

## **2ND QUARTER MANAGEMENT ACCOUNT**

**For The Period Ended 30 June 2019**

# **Universal Insurance Plc**

**RC 2460**



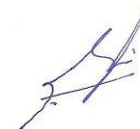
**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at 30 June 2019

	NOTES	COMPANY		
		30/06/2019	30/06/2018	30/06/2018
<b>Assets</b>		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash and Cash Equivalents	6	131,442	188,551	419,296
Financial Assets	7	2,858,153	2,856,058	2,858,153
Trade Receivable	8	77,294	15,264	10,931
Reinsurance Assets	9	293,534	426,296	237,065
Deferred Acquisition cost	10	122,185	65,068	96,592
Other Receivable	11	1,990,900	1,744,179	1,744,652
Investment in Subsidiaries	12	2,451,741	2,449,516	2,449,516
Investment Properties	13	1,875,000	1,854,000	1,875,000
Intangible Asset	14	54,961	27,097	42,914
Property, Plant and Equipment	15	2,806,157	2,762,647	2,822,622
Statutory Deposits	16	335,000	335,000	335,000
<b>Total Assets</b>		<b>12,996,367</b>	<b>12,723,676</b>	<b>12,891,741</b>
<b>Liabilities</b>				
Insurance Contract Liabilities	17	1,237,522	809,160	1,018,179
Borrowings	18	-	-	-
Trade payable	19	65,398	22,900	21,287
Other payable	20	1,698,756	1,665,193	1,666,578
Employee benefit liability	21	2,106	2,178	2,178
Income Tax liabilities	22	14,657	44,379	32,534
Deferred tax liabilities	23	700,560	700,560	700,560
<b>Total Liabilities</b>		<b>3,719,000</b>	<b>3,244,370</b>	<b>3,441,316</b>
<b>Equity</b>				
Issued and paid Share capital	24. 1	8,000,000	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018	825,018
Contingency Reserves	24. 3	465,159	395,382	428,667
Fair value reserve	24. 4	1,583,838	1,576,710	1,583,838
Non Current assets revaluation res	24. 5	757,329	757,329	757,329
Retained earnings	24. 6	(2,353,977)	(2,075,135)	(2,144,427)
<b>Shareholders funds</b>		<b>9,277,367</b>	<b>9,479,304</b>	<b>9,450,425</b>
Other equity instruments		-	-	-
<b>Non - controlling interests</b>				
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>12,996,367</b>	<b>12,723,674</b>	<b>12,891,741</b>

Signed on behalf of the Board of Directors on July 29, 2019



**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 30 June 2019

	Notes	COMPANY			
		1/4/19 -		1/4/2018 -	
		30/6/19	30-Jun-19	30/6/18	30-Jun-18
		N'000	N'000	N'000	N'000
Gross Premium written	25	492,467	1,216,402	215,897	579,170
Decrease/(increase) in unearned premium		(128,086)	(128,086)	(160,835)	(160,835)
Gross Premium Earned		492,467	1,088,316	215,897	418,335
Reinsurance Premium Expense	26	(7,817)	(127,399)	(8,556)	(7,459)
Net Insurance Premium Income		484,650	960,917	207,341	410,876
Fees and Commission income	27	16,728	24,453	10,624	2,201
Total Underwriting Income		501,378	985,370	217,965	413,077
<i>Insurance benefits</i>					
Claims expenses	28	(53,228)	(252,588)	(52,572)	(84,313)
Claims Expense Recovery from reinsurance	28	2,785	6,149	12,408	15,937
Change in contract liabilities	28	-	-	-	-
Net insurance benefit and claims		(50,443)	(246,439)	(40,163)	(68,376)
Underwriting Expenses					
Acquisition expenses	29	(103,458)	(171,911)	(69,219)	(59,437)
Maintenance expenses	29	(100,378)	(366,911)	(88,964)	(17,056)
Total Underwriting Expenses		(203,836)	(538,822)	(158,183)	(76,493)
Underwriting Profit/(Loss)		247,099	200,109	19,619	268,208
Investment income	30	1,885	53,644	3,391	45,393
Other operating income		-	-	-	-
Total investment income		1,885	53,644	3,391	45,393
Net Income		248,984	253,753	23,010	313,601
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	(205,823)	(420,556)	(125,555)	(326,126)
Total Expenses		(205,823)	(420,556)	(125,555)	(326,126)
Result of operating activities		-	(166,803)	(102,545)	(12,524)
Interest expense	33	-	-	-	-
Profit or (Loss) before Taxation		43,159	(166,803)	(102,545)	(12,524)
Income Tax Expense/ (Credit)		(1,618)	(6,255)	(43,582)	(5,323)
Profit or Loss after Taxation		41,541	(173,058)	(146,127)	(17,847)
Profit or Loss for the period		41,541	(173,058)	(146,127)	(17,847)
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		41,541	(173,058)	(146,127)	(17,847)
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		41,541	(173,058)	(146,127)	(17,847)
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	-	-	-	-
Deferred tax impact of changes in AFS financial assets	23	-	-	-	-
<i>Items within OCI that will not be reclassified to the profit or loss;</i>					
2018 impairment gain/loss on Financia Assets		-	-	-	-
PPE revaluation gains	24. 5	-	-	-	-
Deferred tax impact of revaluation gains	23	-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		41,541	(173,058)	(146,127)	(17,847)
Total comprehensive income attributable to:					
Equity holders of the company		41,541	(173,058)	(146,127)	(17,847)
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		41,541	(173,058)	(146,127)	(17,847)
Earnings per share-(basic and diluted)	34	0.26	(1.08)	(1)	(0.11)

