance Recovery (IBNR) per actuarial	-									104,297	
Reinsurance Claims Recovery	(3,651)	(10,354)	(25,576)	(31,620)	-	-		(1,775)	(72,976)	(109,662)	
Net Claims Incurred	108,653	179,109	98,725	(4,163)	6,237	(28,337)	(2,339)	(2,177)	355,708	402,839	
Underwriting Expenses:	-										
Commission Paid	40,845	266,510	69,011	16,503	16,306	76,454	-	79,733	565,362	289,958	
Changes in deferred commission	(2,936)	(46,144)	(26)	5,280	(1,581)	(415)	7,795	6,752	(31,275)	(17,635)	
Additional (DCA) per actuarial valuation report										25,059	
Maintenance expenses	76,016	77,367	77,367	75,407	77,367	75,407	75,407	80,970	615,309	377,217	
Total Underwriting Expenses	113,925	297,734	146,352	97,190	92,092	151,446	83,202	167,455	1,149,396	674,599	
Total Expenses	222,578	476,843	245,077	93,027	98,329	123,110	80,863	165,279	1,505,104	1,077,438	
Underwriting Result	225,357	280,867	26,071	13,640	(7,164)	512,924	88,809	68,383	1,208,887	381,613	
Provision for Unexpired Risk- 1 JANUARY 2020	117,865	61,612	85,257	37,048	41,410	137,846	77,741	54,372	613,151	532,451	
Provision for Unexpired Risk- 31 Dec 2020	142,548	273,151	75,772	1,163	65,442	147,402	29,949	22,779	758,206	479,904	
Additional charge (UPR) per actuarial valuation										133,247	
Provision for Unexpired Risk- 31 Dec 2020	142,548	273,151	75,772	1,163	65,442	147,402	29,949	22,779	758,206	613,151	
* Changes in reserve for unexpired Risk	(24,683)	(211,539)	9,485	35,885	(24,032)	(9,556)	47,792	31,593	(145,055)	(80,700)	
Gross Claims Outstanding											
Provision for Outstanding Claims- 1 JANUARY 2020	21,453	13,468	87,118	135,471	1,136	21,126	2,669	26,986	309,427	390,202	
Provision for Outstanding Claims- 31 Dec 2020	55,239	157,119	82,723	86,096	3,364	44,987	5,987	25,726	461,240	309,427	
** Changes in provision for outstanding claims	33,786	143,651	(4,395)	(49,375)	2,227	23,861	3,318	(1,259)	151,813	(80,775)	

Universal Insurance Plc
Statements of Changes in Equity (COMPANY)
for the period ended 31 Dec 2020

In thousands 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 2020	8,000,000	825,018	768,329	484,775	6,460	(1,731,982)	8,352,599
							-
	8,000,000	825,018	768,329	484,775	6,460	(1,731,982)	8,352,599
Total comprehensive income							
Profit and loss	-	-	-	-	-	1,136,091	1,136,091
Other comprehensive income							-
Gain on the revaluation of land and buildings							-
Foreign currency translation difference							-
Fair value reserve (available-for-sale) financial assets							-
Net change in fair value							-
Net amount transferred to profit or loss							-
Gain on the revaluation of land and buildings							-
Net Fair value changes in AFS financial assets							-
Net gain/loss on previous AFS reclassified to FVTPL							-
Fair value reserve derecognised on disposal						-	-
Transfer to contingency reserve				101,348		(101,348)	-
Other comprehensive income	-	-	-	101,348	-	(101,348)	-
Total comprehensive income for the period	-	-	-	101,348	-	1,034,743	1,136,091
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 Dec 2020	8,000,000	825,018	768,329	586,123	6,460	(697,239)	9,488,691
Balance at 1 January 2019	8,000,000	825,018	757,329	428,667	1,583,838	(2,144,427)	9,450,425
IFRS 9 Transition						(173,058)	(173,058)
Total comprehensive income for the period							-
Profit or loss							-
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	-	-	-	36,492	-	36,492	-
Other comprehensive income for the period	-	-	-	36,492	-	(209,550)	(173,058)
Total comprehensive income for the period	-	-	-	36,492	-	(209,550)	(173,058)
Balance at 31 Dec 2019	8,000,000	825,018	757,329	465,159	1,583,838	(2,353,977)	9,277,367

Universal Insurance Plc
Statement Of Cash Flows

For the year ended 31 Dec 2020	COMPANY	
	31-Dec-20	31-Dec-19
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	3,130,178	1,872,452
Commission received	129,729	79,984
Reinsurance receipts in respect of claims	-	(114,269)
Reinsurance premium paid	(648,954)	(410,488)
Prepaid Minimum and Deposit on Oil & Gas	(48,015)	(12,465)
Other operating cash payments	(760,578)	(750,479)
Insurance benefits and Claims paid	(469,515)	(343,483)
Payments to intermediaries to acquire insurance contracts	(565,362)	(289,958)
Maintenance expenses	(615,309)	(377,217)
Interest Received	167,695	43,469
Dividend Income Received	32,731	67,927
Cash generated from operations	352,600	(234,527)
Company Income Tax paid	(25,315)	(24,132)
Net cash provided by operating activities	327,285	(258,659)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(23,656)	(35,532)
Purchase of Intangible Assets	(23,860)	(25,376)
Purchase of Listed Equities	-	-
Investment income and other receipts	1,066	11,999
Unlisted AFS Disposed	-	-
Net Cash provided by investing activities	(46,449)	(48,909)
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	111,729	419,297
Net increase/decrease in cash and cash equivalents	280,836	(307,568)
Cash and Cash equivalent at the end of period	392,565	111,729

**UNIVERSAL INSURANCE PLC
COMPUTATION OF SOLVENCY MARGIN**

AS AT 31 Dec 2020

	TOTAL	Inadmissible	Admissible
	N'000	N'000	N'000
1 ASSETS			
Cash and bank balances	392,565		392,565
Financial Assets - Quoted	2,005,454		2,005,454
Financial Assets - Unquoted	-	-	-
Trade Receivable	256,828		256,828
Reinsurance Assets	488,892		488,892
Deferred Acquisition cost	120,443		120,443
Deferred tax assets	403,685	403,685	0
Other Receivable	336,167	162,091	174,076
Investment in Subsidiaries	2,449,516	778,937	1,670,579
Investment Properties	1,886,000	816,000	1,070,000
Intangible Asset	63,029	63,029	-
Property, Plant and Equipment	2,669,939	2,587,216	82,723
Statutory Deposits	335,000		335,000
	A		
	11,407,520	4,407,273	6,596,561
LIABILITIES			
Insurance Contract Liabilities	1,265,570		1,265,570
Trade payable	199,342		199,342
Other payable	128,801		128,801
Employee benefit liability	-		-
Income Tax liabilities	28,241		28,241
Deferred tax liabilities	296,875	296,875	0
	B		
	1,918,829	296,875	1,621,954
Excess of total admissible assets over admissible liabilities (A - B)			4,974,607
Higher of:			
Gross premium written			3,233,216
Less: Reinsurance expenses			(648,954)
Net Premium			2,584,262
15% of Net Premium	C		387,639
Solvency Margin	D		4,974,607
Minimum Paid up Capital	E		3,000,000
Excess of solvency margin over minimum capital base			1,974,607

Universal Insurance Plc
Notes to the financial statements
For the period ended 31 Dec 2020

1 General Information:

The financial statements of the Company for the period ended 31 Dec 2020 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:

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 cash flow among other factors

Valuation techniques.