## THE UNIVERSAL INSURANCE PLC

### UNDERWRITING REVENUE ACCOUNT FOR THE PERIOD ENDED 30 June 2019

	GENERAL								1/4/19 -		1/4/18 -	
	MOTOR	FIRE	ACCIDENT	BOND	ENGINEERING	OIL & GAS	AVIATION	MARINE	30/6/19	30/06/2019	30/6/18	30/06/2018
	N'000	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	120,771	232,570	156,264	51,970	24,057	401,526	18,690	87,621	480,494	1,093,468	2,314,089	527,120
Reinsurance Accepted	15,052	32,191	16,729	1,282	18,712	21,233	1,203	16,532	11,973	122,934	210,598	52,050
Gross Premium Written	135,823	264,761	172,993	53,252	42,769	422,759	19,893	104,153	492,467	1,216,402	2,524,687	579,170
Changes in Reserve for Unexpired Risk (*)	(39,030)	60,907	(35,809)	10,604	9,506	(100,533)	(35,969)	2,241	-	(128,086)	(278,048)	(160,835)
Gross Premium Earned	96,792	325,668	137,184	63,856	52,275	322,225	(16,076)	106,393	492,467	1,088,316	2,246,640	418,335
Net Reinsurance Recovery (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurance cost	(1,825)	(22,002)	(32,805)	(10,692)	(5,506)	(40,901)	-	(13,668)	(7,817)	(127,399)	(238,788)	(7,459)
Net Premium Written	94,967	303,666	104,379	53,163	46,769	281,325	(16,076)	92,725	484,650	960,917	2,007,852	410,876
Commission Received	17,520	833	5,968	112	-	-	-	20	16,728	24,453	47,281	2,201
Net Income	112,487	304,498	110,346	53,276	46,769	281,325	(16,076)	92,746	501,378	985,370	2,055,133	413,077
Claims Incurred:												
Direct Claims Paid	20,760	4,899	32,088	50,603	1,315	45,750	-	5,915	53,228	161,330	350,230	223,263
Provision for Outstanding claims (IBNR)	(7,787)	(30,344)	(220)	16,916	(8,248)	(4,761)	(1,646)	(6,981)	-	(43,072)	(48,013)	(24,336)
<b>Additional charge to claims reserve per actuarial valuation</b>												
Changes in Provision for Outstanding Claims (**)	733	9,307	36,140	53,322	3,913	21,852	(0)	9,062	-	134,330	258,620	(114,614)
Gross Claims Incurred	13,706	(16,138)	68,007	120,842	(3,020)	62,841	(1,646)	7,996	53,228	252,588	560,836	84,313
Reinsurance Claims Recovery per actuarial valuation	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurance Claims Recovery	(3,560)	(1,983)	(606)	-	-	-	-	-	(2,785)	(6,149)	(9,540)	(15,937)
Net Claims Incurred	10,146	(18,122)	67,402	120,842	(3,020)	62,841	(1,646)	7,996	50,443	246,439	551,297	68,376
Underwriting Expenses:												
Commission Paid	15,549	53,155	34,818	7,737	6,545	60,044	1,355	18,301	103,458	197,504	429,763	93,414
Changes in deferred commission	(4,131)	11,563	(6,435)	1,567	3,319	(25,966)	(5,891)	380	-	(25,593)	(58,619)	(33,977)
<b>Additional (DCA) per actuarial valuation report</b>												
Maintenance expenses	45,605	45,605	45,605	45,605	45,605	45,605	45,605	47,674	100,378	366,911	742,990	17,056
Total Underwriting Expenses	57,023	110,323	73,989	54,910	55,469	79,684	41,070	66,355	203,836	538,822	1,114,134	76,492
Total Expenses	67,170	92,201	141,391	175,751	52,449	142,525	39,424	74,351	254,279	785,261	1,665,431	144,868
Underwriting Result	45,318	212,297	(31,044)	(122,476)	(5,680)	138,800	(55,500)	18,395	247,099	200,109	389,702	268,208
Provision for Unexpired Risk- 1 JANUARY 2019	52,393	199,290	62,339	41,812	34,156	97,562	5,853	39,047	532,451	532,451	1,345,670	223,384
Provision for Unexpired Risk- 30 June 2019	91,423	138,383	98,148	31,209	24,650	198,095	41,822	36,806	532,451	660,537	1,623,718	384,220
Provision for Unexpired Risk- 30 June 2018												
* Changes in reserve for unexpired Risk	(39,030)	60,907	(35,809)	10,604	9,506	(100,533)	(35,969)	2,241	-	(128,086)	(278,048)	(160,835)
Gross Claims Outstanding												
Provision for Outstanding Claims- 1 JANUARY 2019	24,313	16,249	81,993	186,161	11,231	52,800	5,987	11,468	390,202	390,202	(278,048)	500,924
Provision for Outstanding Claims- 30 June 2019	25,046	25,556	118,133	239,483	15,144	74,652	5,987	20,530	390,202	524,532	-	386,310
** Changes in provision for outstanding claims	733	9,307	36,140	53,322	3,913	21,852	(0)	9,062	-	134,330	278,048	(114,614)

**Universal Insurance Plc**  
**Statements of Changes in Equity (COMPANY)**  
for the period ended 30 June 2019

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 2019	8,000,000	825,018	757,329	428,667	1,583,838	(2,144,427)	9,450,425
IFRS9 Transition Adjustment (Note 5(ii))							-
	8,000,000	825,018	757,329	428,667	1,583,838	(2,144,427)	9,450,425
Total comprehensive income							
Profit and loss	-	-	-	-	-	(173,058)	(173,058)
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 Financial Assets						-	-
Fair value reserve derecognised on disposal					-	-	-
Transfer to contingency reserve				36,492		(36,492)	-
Other comprehensive income	-	-	-	36,492	-	(36,492)	-
Total comprehensive income for the period	-	-	-	36,492	-	(209,550)	(173,058)
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>465,159</b>	<b>1,583,838</b>	<b>(2,353,977)</b>	<b>9,277,367</b>
Balance at 1 January 2018	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
<b>Balance at 30 June 2018</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>353,501</b>	<b>1,566,217</b>	<b>(2,646,912)</b>	<b>8,855,153</b>

Universal Insurance Plc  
Statement Of Cash Flows

For the year ended 30 June 2019	COMPANY	
	30-Jun-19	30-Jun-18
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	1,026,287	413,102
Commission received	24,453	2,201
Reinsurance receipts in respect of claims	6,149	15,937
Reinsurance premium paid	(127,399)	(7,459)
Other operating cash payments	(156,172)	(465,337)
Insurance benefits and Claims paid	(246,439)	(223,263)
Payments to intermediaries to acquire insurance contracts	(197,504)	(93,414)
Maintenance expenses	(366,911)	(17,056)
Interest Received	18,056	27,495
Dividend Income Received	34,109	16,510
Cash generated from operations	14,628	(331,284)
Company Income Tax paid	(24,132)	(25,000)
Net cash provided by operating activities	(9,504)	(356,284)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(32,707)	(8,701)
Purchase of Intangible Assets	(16,377)	-
Purchase of Listed Equities	-	-
Investment income and other receipts	1,479	-
Unlisted AFS Disposed	-	-
Net Cash provided by investing activities	(47,605)	(8,701)
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	188,551	553,536
Net increase/decrease in cash and cash equivalents	(57,109)	(364,985)
Cash and Cash equivalent at the end of period	131,442	188,551

## UNIVERSAL INSURANCE PLC

### COMPUTATION OF SOLVENCY MARGIN

AS AT 30 June 2019

	TOTAL	Inadmissible	Admissible
	N'000	N'000	N'000
<b>1 ADMISSIBLE ASSETS</b>			
Cash and bank balances	131,442		131,442
Financial Assets - Quoted	612,182		612,182
Financial Assets - Unquoted	2,245,971	516,420	1,729,551
Trade Receivable	77,294		77,294
Reinsurance Assets	293,534		293,534
Deferred Acquisition cost	122,185		122,185
Other Receivable	1,990,900	161,305	1,829,595
Investment in Subsidiaries	2,451,741	1,810,339	641,402
Investment Properties	1,875,000	816,000	1,059,000
Intangible Asset	54,961	42,914	12,047
Property, Plant and Equipment	2,806,157	1,881,748	924,409
Statutory Deposits	335,000		335,000
<b>A</b>	<b>12,996,367</b>		<b>7,767,641</b>
Insurance Contract Liabilities	1,237,522		1,237,522
Trade payable	65,398		65,398
Other payable	1,698,756		1,698,756
Employee benefit liability	2,106		2,106
Income Tax liabilities	14,657		14,657
Deferred tax liabilities	700,560	700,560	-
	3,719,000		3,018,440
Less Non Admissible Liabilities: Due to other insurance and reinsurance companies			-
<b>B</b>	<b>3,719,000</b>		<b>3,018,440</b>
<b>Solvency Margin (A-B)</b>	<b>C</b>		<b>4,749,201</b>
15% of Net Premium( 1,152,992 *15%)	<b>D</b>		<b>144,138</b>
Minimum required paid up capital	<b>E</b>		<b>3,000,000</b>

#### 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 N4,922 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 30 June 2019

1 **General Information:**

The financial statements of the company for the period ended 30 June 2019 were authorised for issue in accordance with a resolution of the shareholders. The company is a public limited company incorporated and domiciled in Nigeria. The corporate head office is located at 8, Gbagada. 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 carrying amount. 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. *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 **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

4.1.1 **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.