The fair value of financial instruments where no active market exists or where quoted prices are not available are determined by using

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.

4 Insurance and Financial risks management

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

4.1 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.

4.2 Financial Risk Management

The company monitors and manages the financial risks relating to the operations of the company through internal risk reports magnitude of risks.

These risks include:

- Market risk
- Credit risk
- Liquidity risk

4.2.1 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 arises due to fluctuations in both value of assets and liabilities. The company has established policies and procedures in order to manage market risks.

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 company 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.

4.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to honour its obligations and cause the Company to incur a financial loss.

The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit exposure is controlled by counterparty limits that are reviewed and approved by the Risk Management Committee annually.

4.2.3 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

and reserve borrowing facilities by continuously monitoring forecast and actual cash flows 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 marketable securities which could be converted into cash when required.

4.3 Impairment assessment (Policy applicable from 1 January 2019)

The Company's ECL assessment and measurement method is set out below.

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

The Company's process to assess changes in credit risk is multi-factor and has three main elements (or 'pillars'):

Quantitative elements

The quantitative element is the primary indicator of significant increases in credit risk, with the qualitative element playing a secondary role. The quantitative element is calculated based on the change in lifetime PDs by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations)

Qualitative elements

In general, qualitative factors that are indicative of an increase in credit risk are reflected in PD models on a timely basis and thus are included in the quantitative assessment and not in a separate qualitative assessment. However, if it is not possible to include all current information about such qualitative factors in the quantitative assessment, they are considered separately in a qualitative assessment as to whether there has been a significant increase in credit risk. If there are qualitative factors that indicate an increase in credit risk that have not been included in the calculation of PDs used in the quantitative assessment, the Company recalibrates the PD or otherwise adjusts its estimate when calculating ECLs.

Backstop indicators

Instruments which are more than 30 days past due or have been granted forbearance are generally regarded as having significantly increased in credit risk and may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

During the year, there has been no significant increase in credit risk on the financial asset of the company. However, a Corporate bond held by the company defaulted during the year and was considered credit impaired individually using lifetime PD.

Expected credit losses

The Company assesses the possible default events within 12 months for the calculation of the 12mECL and lifetime for the calculation of LTECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio varies for different instruments. In cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

4.4 Impairment assessment (Policy applicable from 1 January 2020)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experiences credit judgement.

Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date.

The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due.

- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12-month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its risk of default occurring at the reporting date based on the modified term; with

The risk of default occurring estimated based on data on initial recognition and The original contractual terms.

Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place.

- The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the insurer to actions such as realising security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the Company.

The elements to be taken as indications of unlikelihood to pay include:

- The insurer puts the credit obligation on non-accrued status.
- The insurer makes a charge-off or account-specific provision resulting from a significant perceived decline in credit quality subsequent to the bank taking on the exposure.
- The insurer sells The credit obligation at a material credit-related economic loss.
- The insurer consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees

4.4.1 Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.11.4 Summary of significant accounting policies and in Note 2.5 Significant accounting judgements, estimates and assumptions.

To ensure completeness and accuracy, the company obtains the data used from third party sources (Central Bank of Nigeria, Trading Economies e.t.c.). The following tables set out the key drivers of expected loss and the assumptions used for the company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2019 and 31 December 2020.

4.4.2 Analysis of inputs to the ECL model under multiple economic scenarios-continued

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers	ECL scenario	Assigned probability	2020	2021	2022	2023	2024
31-Dec-20							
Inflation Rate	Upturn	10%	15.0	14.1	14.1	14.1	14.0
	Base-case	79%	15.8	14.9	14.9	14.9	14.8
	Downturn	11%	16.8	15.9	15.9	15.9	15.8
Unemployment Rate	Upturn	10%	13.1	13.1	13.1	13.1	15.4
	Base-case	79%	15.6	15.0	15.0	15.0	17.3
	Downturn	11%	16.9	16.9	16.9	16.9	19.2
Crude oil Price (USD per barrel)	Upturn	10%	56.1	56.9	56.9	56.9	54.5
	Base-case	79%	53.1	54.3	54.3	54.3	51.9
	Downturn	11%	51.2	52.0	52.0	52.0	49.6
1-Jan-20							
	ECL scenario	Assigned probability	2019	2020	2021	2022	2023
Inflation Rate	Upturn	10%	14.0	15.0	14.1	14.1	13.2
	Base-case	78%	14.8	15.6	14.9	14.9	14.0
	Downturn	12%	15.8	16.8	15.9	15.9	15.0
Unemployment Rate	Upturn	10%	15.4	13.1	13.1	13.1	16.9
	Base-case	78%	17.3	15.6	15.0	15.0	18.8
	Downturn	12%	19.2	16.9	16.9	16.9	20.7
Crude oil Price (USD per barrel)	Upturn	10%	54.5	56.1	56.9	56.9	52.7
	Base-case	78%	51.9	53.1	54.3	54.3	50.1
	Downturn	12%	49.6	51.2	52.0	52.0	47.8

The following tables outline the impact of multiple scenarios on the allowance:

31 Dec 2020 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposit	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances (for subsidiary)
Upside	1,220,725	-	14,276	9,327	43,618	1,220,726	-
Base	9,867,533	-	115,396	75,389	35,736	9,867,533	-
Downside	1,322,452	-	15,466	10,104	30,761	1,322,452	-
Total	12,410,710	-	145,137	94,820	110,115	12,410,711	-

1 January 2020 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposit	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances (for subsidiary)
Upside	271,958	56,080	18,051	169,967	56,666	7,181,776	236
Base	2,198,328	453,315	145,915	1,373,897	458,052	58,052,686	1,909
Downside	294,621	60,754	19,556	184,131	61,388	7,780,257	256
Total	2,764,907	570,149	183,522	1,727,995	576,106	73,014,719	2,401

4.4.3 Exposure to credit risk

The tables below show the maximum exposure to credit risk by class of financial asset.

In thousand of Nigerian Naira	Note	Maximum Exposure	Associated ECL(2020)
<i>For the year ended 31 Dec 2020</i>			
		₦'000	
Current account balances		-	110
Placements with Banks		-	-
Staff loans		-	95
Statutory deposit		-	145
Other receivables (For Subsidiary)		225,746	12,411
Bank balances (for subsidiary)		1,637	-
Other receivables from related parties		-	12,411
Total financial asset at amortized cost		227,383	25,172

In thousand of Nigerian Naira	Note	Maximum Exposure	Associated ECL(2019)
<i>For the year ended 31 Dec 2020</i>			
		₦'000	
Current account balances		392,827	576
Placements with Banks		26,795	570
Staff loans		7,592	1,728
Statutory deposit		335,000	184
Other receivables (For Subsidiary)		235,531	73,015
Bank balances (for subsidiary)		1,649	2
Other receivables from related parties		35,960	2,765
Other receivables (rent receivables)		-	-
Total loans and receivables		1,035,354	78,840

The amount reported above is the gross exposure on cash and cash equivalent, staff loans and other receivables.