4.1.2 **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.

4.1.3 **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.

4.1.4 **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. marketable securities which could be converted into cash when required.

4.2 **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.

**4.3 Financial Risk Management**

**4.3.1 Impairment assessment (Policy applicable from 1 January 2019)**

**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 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

**4.3.2 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 2017 and 31 December 2018.

**4.4 Financial Risk Management**

**4.4.1 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	2019	2020	2021	2022	2023
30-Jun-19 Inflation Rate	Upturn	10%	14.0	15.0	14.1	14.1	14.1
	Base-case	79%	14.8	15.8	14.9	14.9	14.9
	Downturn	11%	15.8	16.8	15.9	15.9	15.9
Unemployment Rate	Upturn	10%	15.4	13.1	13.1	13.1	13.1
	Base-case	79%	17.3	15.6	15.0	15.0	15.0
	Downturn	11%	19.2	16.9	16.9	16.9	16.9

Crude oil Price (USD per barrel)	Upturn	10%	54.5	56.1	56.9	56.9	56.9
	Base-case	79%	51.9	53.1	54.3	54.3	54.3
	Downturn	11%	49.6	51.2	52.0	52.0	52.0
1-Jan-19	ECL scenario	Assigned probability	2018	2019	2020	2021	2022
Inflation Rate	Upturn	10%	13.2	14.0	15.0	14.1	14.1
	Base-case	78%	14.0	14.8	15.6	14.9	14.9
	Downturn	12%	15.0	15.8	16.8	15.9	15.9
Unemployment Rate	Upturn	10%	16.9	15.4	13.1	13.1	13.1
	Base-case	78%	18.8	17.3	15.6	15.0	15.0
	Downturn	12%	20.7	19.2	16.9	16.9	16.9
Crude oil Price (USD per barrel)	Upturn	10%	52.7	54.5	56.1	56.9	56.9
	Base-case	78%	50.1	51.9	53.1	54.3	54.3
	Downturn	12%	47.8	49.6	51.2	52.0	52.0

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

31 June 2019 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposits	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
<b>Total</b>	<b>2,764,907</b>	<b>570,149</b>	<b>183,522</b>	<b>1,727,994</b>	<b>576,107</b>	<b>73,014,719</b>	<b>2,401</b>

1 January 2019 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposits	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances	Other receivables (rent receivables)
Upside	273,457	799,636	19,220	101,235	15,568	6,516,505	4,203	8,136
Base	2,096,503	6,130,542	147,352	776,138	119,357	49,959,874	32,221	62,373
Downside	319,033	932,909	22,423	118,108	18,163	7,602,590	4,903	9,492
<b>Total</b>	<b>2,688,993</b>	<b>7,863,086</b>	<b>188,994</b>	<b>995,482</b>	<b>153,088</b>	<b>64,078,969</b>	<b>41,327</b>	<b>80,000</b>

#### 4.4.2 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
<i>For the year ended 31 December 2018</i>			
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
<b>Total financial asset at amortized cost</b>		<b>1,035,355</b>	<b>78,840</b>

In thousand of Nigerian Naira	Note	Maximum Exposure N'000
<i>For the year ended 31 December 2017</i>		
Current account balances		89,458
Placements with Banks		181,227
Staff loans		5,081
Statutory deposit		335,000
Other receivables (For Subsidiary)		206,706
Bank balances (for subsidiary)		27,570
Other receivables from related parties		33,960
Other receivables (rent receivables)		80
<b>Total loans and receivables</b>		<b>879,082</b>

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.

#### 4.4.3 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 30 June 2019 was N1.035 billion (2017: N879 million).

#### 4.5 Financial Risk Management

##### 4.5.1 Analysis of risk Concentration

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

##### 4.5.2 Industry analysis

30 June 2019 In thousand of Nigerian Naira	Individuals	Financial service	Government	Others	Total
<i>Cash and Cash Equivalent</i>	-	756,272	-	-	756,272
<i>Other Receivables</i>	7,592	-	-	35,960	43,552
<i>Trade receivable- Receivable from sub</i>	-	-	-	235,531	235,531
	<b>7,592</b>	<b>756,272</b>	<b>-</b>	<b>271,491</b>	<b>1,035,355</b>
<b>30 June 2018</b>					
<i>Cash and Cash Equivalent</i>	-	633,255	-	-	633,255
<i>Other Receivables</i>	5,081	-	-	34,040	39,121
<i>Trade receivable- Receivable from sub</i>	-	-	-	206,706	206,706
	<b>5,081</b>	<b>633,255</b>	<b>-</b>	<b>240,746</b>	<b>879,082</b>

#### 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.

5 (ii) Transition Disclosures

The following pages set out the impact of adopting IFRS 9 on the statement of financial position, and retained earnings including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's ECLs. A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of 1 January 2019 is, as follows:

	Notes	30-Jun-18		Reclassification		Re-measurement
		IAS 39 classification and measurement	Amount	Amount	Amount	Amount
<b>Assets</b>			N'000	N'000	N'000	N'000
<b>Cash and cash equivalents</b>	a,c	L&R	271,230	-	-	-
<b>Other receivables and prepayments:</b>						
-Other loans and receivables	a,c	L&R	1,588,961	-	-	-
-Other loans and receivables from related parties	a,c	L&R	33,960	-	-	-
<b>Financial assets:</b>						
-Fair value through profit or loss		FVTPL	617,245	-	-	-
-Equity instrument at fair value through other comprehensive income	b		-	2,238,813	-	-
From:						
-Available for sale	a,c		2,238,813	(2,238,813)	-	-
<b>Statutory deposit</b>	a,c	L&R	335,000	-	-	-
<b>Total financial assets</b>			5,085,209	-	2,238,813	-
<b>Financial liabilities</b>						
<b>Other Payables</b>						
-Due to related party	a	OFL	1,613,995	-	-	-
<b>Total liabilities</b>			1,613,995	-	-	-

ECL - Expected credit losses  
L&R - Loans and receivables  
AC - Amortised cost  
AFS - Available-for sale  
OFL - Other financial liabilities

FVTPL - Fair value through profit or loss  
FVOCI - Fair value through other comprehensive income

	IAS 39 30-Jun-18 N'000	IFRS 1-Jan-19 N'000
<b>1 Cash and cash equivalents</b>		
Balances as at 30 June 2018 (IAS 39)	271,230	271,230
Impairment (ECL Model)	-	(8,205)
	<b>271,230</b>	<b>263,025</b>
<b>2 Other loans and receivables</b>		
Balances as at 30 June 2018 (IAS 39)	1,588,961	1,588,961
Reclassified to amortised cost	(1,588,961)	1,588,961
Impairment (ECL Model)	-	(1,075)
	-	<b>1,587,886</b>
<b>3 Other loans and receivables from related parties</b>		
Balances as at 30 June 2018 (IAS 39)	33,960	-
Reclassified to amortised cost	(33,960)	33,960.00
Impairment (ECL Model)	-	(2,689.00)
	-	<b>31,271.00</b>
<b>The impact of transition to IFRS 9 on reserves and accumulated losses is, as follows:</b>		
		<b>Reserves and Retained Earnings</b>
<b>Fair value reserve</b>		N'000
Closing balance under IAS 39 (30 June 2018)		1,576,710
Remeasurement impact of revaluation of financial assets held as available for sale		-
Opening balance under IFRS 9 (1 January 2019)		<b>1,576,710</b>
<b>Retained earnings/(Accumulated losses)</b>		
Closing balance under IAS 39 (30 June 2018)		(2,039,913)
Recognition of IFRS 9 ECLs:		
-Cash and bank balances		(8,205)
-Other loans and receivables		(1,075)
-Other loans and receivables to related parties		(2,689)
Deferred tax in relation to the above		-
Opening balance under IFRS 9 (1 January 2019)		<b>(2,051,882)</b>

Total change in equity due to adopting IFRS 9	(11,969)
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The following table reconcile the aggregate opening impairment allowances under IAS 39 to ECL allowances under IFRS 9.

	Allowance for impairment under IAS 39 measurement		ECLs under IFRS 9
	30-Jun-18 N'000	N'000	1-Jan-19 N'000
Financial assets at Amortised cost	-	8,205	8,205
Cash and bank balances	-	1,075	1,075
Other receivables and prepayments:	-	2,689	2,689
-Other loans and receivables	-	-	-
-Other loans and receivables from related party	-	11,969	11,969

All ECL impairment adjustments are based on individual assessment of the financial assets. The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal assessment and year-

	Impairment charges		Gross impairment allowance			
			Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	8,205		8,205	-	-	8,205
Other receivables and prepayments:						
-Other loans and receivables	1,075		18	-	1,057	1,075
-Other loans and receivables from relat	2,689		2,689	-	-	2,689

#### Note to Transition Disclosures

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Company as detailed below:

##### a. Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under IAS 39 were 'retired', with no changes to their measurement basis:

- Those previously classified as loans and receivables and now classified as measured at amortised cost; and
- Those previously classified as other financial liabilities and now classified as measured at amortised cost.

##### b. Designation of equity instruments at FVOCI

The Company has elected to irrevocably designate investments in equity of N2.238 billion in a portfolio of non-trading equity securities at FVOCI as permitted under IFRS 9. This security was previously classified as available-for-sale while being carried at fair value. The changes in fair value of this security will no longer be reclassified to profit or loss when they are disposed of.

##### c. ECL Computation on cash equivalents, other loans and receivables and receivables from related party under IFRS 9

Impairment allowance on financial assets relating to other loans and receivables were not previously determined in accordance with the incurred loss model of IAS 39 Financial Instruments - Recognition and measurement. In addition, there has been no impairment charge on cash and cash equivalents, and receivables from related party under IAS 39. Effective 1 January 2019, the impairment computation for all these instruments is now done in accordance with the expected credit loss model under IFRS 9. As at 1 January 2019, the Company adopted the general approach for all these instruments in accordance with IFRS 9 and recognised an additional impairment of N12million.

##### d. Deferred tax implication of IFRS 9

Deferred tax impact of IFRS 9 was not recognised because it is not probable that the company future taxable profit will be available against which the asset can be utilised.

Where the deferred tax impact on IFRS 9 is recognised, the company's accumulated losses will reduce by N3.59Million as at the initial application of IFRS 9.

#### 5 (ii).a IFRS 9 TRANSITION DISCLOSURE AS AT JANUARY 1, 2019

GROUP	Ref. Note	IAS 39 carrying		Remeasurme nt N'000	Expected credit losses N'000	IFRS 9	
		Amount 30 June 2018 N'000	Reclassificatio ns N'000			Carrying amount Jan.1 2019 N'000	
<b>ASSETS</b>							
Cash and cash equivalents	a	298,868	-	-	(8,205)	290,663	
Financial assets:		-	-	-	-	-	
- Fair value through profit or loss		617,245	-	-	-	617,245	
- Fair value through other comprehensive in	b	-	2,238,813	-	-	2,238,813	
- Available for sale	c	2,238,813	(2,238,813)	-	-	-	
- Amortised cost		-	-	-	-	-	
- Loans and receivables		-	-	-	-	-	
Trade receivables		97,096	-	-	-	97,096	
Reinsurance assets		375,503	-	-	-	375,503	
Deferred acquisition cost		31,090	-	-	-	31,090	
Other receivables and prepayments	d	1,743,243	-	-	(3,764)	1,739,479	
Investment in Subsidiaries		-	-	-	-	-	
Investment Properties		5,203,697	-	-	-	5,203,697	
Property and equipment		2,854,211	-	-	-	2,854,211	
Intangible assets		20,550	-	-	-	20,550	
Statutory deposits		335,000	-	-	-	335,000	
<b>Total assets</b>		<b>13,815,316</b>	<b>-</b>	<b>-</b>	<b>(11,969)</b>	<b>13,803,347</b>	
<b>LIABILITIES</b>							
Insurance contrat liabilites		787,276	-	-	-	787,276	
Borrowings		-	-	-	-	-	
Trade payables		33,423	-	-	-	33,423	

Other payables	1,720,622	-	-	-	1,720,622
Employee benefit liability	2,178	-	-	-	2,178
Income Tax liability	67,931	-	-	-	67,931
Deferred tax liabilities	791,120	-	-	-	791,120
<b>Total liabilities</b>	<b>3,402,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,402,550</b>
<b>EQUITY</b>					
issued and paid Share capital	8,000,000	-	-	-	8,000,000
Share Premium	825,018	-	-	-	825,018
Contingency Reserves	378,007	-	-	-	378,007
Fair value reserve	1,576,710	-	-	-	1,576,710
Non Current assets revaluation reserve	2,513,040	-	-	-	2,513,040
Retained earnings	(2,880,007)	-	-	(11,969)	(2,891,976)
<b>Total equity</b>	<b>10,412,768</b>	<b>-</b>	<b>-</b>	<b>(11,969)</b>	<b>10,400,799</b>
<b>Total equity and liabilities</b>	<b>13,815,318</b>	<b>-</b>	<b>-</b>	<b>(11,969)</b>	<b>13,803,349</b>