In measuring credit risk of other receivables to various counterparties, the Company considers the character and capacity of the obligor to pay or meet contractual obligations, current exposures to the counter party/obligor and its likely future developments, credit history of the counterparty/obligor; and the likely recovery ratio in case of default obligations.

4.4.4 Analysis of risk Concentration

The company's concentrations of risk are managed by client/counterparty, and industry sector. The maximum credit exposure to any client or counterparty as of 31 Dec 2020 was N710686 million (2018: N1.035 billion).

4.4.5 Analysis of risk Concentration

The following table shows the risk concentration by industry for the components of the statement of financial position.

Industry analysis					
31-Dec-20	Individuals	Financial services	Government	Others	Total
<i>In thousand of Nigerian Naira</i>					
Cash and Cash Equivalent	-	1,637	-	-	1,637
Other Receivables	-	-	-	-	-
Trade receivable- Receivable from sub	-	-	-	225,746	225,746
		1,637	-	225,746	227,383
<hr/>					
31-Dec-20	Individuals	Financial services	Government	Others	Total
<i>In thousand of Nigerian Naira</i>					
Cash and Cash Equivalent	-	756,271	-	-	756,271
Other Receivables	7,592	-	-	35,960	43,552
Trade receivable- Receivable from sub	-	-	-	235,531	235,531
	7,592	756,271	-	271,491	1,035,354

5 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 Equivalent

This comprises of:

Cash In Hand
Current Account Balances
Placement with banks

Allowance for Impairment Losses

COMPANY		
	31-Dec-20	31-Dec-19
	N'000	N'000
Cash In Hand	139,847	3,428
Current Account Balances	174,224	108,547
Placement with banks	78,749	9
	392,820	111,984
Allowance for Impairment Losses	(255)	(255)
	392,565	111,729

6.2 Impairment Allowance For Current Account (COMPANY)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to current account balances is as follows:

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	individual	Stage 3	N'000
Gross carrying amount as at 1 January 2020	391,209	-	-	391,209
New assets originated or purchased	174,224	-	-	174,224
Payments and assets derecognized or repaid (excluding	(391,209)	-	-	(391,209)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 Sept 2020	174,224	-	-	174,224

6.2.1 Impairment allowance for current account balances - continued

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2020 under IFRS 9	760	-	-	760
New assets originated or purchased	110	-	-	110
Payment and assets derecognized or repaid (excluding write offs)	(615)	-	-	(615)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications	-	-	-	-
Impact on year end ECL of exposures transferred between	-	-	-	-
Changes to models used for ECL calculations	-	-	-	-
Changes to estimates and assumptions used for ECL	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 Dec. 2020	255	-	-	255

6.2.2 Analysis of changes in the gross carrying of Placements with bank during the year

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to placements with banks is as follows:

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	individual	Stage 3	N'000
Gross carrying amount as at 1 January 2020	26,796	-	-	26,796
New assets originated or purchased	78,749	-	-	78,749
Payments and assets derecognized or repaid (excluding	(26,796)	-	-	(26,796)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 Dec 2020	78,749	-	-	78,749

6.2.3 Impairment allowance for placements with bank		Stage 1 individual	individual	Stage 3	₦'000
<i>In thousands of Nigerian Naira</i>					
ECL allowance as at 1 January 2020 under IFRS 9		570	-	-	570
New assets originated or purchased		-	-	-	-
Payment and assets derecognized or repaid (excluding write offs)		(570)	-	-	(570)
Transfers to Stage 1		-	-	-	-
Transfers to Stage 2		-	-	-	-
Transfers to Stage 3		-	-	-	-
Changes to contractual cash flows due to modifications		-	-	-	-
Impact on year end ECL of exposures transferred between		-	-	-	-
Changes to models used for ECL calculations		-	-	-	-
Changes to estimates and assumptions used for ECL		-	-	-	-
Unwind of discount		-	-	-	-
Transfers to Stage 3		-	-	-	-
Changes to models and inputs used for ECL calculations		-	-	-	-
Recoveries		-	-	-	-
Amounts written off		-	-	-	-
Foreign exchange adjustments		-	-	-	-
At 31 Dec 2020		-	-	-	-
6.3 Reconciliation of ECL Impairment allowance		COMPANY			
		31-Dec-20	31-Dec-19		
		N'000	N'000		
Opening balance as at January 1		1,330	1,330		
Increase/(decrease) during the year (Note 31 (ii))		(1,075)	(1,075)		
Closing balance as at Dec 31		255	255		
7 Financial asset		COMPANY			
Equity instrument at fair value through profit or loss		31-Dec-20	31-Dec-19		
		N'000	N'000		
-Mandatorily measured at FVPL		2,005,454	1,329,992		
Equity instrument at fair value through OCI		-	-		
Total Equity instruments		2,005,454	1,329,992		
Current		-	612,182		
Non-current		2,005,454	717,810		
(a) Financial assets at fair value through profit or loss		COMPANY			
		31-Dec-20	31-Dec-19		
		N'000	N'000		
<i>Listed Equity securities</i>					
Balance as at January 1		1,329,993	612,182		
Addition during the year		-	-		
Reclassification from FVOCI (MTN shares- Note 7(b))		-	1,086,750		
Disposal during the year		-	-		
Fair value gain/(loss)		675,461	(368,940)		
Foreign Exchange gain/(loss)		-	-		
Net impairment gain/(loss)		-	-		
Balance as at 31 Dec		2,005,454	1,329,992		
Previous fair value gain reserve of N418.156m related to the sum of N1 ,086,750 reclassified to FVTPL. This amount has been subsequently reclassified to profit or loss.					
(b) Financial Assets		COMPANY			
		31-Dec-20	31-Dec-19		
		N'000	N'000		
<i>Unlisted Equity securities</i>					
Balance as at January 1		-	2,245,971		
Addition during the year		-	-		
Reclassification to FVTPL (MTN shares- Note 7(a))		-	(1,086,750)		
Disposal during the year		-	-		
Fair value gain/(loss)		-	(1,159,221)		
Foreign Exchange gain/(loss)		-	-		
Net impairment gain/(loss)		-	-		
Balance as at 31 Dec		-	-		
Investment in MTN was converted to Quoted Investment in the year. Fair value gain/(loss) is posted to the Account					
(b.1) Returns on MTN shares		=N=			
2020		-			
2019		16,740			
2018		20,890			
8 Trade Receivables		COMPANY			
		31-Dec-20	31-Dec-19		
		N'000	N'000		
Insurance receivables		-	-		
Other receivables (From subsidiary)		256,828	8,735		
Impairment on Subsidiary		-	-		
		256,828	8,735		
8.1 Age Analysis of Trade receivables		COMPANY			
		31-Dec-20	31-Dec-19		
		N'000	N'000		
Within 30 days		256,828	8,735		
Above 30 days		-	-		
		256,828	8,735		
8.2 Premium receivable from agents, brokers and intermediaries		COMPANY			
		31-Dec-20	31-Dec-19		
		N'000	N'000		
Due from agents		-	-		
Due from brokers		65,559	5,169		
Due from insurance companies		191,269	3,566		
Due from insurance companies		-	-		
		256,828	8,735		

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

At beginning of year JANUARY 1	-	-
Provision for impairment	-	-
Amount written off during the year as uncollectible	-	-
At end of year (30 Dec 2020)	-	-