5 (ii).b IFRS 9 TRANSITION DISCLOSURE AS AT JANUARY 1, 2018

COMPANY	Ref. Note	IAS 39 carrying		Remeasureme	Expected credit losses	IFRS 9 Carrying amount Jan.1 2019
		Amount Dec. 31, 2018	Reclassificatio ns			
		N'000	N'000	N'000	N'000	N'000
<b>ASSETS</b>						
Cash and cash equivalents	a	271,230	-	-	(8,205)	263,025
Financial assets:		-	-	-	-	-
- Fair value through profit or loss		617,245	-	-	-	617,245
- Fair value through other comprehensive in b		-	2,238,813	-	-	2,238,813
- Available for sale	c	2,238,813	(2,238,813)	-	-	-
- Amortised cost		-	-	-	-	-
- Loans and receivables		-	-	-	-	-
Trade receivables		6,773	-	-	-	6,773
Reinsurance assets		375,503	-	-	-	375,503
Deferred acquisition cost		31,090	-	-	-	31,090
Other receivables and prepayments	d	1,753,153	-	-	(3,764)	1,749,389
Investment in Subsidiaries		2,449,516	-	-	-	2,449,516
Investment Properties		1,854,000	-	-	-	1,854,000
Property and equipment		2,808,784	-	-	-	2,808,784
Intangible assets		20,550	-	-	-	20,550
Statutory deposits		335,000	-	-	-	335,000
<b>Total assets</b>		<b>12,761,657</b>	<b>-</b>	<b>-</b>	<b>(11,969)</b>	<b>12,749,688</b>
<b>LIABILITIES</b>						
Insurance contrat liabilities		787,275	-	-	-	787,275
Borrowings		-	-	-	-	-
Trade payables		22,900	-	-	-	22,900
Other payables		1,687,537	-	-	-	1,687,537
Employee benefit liability		2,178	-	-	-	2,178
Income Tax liability		64,056	-	-	-	64,056
Deferred tax liabilities		700,560	-	-	-	700,560
<b>Total liabilities</b>		<b>3,264,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,264,506</b>
<b>EQUITY</b>						
issued and paid Share capital		8,000,000	-	-	-	8,000,000
Share Premium		825,018	-	-	-	825,018
Contingency Reserves		378,007	-	-	-	378,007
Fair value reserve		1,576,710	-	-	-	1,576,710
Non Current assets revaluation reserve		757,329	-	-	-	757,329
Retained earnings	e	(2,039,913)	-	-	(11,969)	(2,051,882)
<b>Total equity</b>		<b>9,497,151</b>	<b>-</b>	<b>-</b>	<b>(11,969)</b>	<b>9,485,182</b>
<b>Total equity and liabilities</b>		<b>12,761,657</b>	<b>-</b>	<b>-</b>	<b>(11,969)</b>	<b>12,749,688</b>

5 (ii).c TRANSITION RECONCILIATION AND EXPLANATORY NOTES

	IAS 39 as at 30 June 2018	IFRS 9 as at Jan 1, 2019
<b>a Cash and cash equivalents</b>		
Balance as as Jude 2018 (IAS 39)	271,230	271,230
Reclassified from/(to) Amortised Cost Impairment (ECL Model)	-	(8,205)
Balance as at Jan 1, 2019 (IFRS 9)	<u>271,230</u>	<u>263,025</u>
<b>Financial assets</b>		
<b>b Fair value through profit or loss (FVTPL)</b>		
Balance as as June 2018 (IAS 39)	-	-
Reclassified to FVOCI	-	2,238,813
Remeasurement on Transition to IFRS 9 Impairment (ECL Model)	-	-
Balance as at Jan 1, 2019 (IFRS 9)	<u>-</u>	<u>2,238,813</u>
<b>c Available For Sale (AFS)</b>		
Balance as as June 2018 (IAS 39)	2,238,813	-
Reclassified to FVOCI	(2,238,813)	-
Balance as at Jan 1, 2019 (IFRS 9)	<u>-</u>	<u>-</u>
<b>d Other receivables and prepayments</b>		
Balance as as June 2018 (IAS 39)	1,753,153	1,753,153
Reclassified to Amortised Cost Impairment (ECL Model)	-	(3,764)
Balance as at Jan 1, 2019 (IFRS 9)	<u>1,753,153</u>	<u>1,749,389</u>
<b>e Retained earnings</b>		
Balance as as June 2018 (IAS 39)	(2,039,913)	(2,039,913)
Impairment (ECL Model)- Cash and Cash Equivalents	-	(8,205)
Impairment (ECL Model)- Other receivables and prepayments	-	(3,764)
Balance as at Jan 1, 2019 (IFRS 9)	<u>(2,039,913)</u>	<u>(2,051,882)</u>

6 Cash and Cash Equivalent

This comprises of:	COMPANY	
	30-06-2019	30-06-2018
	N'000	N'000

Cash In Hand	56,431	15,441
Current Account Balances	50,561	90,264
Placement with banks	25,780	82,846
	132,772	188,551
Allowance for Impairment Losses	(1,330)	-
	131,442	188,551

6.1 Account (GROUP)

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	Stage 2 individual	Stage 3	Total N'000
Gross carrying amount as at 1 January 2019	117,095	-	-	117,095
New assets originated or purchased	392,946	-	-	392,946
Payments and assets derecognized or	(117,095)	-	-	(117,095)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	392,946	-	-	392,946

6.1.1 Impairment allowance for current account balances- continued

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2019 under IFRS 9	194	-	-	194
New assets originated or purchased	579	-	-	579
Payment and assets derecognized or repaid (excluding write offs)	(194)	-	-	(194)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	579	-	-	579

6.1.2 Impairment allowance for Placements with bank

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>	individual	individual	Stage 3	N'000
Gross carrying amount as at 1 January 2019	181,227	-	-	181,227
New assets originated or purchased	26,795	-	-	26,795
Payments and assets derecognized or	(181,227)	-	-	(181,227)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	26,795	-	-	26,795

6.1.3 Impairment allowance for placements with bank

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2019 under IFRS 9	7,863	-	-	7,863
New assets originated or purchased	570	-	-	570
Payment and assets derecognized or repaid (excluding write offs)	(7,863)	-	-	(7,863)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	570	-	-	570

6.2 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>	individual	individual	Stage 3	N'000
Gross carrying amount as at 1 January 2019	89,458	-	-	89,458
New assets originated or purchased	391,209	-	-	391,209
Payments and assets derecognized or	(89,458)	-	-	(89,458)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	391,209	-	-	391,209

Impairment allowance for current account balances - continued

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2019 under IFRS 9	153	-	-	153
New assets originated or purchased	576	-	-	576
Payment and assets derecognized or repaid (excluding write offs)	(153)	-	-	(153)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-

Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 30 June 2019</b>	<b>576</b>	<b>-</b>	<b>-</b>	<b>576</b>

6.3 Impairment allowance for Placements with bank

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>	individual	individual	Stage 3	N'000
Gross carrying amount as at 1 January 2019	181,227	-	-	181,227
New assets originated or purchased	26,795	-	-	26,795
Payments and assets derecognized or	(181,227)	-	-	(181,227)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 30 June 2019</b>	<b>26,795</b>	<b>-</b>	<b>-</b>	<b>26,795</b>

Impairment allowance for placements with bank

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2019 under IFRS 9	7,863	-	-	7,863
New assets originated or purchased	570	-	-	570
Payment and assets derecognized or repaid (excluding write offs)	(7,863)	-	-	(7,863)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 30 June 2019</b>	<b>570</b>	<b>-</b>	<b>-</b>	<b>570</b>