	31-Dec-20	31-Dec-19
	N'000	N'000
Reinsurance Assets		
Reinsurance Share of UPR	182,586	182,586
Reinsurance Share of Outstanding Claims	258,292	133,878
Reinsurance Share of IBNR	-	124,414
Total Reinsurance Assets	440,878	440,878
Prepaid Minimum and Deposit (M&D) on Oil & Gas	48,015	12,465
	488,892	453,343

9.1 Movements in Reinsurance share of UPR		
At the beginning of the year	-	65,560
Increase/(Decrease) during the year	-	117,026
Balance at the end of the year	-	182,586

9.2 Movement in Reinsurance Share of outstanding Claims		
Balance at the beginning of the year	-	131,624
Increase/(Decrease) during the year	-	2,254
Balance at the end of the year	-	133,878

9.3 Movement in Reinsurance Share of IBNR		
Balance at the beginning of the year	-	20,117
Increase/(Decrease) during the year	-	104,297
Allowance for impairment	-	-
Balance at the end of the year	-	124,414

9.4 Movement in Reinsurance Share of Prepaid (M&D)		
Balance at the beginning of the year	-	19,764
Increase/(Decrease) during the year	-	(7,299)
Balance at the end of the year	-	12,465

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-Dec-20	31-Dec-19
	N'000	N'000
Motor	12,959	10,023
Fire	56,734	10,591
General accident	15,784	15,757
Bond	232	5,512
Engineering	8,565	6,984
Oil & Gas	15,968	15,553
Aviation	5,390	13,185
Marine	4,812	11,563
Additional (DCA) per actuarial Valuation Report	-	-
	120,443	89,168

10.1 Movement in deferred acquisition cost

At beginning of year	89,172	96,592
Changes during the year	31,277	(7,420)
At end of year	120,449	89,172
Due within 12 months	120,449	89,172
Due after more than 12 months	-	-

11 Other Receivables, Prepayments

	31-Dec-20	31-Dec-19
	N'000	N'000
The balance is analysed as follow:		
Prepayments	271,587	145,764
Due from Related Parties	49,620	42,685
Staff Debtors	32,405	4,148
Staff Share Loan	-	-
Deposit for properties (reclassified from inv.)	720,000	720,000
Other receivables	3,725	3,325
	1,077,337	915,922
Impairment of due from related parties	(1,950)	(1,950)
Impairment Charges on Staff loan	(525)	(530)
Impairment of other loans and receivables	(738,695)	(738,695)
	336,167	174,747
Current	336,167	174,747
Non-current	-	-

	COMPANY	
	31-Dec-20	31-Dec-19
	N'000	N'000
Movement in staff share loan		
Balance as at January 1	1,598,942	1,598,942
Addition during the year	-	-
Prepayment during the year	-	-
Reclassified due to African Alliance Insurance Plc (Note 20.1(a))	(1,598,942)	(1,598,942)
Accrued Interest on staff share loan	-	-
Impairment loss	-	-
Balance as at 30 Dec	<u>-</u>	<u>-</u>
11.1 Inventories		
Stock of raw materials	-	-
	<u>-</u>	<u>-</u>
	<u>336,167</u>	<u>174,747</u>
11.2 Prepayments		
Other Receivable	87,752	30,597
Prepaid Rent	54,007	27,944
Recapitalization Expenses	97,000	51,000
Interest Payables(Lease)	32,387	32,380
FIRS WTH A/C	441	3,843
	<u>271,587</u>	<u>145,764</u>
11.3 Staff Debtors		
Prepaid Staff Peronal Loan	4,148	4,148
11.3.1 Movement in staff Debtors	31-Dec-20	31-Dec-19
	N'000	N'000
Balance as at January 1	7,592	7,592
Addition in the year	7,321	7,321
Interest earned during the year	204	204
Repayments during the year	(10,969)	(10,969)
Balance as at 30 Dec	<u>4,148</u>	<u>4,148</u>
In June 2008, 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-Dec-20	31-Dec-19
This comprises of investment in:	N'000	N'000
Universal Hotels Limited (Note 12(i))	2,449,516	2,449,516
Impairment charge on Universal Hotel	-	-
Investment in subsidiaries	<u>2,449,516</u>	<u>2,449,516</u>
12 (i) 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.		
	31-Dec-20	31-Dec-19
	N'000	N'000
13 Investment properties		
Oyigbo Garden Avenue estate	530,000	530,000
Rumudumu For Model Estate	816,000	816,000
UHE Complex	-	-
Others (Nigeria Cement company; Progress Bank Ltd; Nigeria Tobacco Ltd; Ferdinand Oil Ltd)	-	-
Molit Mall	540,000	540,000
	<u>1,886,000</u>	<u>1,886,000</u>
Impairment loss on investment properties	-	-
	<u>1,886,000</u>	<u>1,886,000</u>

The properties of the Company at Oyigbo Garden Estate and Rumudumu For Model Estate were revalued on December 31, 2019 by A.C.Otegbulu & Partners, Estate Surveyors & Valuers (FRC/2013/NIESV/0000001582) to ascertain the open market value of the Investment Properties. The fair value gain/(loss) on the investment properties were recognised in the Statement of Comprehensive Income for the period.

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	Reclassification	Transfer	Revaluation Gain	Balance as December	Status in Title
13.a Movement of Assets								
1 Oyigbo Garden Avenue Estate	524,000	-	-	-	-	16,000	540,000	Yes
2 Rumudumu For Model Estate	816,000	-	-	-	-	-	816,000	NO
3 Molit Mall	535,000	-	-	-	-	5,000	540,000	Yes
Total	1,875,000	-	-	-	-	21,000	1,896,000	

13.b Assets In The Name of Conau Limited:

	31-Dec-20 N'000 Amount	31-Dec-19 N'000 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(2020)

14.a Intangible Assets(2020)

	COMPANY	
	31-Dec-20 N'000	31-Dec-19 N'000
Cost		
Balance, beginning of period	92,259	66,883
Additions	23,860	25,376
Transferred from PPE (Computer)	-	-
Balance, end of period	116,119	92,259
Accumulated amortisation		
Balance, beginning of period	37,016	23,969
Amortisation expense/impairment charge	16,073	13,047
Transferred from PPE (computer)	-	-
Balance, end of period	53,089	37,016
Net book amount		
End of period	63,029	55,243

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.