7 Financial asset

	COMPANY	
	30-06-2019	30-06-2018
Equity instrument at fair value through profit or loss		
-Mandatorily measured at FVPL	612,182	617,215
Equity instrument at fair value through OCI	2,245,971	2,238,842
Total Equity instruments	<u>2,858,153</u>	<u>2,856,057</u>
Current	612,182	617,215
Non-current	2,245,971	2,238,842
(a) Financial assets at fair value through profit or loss		
<i>Listed Equity securities</i>		
Balance as at January 1	612,182	617,215
Addition during the year	-	-
Disposal during the year	-	-
Fair value gain/(loss)	-	-
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at 30 June	<u>612,182</u>	<u>617,215</u>

Market value of Quoted Investment

As at January 1	612,182	-
As at 30 June	<u>612,182</u>	-
Fair value gain/(loss)	<u>0</u>	-

(b) Income (FVOCI) Financial Assets

<i>Unlisted Equity securities</i>		
Balance as at January 1	2,245,971	2,238,842
Addition during the year	-	-
Disposal during the year	-	-
Fair value gain/(loss)	-	-
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at 31 December	<u>2,245,971</u>	<u>2,238,842</u>

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 =N7.128Million (2017 (11.162 Million)) derived has been considered in the report.

(b.1) Returns on MTN shares

2019	=N=	34,109
2018		20,890
2017		nil

8 Trade Receivables

Insurance receivables	77,294	15,264
Other receivables (From subsidiary)	-	-
Impairment on Subsidiary	-	-
	<u>77,294</u>	<u>15,264</u>

8.1 Age Analysis of Trade receivables

	30-06-2019	30-06-2018
	N'000	N'000
Within 30 days	10,931	15,264
Above 30 days	-	-

	10,931	15,264
<b>8.2 Premium receivable from agents, brokers and intermediaries</b>		
Due from agents	-	-
Due from brokers	5,130	6,046
Due from insurance companies	72,164	9,217
Due from insurance companies	-	-
	<u>77,294</u>	<u>15,263</u>
<b>8.3 Movements on the allowance for impairment of receivables arising out of direct insurance arrangements are as follows:</b>		
At beginning of year JANUARY 1	-	-
Provision for impairment	-	-
Amount written off during the year as uncollectible	-	-
At end of year (30 June 2019)	<u>-</u>	<u>-</u>
<b>9 Reinsurance Assets</b>	<b>30-06-2019</b>	<b>30-06-2018</b>
	<b>N'000</b>	<b>N'000</b>
Reinsurance Share of UPR	65,561	72,429
Reinsurance Share of Outstanding Claims	131,624	297,396
Reinsurance Share of IBNR	20,117	56,207
Total Reinsurance Assets	<u>217,301</u>	<u>426,032</u>
Prepaid Minimum and Deposit (M&D) on Oil & Gas	76,233	265
	<u>293,534</u>	<u>426,297</u>
<b>9.1 Movements in Reinsurance share of UPR</b>		
At the beginning of the year	46,165	-
Increase/(Decrease) during the year	19,395	-
Balance at the end of the year	<u>65,560</u>	<u>-</u>
<b>9.2 Movement in Reinsurance Share of outstanding Claims</b>		
Balance at the beginning of the year	232,030	-
Increase/(Decrease) during the year	(100,406)	-
Balance at the end of the year	<u>131,624</u>	<u>-</u>
<b>9.3 Movement in Reinsurance Share of IBNR</b>		
Balance at the beginning of the year	75,408	-
Increase/(Decrease) during the year	(55,291)	-
Allowance for impairment	-	-
Balance at the end of the year	<u>20,117</u>	<u>-</u>
<b>9.4 Movement in Reinsurance Share of Prepaid (M&amp;D)</b>		
Balance at the beginning of the year	21,900	-
Increase/(Decrease) during the year	(2,136)	-
Balance at the end of the year	<u>19,764</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		
<b>10 Deferred acquisition</b>		
Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:		
	<b>30-06-2019</b>	<b>30-06-2018</b>
	<b>N'000</b>	<b>N'000</b>
Motor	10,602	7,396
Fire	28,501	5,696
General accident	19,185	11,997
Bond	4,557	7,459
Engineering	4,297	878
Oil & Gas	41,315	26,691
Aviation	5,972	74
Marine	7,758	4,876
Additional (DCA) per actuarial Valuation Report	-	-
	<u>122,185</u>	<u>65,067</u>
<b>10.1 Movement in deferred acquisition cost</b>		
At beginning of year	65,067	35,885
Changes during the year	57,118	29,182
At end of year	<u>122,185</u>	<u>65,067</u>
Due within 12 months	<u>122,185</u>	<u>65,067</u>
Due after more than 12 months	-	-
<b>11 Other Receivables, Prepayments</b>		
The balance is analysed as follow:		
Prepayment	370,595	121,907
Due from Related Parties	35,660	2,327,007
Staff Debtors	5,668	4,942
Staff Share Loan	1,598,942	1,598,942
Deposit for properties (reclassified)	720,000	720,000
Other receivables	3,223	3,123
	<u>2,734,088</u>	<u>4,775,921</u>
Impairment of due from related parties	(2,765)	-
Impairment Charges on Staff loan	(1,728)	-
Impairment of other loans and	(738,695)	(738,695)
	<u>1,990,900</u>	<u>4,037,226</u>
Current	391,958	145,237
Non-current	1,598,942	1,598,942
<b>11.1 Inventories</b>		
Stock of raw materials	-	33,960
	<u>-</u>	<u>33,960</u>
	<u>1,990,900</u>	<u>4,071,186</u>



11.2 Impairment allowance for other loans and receivables - staff loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to staff loan is as follows:

	individual	individual	Stage 3	Total
	N'000		N'000	N'000
Gross carrying amount as at 1 January 2019	3,483	-	2,028	5,511
New assets originated or purchased	6,234	-	-	6,234
Payments and assets derecognized or repaid (excluding write offs)	(3,561)	-	(592)	(4,153)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(1,668)	-	1,668	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	4,488	-	3,104	7,592

	individual	individual	Stage 3	Total
	N'000		N'000	N'000
ECL allowance as at 1 January 2019 under IFRS 9	17	-	978	995
New assets originated or purchased	41	-	-	41
Payments and assets derecognized or repaid (excluding write offs)	(17)	-	(4)	(21)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(20)	-	20	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	90	90
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	622	622
Unwind of discount	-	-	1	1
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	21	-	1,707	1,728

11.3 Impairment allowance for Other receivables

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other receivables is as follows:

	individual	individual	Stage 3	Total
			N'000	N'000
Gross carrying amount as at 1 January 2019	-	-	80	80
New assets originated or purchased	-	-	-	-
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	(80)	(80)
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	-	-	-	-

	Stage 1	Stage 2	Stage 3	Total
	individual	individual	N'000	N'000
ECL allowance as at 1 January 2019 under IFRS 9	-	-	80	80
New assets originated or purchased	-	-	-	-
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	(80)	(80)
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	-	-	-	-

11.4 Impairment allowance for other loans and receivables from related parties

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other loans and receivables is as

	individual	individual	Stage 3	Total
	N'000		N'000	N'000
Gross carrying amount as at 1 January 2019	33,960	-	-	33,960
New assets originated or purchased	2,000	-	-	2,000
Payment and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	35,960	-	-	35,960

	individual	individual	Stage 3	Total

	N'000			N'000
ECL allowance as at 1 January 2019 under IFRS 9	-	-	-	-
New assets originated or purchased	76	-	-	76
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	76	-	-	76

11.5 Trade Receivables (GROUP) <i>In thousands of Nigerian Naira</i>	June	June
	2019	2018
	N'000	N'000
Insurance receivables	10,931	6,773
Other receivables (For subsidiary)	-	-
	10,931	6,773
Less: Allowance for ECL/impairment losses	(73,015)	-
	(62,084)	6,773

Other receivables (For subsidiary)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other loans and receivables is as

	individual	individual	Stage 3	Total
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2019	-	-	206,706	206,706
New assets originated or purchased	28,825	-	-	28,825
Payment and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(28,825)	-	28,825	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	-	-	235,531	235,531

	individual	individual	Stage 3	Total
	N'000	N'000	N'000	N'000
ECL allowance as at 1 January 2019 under IFRS 9	-	-	64,079	64,079
New assets originated or purchased	6,543	-	-	6,543
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(6,543)	-	6,543	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	2,393	2,393
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2019	-	-	73,015	73,015

11.6 Movement in Impairment	31-12-2018	31-12-2017	N'000	30-06-2019	30-06-2018	N'000
	N'000	N'000	Staff Share	Deposit for	N'000	Total
Due from		Staff				
Balance as at January 1	18,695	-	-	720,000	-	738,695
impairment Provision (ECL) during the	2,765	1,728	-	-	10,612	15,105
Write back/write off/Reversal	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Balance as at June 30	21,460	1,728	-	720,000	10,612	753,800

11.7 Movement in Impairment	31-12-2018	31-12-2017	N'000	30-06-2019	30-06-2018
	N'000	N'000	Staff Share	Deposit for	N'000
Due from		Staff			
Balance as at January 1	18,695	-	-	720,000	738,695
impairment Provision (ECL) during the	2,765	1,728	-	-	4,493
Write back/write off/Reversal	-	-	-	-	-
Reclassification	-	-	-	-	-
Balance as at June 30	21,460	1,728	-	720,000	743,188

11.8 Movement in staff Debtors	31-12-2018	31-12-2017	N'000	30-06-2019	30-06-2018
	N'000	N'000	Staff Share	Deposit for	N'000
Due from		Staff			
Balance as at January 1	5,511	1,773	-	5,511	1,773
Addition in the year	7,036	5,675	-	7,036	5,675
Interest earned during the year	255	127	-	255	127
Repayments during the year	(5,210)	(2,064)	-	(5,210)	(2,064)
Balance as at June 30	7,592	5,511	-	7,592	5,511

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	30-06-2019	30-06-2018
This comprises of investment in:	N'000	N'000

Universal Hotels Limited (b)	2,451,741	2,449,516
Impairment charge on Universal Hotel	-	-
Investment in subsidiaries	<u>2,451,741</u>	<u>2,449,516</u>

12 (i) The movement in impairment charge

	30-06-2019 N'000	30-06-2018 N'000
Balance as at January 1	-	-
Charge during the year	-	-
Amount written off during the year	-	-
Written back	-	-
Balance as at June 30	<u>-</u>	<u>-</u>

12 (ii) 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	524,000	513,000
Rumudumu For Model Estate	816,000	816,000
UHE Complex	-	-
Others ( Nigeria Cement company; Progress Bank Ltd; Nigeria Tobacco Ltd; Ferdinand Oil Ltd)	-	175,369
Molit Mall	<u>535,000</u>	<u>525,000</u>
	<u>1,875,000</u>	<u>2,029,369</u>
Impairment loss on investment properties	-	(175,369)
	<u>1,875,000</u>	<u>1,854,000</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

	Balance as at Jan 1	Addition	Disposal	Reclassi- fication	Transfer	Revalua- tion Gain	Balance as at December 31	Status in Title
13.a Movement of Assets								
1 Oyigbo Garden Avenue Estate	513,000	-	-	-	-	11,000	524,000	Yes
2 Rumudumu For Model Estate	816,000	-	-	-	-	-	816,000	NO
3 Molit Mall	525,000	-	-	-	-	10,000	535,000	Yes
Total	<u>1,854,000</u>	-	-	-	-	21,000	<u>1,875,000</u>	

13.b Assets In The Name of Conau Limited:

Rumudumu Model Estate Portharcourt	N'000 Amount	N'000 Amount
	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

14.a Intangible Assets(2019)

	30-06-2019 N'000	30-06-2018 N'000
Cost		
Balance, beginning of period	66,883	36,989
Additions	16,377	9,321
Transferred from PPE (computer)	-	-
Balance, end of period	<u>83,260</u>	<u>46,310</u>
Accumulated amortisation		
Balance, beginning of period	23,969	16,439
Amortisation expense/impairment charge	4,330	2,774
Transferred from PPE (computer)	-	-
Balance, end of period	<u>28,299</u>	<u>19,213</u>
Net book amount		
End of period	<u>54,961</u>	<u>27,097</u>

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(2018)

	30-06-2019 N'000	30-06-2018 N'000
Cost		
Balance, beginning of period	28,259	18,713
Additions	8,730	9,546
Transferred from PPE (computer)	-	-
Balance, end of period	<u>36,989</u>	<u>28,259</u>
Accumulated amortisation		
Balance, beginning of period	10,891	6,652
Amortisation expense/impairment charge	5,548	4,239
Transferred from PPE (computer)	-	-
Balance, end of period	<u>16,439</u>	<u>10,891</u>
Net book amount		
End of period	<u>20,550</u>	<u>17,368</u>

15 PROPERTIES, PLANT AND EQUIPMENT  
15.a(i) GROUP(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
<b>Cost/Revalued amount</b>							
Balance, beginning of period	257,500	3,139,539	39,583	151,242	284,631	11,993	3,884,488
Additions during the year	-	-	24,937	22,919	64,762	10,266	122,884
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,139,539	64,520	174,161	349,393	22,259	4,007,372
<b>Accumulated depreciation</b>							
Balance, beginning of period	-	651,514	24,590	126,248	207,034	5,442	1,014,828
Charge for the year	-	62,791	10,212	3,762	39,371	1,868	118,004
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	714,305	34,802	130,010	246,405	7,310	1,132,832
Netbook value as at 30 June 2019	257,500	2,425,234	29,718	44,151	102,988	14,949	2,874,540
Netbook value as at 1 JANUARY 2019	257,500	2,472,574	14,993	24,994	77,597	6,551	2,854,210

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at Dec 31
<b>15.a(ii) Movement in Land &amp; Building (Group)</b>								
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
Hotel Building at Aguleri Rd, Enugu	34,181	-	-	-	-	-	727	33,454
<b>Total</b>	<b>2,745,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,791</b>	<b>2,682,737</b>