14.b INTANGIBLE ASSETS(2020)

	COMPANY	
	31-Dec-20 N'000	31-Dec-19 N'000
Cost		
Balance, beginning of period	36,989	36,989
Additions	29,894	29,894
Transferred from PPE (Computer)	-	-
Balance, end of period	66,883	66,883
Accumulated amortisation		
Balance, beginning of period	16,439	16,439
Amortisation expense/impairment charge	7,530	7,530
Transferred from PPE (computer)	-	-
Balance, end of period	23,969	23,969
Net book amount		
End of period	42,914	42,914

PROPERTY PLANTS AND EQUIPMENTS

15.c(i) COMPANY (2020)

	Land N'000	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	257,500	3,103,175	33,987	129,679	343,251	28,501	3,896,092
Additions during the year	-	-	7,789	2,148	12,400	1,319	23,656
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,103,175	41,776	131,827	355,651	29,820	3,919,748
Accumulated depreciation							
Balance, beginning of period	-	773,459	13,972	80,553	287,968	10,116	1,166,066
Charge for the year	-	62,091	3,810	6,550	8,714	2,578	83,742
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	835,550	17,781	87,102	296,682	12,693	1,249,809
Netbook value as at 30 Dec 2020	257,500	2,267,625	23,995	44,724	58,969	17,126	2,669,939
Netbook value as at 1 JANUARY 2020	257,500	2,329,716	20,015	49,127	55,283	18,385	2,730,026

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at 31 Dec
15.c(ii) Movement in Land & Building (Company)								
Property at Ridgeway Station Road Enugu	390,920	-	-	-	-	-	10,114	380,806
Property at New Owerri Road Behind CBN, Owerri	1,016,712	-	-	-	-	-	25,856	990,756
Property at no 2 Emole Street Enugu	77,285	-	-	-	-	-	2,010	75,275
49A, 50A, 51A, 52A and 53A city Layout Enugu	633,505	-	-	-	-	-	16,100	607,405
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	283,358	-	-	-	-	-	7,114	276,244
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Total	2,649,280	-	-	-	-	-	61,294	2,587,986

15.d(i) COMPANY(2019)

	Land	Building	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computer Hardware	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/Revalued amount							
Balance, beginning of period	257,000	3,103,175	25,888	115,586	336,151	22,260	3,860,060
Additions during the year	-	-	11,168	16,970	2,000	2,569	32,707
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,000	3,103,175	37,056	132,556	338,151	24,829	3,892,767
Accumulated depreciation							
Balance, beginning of period	-	711,395	10,929	75,141	233,163	7,309	1,037,937
Accumulated depreciation: Land	-	(15,476)	-	-	-	-	(15,476)
Charge for the year	-	41,508	1,263	2,540	16,993	2,344	64,648
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	737,427	12,192	77,681	250,156	9,653	1,087,109
Netbook value as at 31 Dec 2019	257,000	2,365,747	24,864	54,875	87,995	15,176	2,805,658
Netbook value as at 1 JANUARY 2019	257,000	2,391,779	14,959	40,445	102,988	14,951	2,822,123

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at 31 Dec
15.d(ii) Movement in Land & Building (Company)								
Property at Ridgeway Station Road Enugu	401,034	-	-	-	-	-	10,114	390,920
Property at New Owerri Road Behind CBN, Owerri	1,043,438	-	-	-	-	-	26,726	1,016,712
Property at no 2 Emole Street Enugu	79,295	-	-	-	-	-	2,010	77,285
49A, 50A, 51A, 52A and 53A city Layout Enugu	639,608	-	-	-	-	-	16,100	623,508
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	290,472	-	-	-	-	-	7,114	283,358
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Total	2,711,347	-	-	-	-	-	62,064	2,649,283

16 STATUTORY DEPOSIT

	31-Dec-20 N'000	31-Dec-19 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 2003.

17 Insurance Contract Liabilities

	31-Dec-20 N'000	31-Dec-19 N'000
Aggregate Insurance Contract Liabilities		
Unearned Premium	758,206	613,151
Outstanding Claims	461,240	309,427
IBNR	46,124	238,768
Total	1,265,570	1,161,346

17.(i) Insurance Contract Liabilities

	31-Dec-20 N'000	31-Dec-19 N'000
Movement in Unearned Premium (UPR)		
Balance as at January 1	613,151	532,451
Increase/(Decrease) during the year	15,403	80,700
Balance as at 31 Dec	628,554	613,151
Movement in Outstanding Claims		
Balance as at January 1	309,427	390,202
Increase/(Decrease) during the year	(80,775)	(80,775)
Balance as at 31 Dec	228,652	309,427
Movement in IBNR		
Balance as at January 1	238,768	95,526
Increase/(Decrease) during the year	143,242	143,242
Balance as at 31 Dec	382,010	238,768

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

Outstanding Claims (Days)	0-90	91-180	181-270	271-360	Above 360	Total
Number of Claimants	38	57	76	95	114	380
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting Support Documents	9,355	9,353	11,281	17,558	51,686	99,233
Awaiting Settlement decision from Lead Assurers	9,546	11,598	5,568	2,897	14,258	43,867
Claims awaiting Payment	4,215	245	-	-	-	4,460
Total	23,116	21,196	16,849	20,455	65,944	147,560

The latest valuation of the fund was as at 30 June 2020 by Ernest & Young. At that date, the gross book value of the fund was stated above for each of the years. Provision for claims was determined using the inflation adjusted chain ladder method and claims development from 2010 to 2019.

17 a(ii) Cumulative Claims Development table as at Dec 2020 (stated in N'000)

In addition to the testing, the development of insurance liabilities provided a measure of the claims. The tables below illustrate how the group's estimates

Motor	Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9
2010	4,014	4,046	3,861	170	-	-	-	-	-
2011	5,422	3,444	938	128	-	42	-	90	56
2012	3,376	5,308	725	-	-	1,500	-	214	-
2013	4,861	3,581	3,220	-	-	-	-	-	-
2014	3,999	8,207	12	-	-	-	-	-	-
2015	9,740	7,273	903	-	591	-	-	-	-
2016	15,504	6,922	711	-	-	-	-	-	-
2017	15,374	11,333	236	-	-	-	-	-	-
2018	24,039	10,082	-	-	-	-	-	-	-
2019	37,497	-	-	-	-	-	-	-	-

Fire		Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9	
2010	1,449	272	99	635	3,500	-	-	-	-	
2011	-	70	5,875	-	694	-	-	-	39	
2012	237	655	1,913	308	-	-	-	3,678	-	
2013	139	2,135	2,496	-	-	-	-	-	-	
2014	936	771	91	943	-	-	-	-	-	
2015	1,489	457	108	28	-	-	-	-	-	
2016	1,575	5,393	1,559	778	-	-	-	-	-	
2017	2,430	20,886	10	-	-	-	-	-	-	
2018	15,094	1,963	-	-	-	-	-	-	-	
2019	11,279	-	-	-	-	-	-	-	-	

Marine		Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9	
2010	-	1,731	19	-	-	-	-	-	-	
2011	487	3,785	-	-	438	-	-	-	-	
2012	1,153	1,640	-	-	-	-	-	-	-	
2013	624	255	-	-	-	-	-	-	-	
2014	-	3,816	-	-	-	-	-	-	-	
2015	1,113	14,681	2,132	-	-	-	-	-	-	
2016	622	554	-	-	-	-	-	-	-	
2017	4,340	140	-	-	-	-	-	-	-	
2018	5,544	12,358	-	-	-	-	-	-	-	
2019	2,879	-	-	-	-	-	-	-	-	

General Accident		Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9	
2010	1,824	2,115	50	784	68	-	-	-	-	
2011	408	6,677	82	-	501	23	-	-	3,187	
2012	634	4,574	-	68	12	87	9,013	-	-	
2013	7,012	5,580	258	-	-	-	-	-	-	
2014	1,893	33,472	438	84	-	-	-	-	-	
2015	18,121	6,551	592	112	123	-	-	-	-	
2016	18,957	99,572	10,795	144	-	-	-	-	-	
2017	12,246	13,470	1,094	-	-	-	-	-	-	
2018	35,317	22,542	-	-	-	-	-	-	-	
2019	14,310	-	-	-	-	-	-	-	-	

Motor		Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9	
2009	21,221	9,851	270	6	-	-	-	-	-	
2010	4,014	4,046	3,861	170	-	-	-	-	-	
2011	5,422	3,444	938	128	-	42	-	90	-	
2012	3,376	5,308	725	-	-	1,500	-	-	-	
2013	4,861	3,581	3,220	-	-	-	-	-	-	
2014	3,999	8,207	12	-	-	-	-	-	-	
2015	9,740	7,273	903	-	-	-	-	-	-	
2016	15,594	8,522	711	-	-	-	-	-	-	
2017	15,374	11,353	-	-	-	-	-	-	-	
2018	24,039	-	-	-	-	-	-	-	-	

Fire		Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9	
2009	12	-	-	-	-	-	-	-	-	
2010	1,449	272	99	635	-	-	-	-	-	
2011	-	70	5,875	-	694	-	-	-	-	
2012	237	655	1,913	308	-	-	-	-	-	
2013	139	2,135	2,496	-	-	-	-	-	-	
2014	936	771	91	943	-	-	-	-	-	
2015	1,489	457	108	28	-	-	-	-	-	
2016	1,575	5,393	1,559	-	-	-	-	-	-	
2017	2,430	20,886	-	-	-	-	-	-	-	
2018	15,094	-	-	-	-	-	-	-	-	

Marine		Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9	
2009	1,434	1,565	460	500	4,966	-	2,585	-	-	
2010	-	1,731	19	-	-	-	-	-	-	
2011	487	3,785	-	-	438	-	-	-	-	
2012	1,153	1,640	-	-	-	-	-	-	-	
2013	624	255	-	-	-	-	-	-	-	
2014	-	3,816	-	-	-	-	-	-	-	
2015	1,113	14,681	2,132	-	-	-	-	-	-	
2016	622	554	-	-	-	-	-	-	-	
2017	4,340	140	-	-	-	-	-	-	-	
2018	5,544	-	-	-	-	-	-	-	-	

General Accident		Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9	
2009	2,581	3,275	1,316	276	4,462	62	-	-	-	
2010	1,824	2,115	50	784	68	-	-	-	-	
2011	408	6,677	82	-	501	23	-	-	-	
2012	634	4,574	-	68	12	87	9,013	-	-	
2013	7,012	5,580	258	-	-	-	-	-	-	
2014	1,893	33,472	438	84	-	-	-	-	-	
2015	18,121	6,551	592	112	-	-	-	-	-	
2016	18,957	99,572	10,795	-	-	-	-	-	-	
2017	12,246	13,470	-	-	-	-	-	-	-	
2018	35,317	-	-	-	-	-	-	-	-	

17 b. Hypothetization of investment/assets

	31-Dec-20		31-Dec-20		31-Dec-19		31-Dec-19		31-Dec-19	
	Total Funds N'000	Policy Holder's Funds N'000	Shareholder's Funds N'000	Total Funds N'000	Policy Funds N'000	Shareholder's Funds N'000	Total Funds N'000	Policy Funds N'000	Shareholder's Funds N'000	
Cash and Cash Equivalents	392,565	95,000	297,565	111,730	95,000	16,730	346,125	983,867	-	
Financial Assets: Quoted	2,005,454	633,354	1,372,100	1,329,992	-	-	-	-	-	
Financial Assets: UnQuoted	-	-	-	-	-	-	-	-	-	
Trade Receivable	256,828	-	256,828	8,735	-	8,735	-	-	-	
Reinsurance Assets	488,892	258,355	230,537	453,343	446,208	7,135	-	-	-	
Deferred Acquisition cost	120,443	-	120,443	89,168	-	89,168	-	-	-	
Other Receivable	336,167	-	336,167	174,747	-	174,747	-	-	-	
Investment in Subsidiaries	2,449,516	-	2,449,516	2,449,516	-	2,449,516	-	-	-	
Investment Properties	1,886,000	278,861	1,607,139	1,886,000	274,012	1,611,988	-	-	-	
Intangible Asset	63,029	-	63,029	55,242	-	55,242	-	-	-	
Property, Plant and Equipment	2,669,939	-	2,669,939	2,730,026	-	2,730,026	-	-	-	
Statutory Deposits	335,000	-	335,000	335,000	-	335,000	-	-	-	
Total Assets	11,003,835	1,265,570	9,738,265	9,623,499	1,161,345	8,462,154	-	-	-	
Insurance Contract Liabilities	-	-	1,265,570	-	1,161,346	-	-	-	-	

18	BORROWINGS	-	-	-
19	Trade payables Trade payables represent liabilities to agents, brokers and re-insurers on insurance contracts during the year			
		COMPANY		
		31-Dec-20	31-Dec-19	
	Reinsurance payable	199,342	93,459	
	Insurance payable	-	-	
	Other trade creditors	-	-	
	Balance at year end	199,342	93,459	
	Current	199,342	93,459	
19.(i)	Other trade creditors Due to Suppliers	-	-	
20	Other payables			
	This is analysed as follow:	31-Dec-20	31-Dec-19	
		N'000	N'000	
	Due to related parties	14,328	14,328	
	Provisions and accruals	102,262	83,469	
	Rent Received in Advance	12,212	6,206	
		128,801	104,003	
	Current	128,801	104,003	
	Non-current	-	-	
20.1	Due to related companies Conau Limited African Alliance Insurance Plc Due to other related parties	-	-	
		-	-	
		14,328	14,328	
		14,328	14,328	
20.1(a)	Due to related parties--African Alliance Insurance Plc			
		COMPANY		
		31-Dec-20	31-Dec-19	
		N'000	N'000	
	Balance as at January 1	-	1,599,667	
	Addition during the year	-	-	
	Prepayment during the year	-	-	
	Reclassification from Staff Share Loan (note 11(b))	-	1,598,942	
	Gain on cancellation of payables	-	725	
	Balance as at Dec 31	-	-	
20.1(b)	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. Securities and Exchange Commission (SEC) has approved cancellation based on their letter of "NO OBJECTION" to Vetiva Capital Management Ltd on African Alliance Plc Corporate restructuring of November 18, 2019			
20.1c	Provisions and accruals Lease Rentals Accrued Expenses Payable to Associate	31-Dec-20	31-Dec-19	
		N'000	N'000	
		-	-	
		97,693	78,900	
		4,569	4,569	
		102,262	83,469	
20.1d	Rent Received in Advance Rent from Molit Mall in Advance	12,212	6,206	
		12,212	6,206	
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 NIL(2019) and N2,178(2018).			
		COMPANY		
		31-Dec-20	31-Dec-19	
		N'000	N'000	
	Staff pension scheme	-	-	
	Current	-	-	
	Balance as per January 1	-	2,178	
	Current Service Cost	-	-	
	Payment during the year	(2,178)	(2,178)	
	Interest Expense	-	-	
	Actuarial Re-Measurement	-	-	
	Balance as per 31 Dec	-	-	

	31-Dec-20 N'000	31-Dec-19 N'000
22 Income tax payable		
22.1 Per Profit and Loss Account		
Income Tax	29,269	8,203
Education Tax	4,683	1,641
Provision for NITDA Tax	702	656
	34,654	10,500
Deferred Taxation	-	-
Profit and Loss Account	34,654	10,500
22.2 Per Balance Sheet		
Taxation		
At beginning of year	18,902	32,534
Charge for the Year	34,654	10,500
Payment during the Year	(25,315)	(24,132)
At year end	28,241	18,902
23 Deferred Tax Liability		
At beginning of year	296,875	700,560
Derecognised on Reclassification of AFS FA	-	(403,685)
Charged to profit and loss	-	-
At year end	296,875	296,875
To be recovered after more than 12 months	296,875	296,875
To be recovered in 12 months	-	-
23.a Deferred Tax Assets		
Deferred Tax derecognized from the conversion of MTN from unquoted to quoted	403,685	403,685
	403,685	403,685
24 EQUITY		
24. 1. Share capital		
The share capital comprises:	30-09-2020	30-09-2019
	N'000	N'000
Authorised -		
30,000,000,000 Ordinary shares of 50k each	15,000,000	15,000,000
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	484,775	428,667
Transfer from profit and loss	101,348	56,108
Balance, end of period	586,123	484,775
Gross Written Premium	3,378,272	1,870,255
Percentage Rate for transfer	3%	3%
Increase in Contingency	101,348	56,108
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	6,460	1,583,838
equity		(1,159,221)
Net Fair Value derecognised at reclassification	-	(418,158)
Balance as at period end	6,460	6,459
Previous fair value gain reserve of N418.156m related to the sum of N1 ,086,750 reclassified to FVTPL. This amount has been subsequently reclassified to profit or loss.		
24. 5. Revaluation Reserve	31-Dec-20	31-Dec-19
	N'000	N'000
Balance, beginning of period	768,329	757,329
Revaluation Surplus	-	11,000
Balance as at period end	768,329	768,329
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.		
24.7 Contingencies and Commitments		
The Company operates in the Insurance industry and is subject to legal proceedings in the normal course of business. There were 12 (2018 (11)) outstanding legal proceedings against the Company as at 31 Dec 2020 with claims totalling N718,910,000 (2018 N42,325,304.12). While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, professional legal advice showed that there will be no contingent liabilities resulting from the various litigations involving the Company.		
The Company is also subject to Insurance solvency regulations and has complied with all the solvency regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.		

		31-Dec-20	31-Dec-19
		N'000	N'000
25	Gross Premium Income		
	Gross premium written		
	Direct Premium:		
	Motor	367,788	265,021
	Fire	966,950	276,872
	General Accident	294,452	243,935
	Bond	87,929	95,522
	Engineering	115,749	63,354
	Oil & Gas	583,923	457,183
	Aviation	121,880	144,913
	Marine	234,227	68,053
		<u>2,772,897</u>	<u>1,614,853</u>
	Inward Reinsurance Premium:		
	Motor	43,775	22,906
	Fire	265,435	60,431
	General Accident	35,597	17,587
	Bond	695	3,896
	Engineering	23,480	26,069
	Oil & Gas	183,837	37,702
	Aviation	-	13,980
	Marine	52,555	72,832
		<u>605,374</u>	<u>255,403</u>
	<i>Gross premium written</i>	<u>3,378,272</u>	<u>1,870,256</u>
	Changes in unearned premium		
	Motor	(24,683)	(65,473)
	Fire	(211,539)	137,678
	General Accident	9,485	(22,918)
	Bond	35,885	4,764
	Engineering	(24,032)	(7,254)
	Oil & Gas	(9,556)	(40,284)
	Aviation	47,792	(71,888)
	Marine	31,593	(15,325)
	<i>Net change in unearned premium</i>	<u>(145,055)</u>	<u>(80,700)</u>
	<i>Change in UPR per Actuarial Valuation</i>	-	-
	<i>Net change in unearned premium</i>	<u>(145,055)</u>	<u>(80,700)</u>
	Gross premium earned	<u>3,233,216</u>	<u>1,789,556</u>
	Reinsurance expenses	(648,954)	(410,488)
	Net insurance premium income	<u>2,584,262</u>	<u>1,379,068</u>
25(1)	Net Premium Income		
		COMPANY	
		31-Dec-20	31-Dec-19
		N'000	N'000
	Gross Premium Written	3,378,272	1,870,256
	Changes in Unearned Premium	(145,055)	(80,700)
	Gross Premium Earned	<u>3,233,216</u>	<u>1,789,556</u>
	Reinsurance expenses	(648,954)	(410,488)
	Net Insurance Premium Income	<u>2,584,262</u>	<u>1,379,068</u>
26	Reinsurance expenses		
	Reinsurance costs		
	Motor	14,329	15,887
	Fire	312,189	46,420
	General Accident	70,849	79,665
	Bond	18,452	28,647
	Engineering	24,761	31,079
	Oil & Gas	120,436	203,499
	Aviation	-	81,824
	Marine	87,939	40,492
	Movement in Reinsurance Share of UPR	-	(117,025)
	Movement in Prepaid M & D	-	-
		<u>648,954</u>	<u>410,488</u>
		<u>648,954</u>	<u>410,488</u>
27	Fees and Commission Income		
		31-Dec-20	31-Dec-19
		N'000	N'000
	Motor	75,383	1,858
	Fire	49,053	11,571
	General Accident	2,462	20,932
	Bond	610	7,779
	Engineering	728	9,324
	OIL & GAS	(1,734)	1,602
	Marine	3,226	26,918
		<u>129,729</u>	<u>79,984</u>

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

		COMPANY	
		31-Dec-20	31-Dec-19
		N'000	N'000
28	Claims expenses		
	Direct claims paid during the year	469,515	343,483
	Changes in outstanding claims	151,813	(80,775)
	Additional charge to claims reserve per actuarial valuation (IBNR)	-	207,825
	Changes in Outstanding claims (IBNR)	(192,644)	(64,583)
	Gross claims incurred	428,684	405,950
	Reinsurance claims recoverable(Note 28(a))	(72,976)	(216,213)
	Reinsurance recovery per Actuarial Valuation	-	-
		<u>355,708</u>	<u>189,737</u>
28.a	REINSURANCE CLAIMS RECOVERY		
	Claims paid recovered from Reinsurance		(114,269)
	Changes in Outstanding claims and IBNR		(106,551)
			<u>-</u>
			<u>(220,820)</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.			
		31-Dec-20	31-Dec-19
		N'000	N'000
	Gross commission paid		
	Motor	40,845	28,062
	Fire	266,510	68,665
	General Accident	69,011	50,933
	Bond	16,503	16,497
	Engineering	16,306	15,251
	Oil & Gas	76,454	57,103
	Aviation	-	1,355
	Marine	79,733	52,092
	Total Commission paid	565,362	289,958
	Changes in deferred commission		
	Motor	(2,936)	3,607
	Fire	(46,144)	(28,798)
	General Accident	(26)	3,339
	Bond	5,280	(5,862)
	Engineering	(1,581)	(1,012)
	Oil & Gas	(415)	1,432
	Aviation	7,795	13,019
	Marine	6,752	(3,360)
	Additional (DCA) per actuarial Report	-	25,059
	Changes in deferred commission	(31,275)	7,424
	Acquisition expenses	534,087	297,382
	Maintenance expenses	615,309	377,217
	Underwriting expenses	<u>1,149,396</u>	<u>674,599</u>
30	INVESTMENT INCOME		
		31-Dec-20	31-Dec-19
		N'000	N'000
	Dividend - Quoted and unquoted investments	32,731	67,927
	Interest on call deposits	167,695	43,469
	Profit/(loss) on disposal of non-current assets	-	-
	Rental Income	-	-
	Other income	991	11,999
		<u>201,418</u>	<u>123,395</u>
30.a	INVESTMENT INCOME		
	Investment income attributable to policyholders	-	-
	Investment income attributable to shareholders	201,493	123,396
		<u>201,493</u>	<u>123,396</u>
30.b	Investment income attributable to shareholders		
	Dividend - Quoted and unquoted investments	32,731	67,927
	Interest on call deposits	167,695	43,469
	Profit/(loss) on disposal of non-current assets	75	-
	Rental Income	-	-
	Other Income	991	11,999
		<u>201,493</u>	<u>123,395</u>
30.c	Other Operating Income		
	Rental Income	-	-
	Interest on call deposits	167,695	43,469
		<u>167,695</u>	<u>43,469</u>
30.d	Sundry Income		
	Profit/(loss) on disposal of non-current assets	-	-
	Other Income	991	11,999
		<u>991</u>	<u>11,999</u>
32	Other operating and administrative expenses		
(i)	Employee benefits expense		
	Staff cost	230,760	223,577
	Contributions to defined pension scheme	-	8,359
	Other staff costs (Notes 32.(i.a))	258,870	210,530
		<u>489,630</u>	<u>442,466</u>

(i.a) Other staff costs		
Temporary Staff Salaries	37,882	20,468
Staff Training & Entertainment	5,075	10,671
Staff other benefits	165,017	140,307
Leave Allowance	39,230	31,975
Staff Gratuity	7,291	7,109
Nigeria Social Ins Trust Fund	-	-
Staff GPA Insurance	4,375	-
	258,870	210,530

(ii) Management expenses comprise;		
Bank charges	6,907	9,763
Other charges and expenses (Notes 32.(iia))	170,433	348,415
General maintenance and running costs	60,438	88,153
Legal and professional fees	58,970	51,414
Audit fees	8,800	8,000
Insurance supervision fees	20,102	17,054
Depreciation	83,742	128,129
Amortisation of Intangible Assets	16,073	13,047
Impairment gain/(loss)	-	-
Interest on overdrafts	-	-
Cost of sales - Hotels	-	-
Other operating expenses	425,465	663,975
Other operating and administrative expenses	915,095	1,106,441

	COMPANY	
	31-Dec-20 N'000	31-Dec-19 N'000
(ii.a) Other charges and expenses		
OTHER PROFESSIONAL CHARGES	-	-
TRANSPORT ALLOWANCE	388	1,715
TERMINAL PAY	-	-
HOTEL ACCOMMODATION	1,384	3,448
SECURITY EXPENSES	584	407
ENTERTAINMENT	14,005	6,507
BUSINESS PROMOTION	-	-
ADVERTISEMENTS	7,914	14,522
NEWSPAPERS & PERIODICALS	30	99
TELEPHONE BILLS	2,344	3,040
INTERNET CONNECTIVITY	7,431	11,115
PRINTING COST	21,467	16,774
STATIONERY COST	1,001	9,898
LOCAL GOVT. LEVIES	856	430
VALUE ADDED TAX/STAMP DUTIES	742	335
LEVY/FEE/PENALTY	-	6,000
DIRECTORS EXPENSES	5,990	-
DIRECTORS SITTING ALLOWANCES	13,720	9,500
ASSETS INSURANCE EXPENSES	140	778
FILING FEE	250	1,073
DIRECTORS FEES	21,000	6,000
GIFTS	9,902	8,698
OFFICE CLEANING EXPENSES	862	717
CHRISTMAS GIFT/SUNDRY	7,576	2,412
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	6,058	1,439
MEDICAL EXPENSES	11,100	8,050
WATER BILL	126	-
ENTERTAINMENT ALLOWANCE	-	-
EXCHANGE VARIANCE A/C	(3,311)	10,770
POSTAGES & COURIER	1,480	2,064
INTEREST ON LOANS	-	-
OVERSEAS TRAVEL EXPENSES	19,927	5,692
SERVICE CHARGE - ABUJA	-	1,750
RENT & RATES	-	-
NIA LEVIES	3,147	8,422
INDUSTRIAL TRAINING FUND LEVY	3,820	2,500
ANNUAL GENERAL MEETING	8,240	23,873
TRAINING	-	-
REPAIRS & MAINTENANCE OTHER FITTINGS	231	76
REPAIRS AND MAINTENANCE TV SET + RADIO	5	10
SEVERANCE PACKAGE	2,000	180,000
REPAIRS AND MAINTENANCE TV SET + RADIO	-	300
RENT & RATES - ABAKALI	25	-
FUEL SUBSIDY	170,433	348,414

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

Earnings per share

	31-Dec-20 N'000	31-Dec-19 N'000
Profit attributable to equity holders	1,136,091	65,073
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000

34 Basic earnings per share (kobo per share) 7.101 0.407

The calculation of basic earnings per share at 31 Dec 2020 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares

35 RELATED PARTIES INTEREST

35.1	Related party transactions		
	Other Loans and Receivables	49,620	42,685
	Other payables	4,569	4,569
		54,189	47,254

Other Loans And Receivables of N42,685,000.00 is due to related party-- Universal Hotels Limited

35.2	Related Party		
	Conau Limited	-	-
	Universal Hotels Limited	42,685	42,685
	Frenchies Foods Nig. Ltd	4,569	4,569
	African Alliance Insurance Plc	-	-
		47,254	47,254

36	<i>Employees</i>	COMPANY	
	The average number of persons employed by the Company during the	31-Dec-20	31-Dec-19
		Number	Number
	Executive directors	3	3
	Management	24	24
	Non-management	55	55
		82	82

37 Securities Trading Policy

Universal Insurance Plc. has adopted a Code of Conduct regarding securities transactions by its directors on terms which are no less exacting than the required standard set out in Rule 17.15, Rulebook of The Nigerian Stock Exchange, 2015 (Issuers' Rules) on Disclosure of Dealings in Issuers' Shares.

In relation to this Interim report (UFS Q4, 2019), we have made specific enquiry of all directors of the Company and we are satisfied that the directors have complied with the required standard set out in the listings rules and in our Company's Code of Conduct regarding securities transactions by directors.

38 CONTRAVENTIONS AND PENALTIES

During the year there was no noticed penalty by the National Insurance Commission (NAICOM) for any contravention of certain sections of the Insurance Act 2003 and certain circulars as issued by the NAICOM. Only listing penalty by Securities and Exchange Commission was noticed for 2018. Details of the contraventions and the related penalties are as follows:

	31-Dec-20	31-Dec-19
	N'000	N'000
Penalty to Securities and Exchange Commission (SEC)(See (i) below)	-	-
Penalty to Financial Reporting Council of Nigeria (FRC)(See (ii) below)	-	-
	-	-

(i) 2018 the Company paid penalty on Listing contravention to Securities and Exchange Commission (SEC).

(ii) 2019 the Company paid penalty for contravening the reporting procedures of Financial