	Land & Building	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computer Hardware	Total
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost/Revalued amount</b>						
Balance, beginning of period	3,397,039	37,406	144,485	278,568	8,975	3,866,473
Additions during the year	-	2,177	6,757	6,063	3,018	18,015
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance, end of period	3,397,039	39,583	151,242	284,631	11,993	3,884,488
<b>Accumulated depreciation</b>						
Balance, beginning of period	599,023	18,509	121,287	171,067	4,320	914,206
Charge for the year	67,941	6,081	4,961	35,967	1,122	116,072
On Disposal	-	-	-	-	-	-
Balance, end of period	666,964	24,590	126,248	207,034	5,442	1,030,278
Netbook value as at 30 June 2018	2,730,075	14,993	24,994	77,597	6,551	2,854,210
Netbook value as at 1 JANUARY 2018	2,798,016	18,897	23,198	107,501	4,655	2,952,267

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at Dec 31
<b>15.b(ii) Movement in Land &amp; Building (Group)</b>								
Property at Ridgeway Station Road Enugu	505,680.00	-	-	-	-	-	104,646	401,034
Property at New Owerri Road Behind CBN, Owerri	1,336,316.00	-	-	-	-	-	292,878	1,043,438
Property at no 2 Emole Street Enugu	100,500.00	-	-	-	-	-	21,205	79,295
49A,50A,51A,52A and 53A city Layout Enugu	805,000.00	-	-	-	-	-	165,392	639,608
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	355,680.00	-	-	-	-	-	65,208	290,472
Land at Awka ,Anambra State	257,500.00	-	-	-	-	-	15,450	242,050
Hotel Building at Aguleri Rd, Enugu	36,363.00	-	-	-	-	-	2,182	34,181
<b>Total</b>	<b>3,397,039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>666,961</b>	<b>2,730,078</b>

**PROPERTY PLANTS AND EQUIPMENTS**

	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
<b>Cost/Revalued amount</b>							
Balance, beginning of period	257,500	3,103,175	25,888	115,586	336,151	22,260	3,860,560
Additions during the year	-	-	11,168	16,970	2,000	2,569	32,707
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,103,175	37,056	132,557	338,151	24,828	3,893,267
<b>Accumulated depreciation</b>							
Balance, beginning of period	-	711,395	10,929	75,141	233,163	7,309	1,037,938
Accumulated depreciation: Land	(15,476)	-	-	-	-	-	(15,476)
Charge for the year	-	41,508	1,263	2,540	16,993	2,344	64,647
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	737,427	12,192	77,681	250,156	9,653	1,087,109
Netbook value as at 30 June 2019	257,500	2,365,747	24,865	54,875	87,995	15,176	2,806,157
Netbook value as at 1 JANUARY 2019	257,500	2,391,779	14,960	40,445	102,988	14,950	2,822,622

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at 31 December
<b>15.c(ii) Movement in Land &amp; Building (Company)</b>								
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
<b>Total</b>	<b>2,711,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,064</b>	<b>2,649,283</b>

15.d(i) COMPANY(2018)

	Land & Building	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computer Hardware	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost/Revalued amount						
Balance, beginning of period	3,360,675	13,805	91,727	265,326	8,975	3,740,508
Additions during the year	-	2,177	2,019	6,063	3,018	13,277
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance, end of period	3,360,675	15,982	93,746	271,389	11,993	3,753,785
Accumulated depreciation						
Balance, beginning of period	597,568	7,082	68,529	157,825	4,320	835,324
Charge for the year	67,214	1,361	4,013	35,967	1,122	109,677
On Disposal	-	-	-	-	-	-
Balance, end of period	664,782	8,443	72,542	193,792	5,442	945,001
Netbook value as at 30 June 2018	2,695,893	7,539	21,204	77,597	6,551	2,808,784
Netbook value as at 1 JANUARY 2018	2,763,107	6,723	23,198	107,501	4,655	2,905,184

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at Dec 31
15.d(ii) Movement in Land & Building (Company)								
Property at Ridgeway Station Road Enugu	505,680.00	-	-	-	-	-	104,646	401,034
Property at New Owerri Road Behind CBN, Owerri	1,336,316.00	-	-	-	-	-	292,878	1,043,438
Property at no 2 Emole Street Enugu	100,500.00	-	-	-	-	-	21,205	79,295
49A,50A,51A,52A and 53A city Layout Enugu	805,000.00	-	-	-	-	-	165,392	639,608
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	355,680.00	-	-	-	-	-	65,208	290,472
Land at Awka ,Anambra State	257,500.00	-	-	-	-	-	15,450	242,050
<b>Total</b>	<b>3,360,676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664,779</b>	<b>2,695,897</b>

16 STATUTORY DEPOSIT

	30-06-2019	30-06-2018
	N'000	N'000
Statutory deposit	335,000	335,000
<b>Total</b>	<b>335,000</b>	<b>335,000</b>

Non-current

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 10

17 Insurance Contract Liabilities

	30-06-2019	30-06-2018
	N'000	N'000
Aggregate Insurance Contract Liabilities		
Unearned Premium	660,537	384,220
Outstanding Claims	524,532	386,310
IBNR	52,453	38,631
<b>Total</b>	<b>1,237,522</b>	<b>809,161</b>

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

	0-90	91-180	181-270	271-360	Above 360	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Outstanding Claims (Days)	38	57	76	95	114	380
Number of Claimants						
Awaiting Support Documents	35,818	46,668	61,668	71,458	82,810	298,422
Assurers	15,880	18,780	20,980	30,980	40,870	127,490
Claims awaiting Payment	11,890	15,890	18,930	20,850	30,980	98,540
<b>Total</b>	<b>63,588</b>	<b>81,338</b>	<b>101,578</b>	<b>123,288</b>	<b>154,660</b>	<b>524,452</b>

17 b. Hypothecation of investment/assets

	30-06-2019	30-06-2019	30-06-2019	30-06-2018	30-06-2018	30-06-2018
	Total Funds	Policy Funds	Shareholder's Funds	Total Funds	Policy Funds	Shareholder's Funds
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	131,442	95,000	36,442	188,551	90,539	98,012
Financial Assets: Quoted	612,182	471,871	140,311	617,215	154,463	462,752
Financial Assets: UnQuoted	2,245,971	417,570	1,828,401	2,238,842		
Trade Receivable	77,294		77,294	15,264		15,264
Reinsurance Assets	293,534		293,534	426,296		426,296
Deferred Acquisition cost	122,185		122,185	65,068		65,068
Other Receivable	1,990,900		1,990,900	1,744,179		1,744,179
Investment in Subsidiaries	2,451,741		2,451,741	2,449,516		2,449,516
Investment Properties	1,875,000	253,081	1,621,919	1,854,000	564,158	1,289,842
Intangible Asset	54,961		54,961	27,097		27,097
Property, Plant and Equipment	2,806,157		2,806,157	2,762,647		2,762,647
Statutory Deposits	335,000		335,000	335,000		335,000
	<b>12,996,367</b>	<b>1,237,522</b>	<b>11,758,845</b>	<b>12,723,675</b>	<b>809,160</b>	<b>9,636,121</b>
Insurance Contract Liabilities		<b>1,237,522</b>			<b>809,161</b>	

18 BORROWINGS

19 Trade payables

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

COMPANY  
30-06-2019 30-06-2018

Reinsurance payable	65,398	22,900
Insurance payable	-	-
Other trade creditors	-	-
Balance at year end	<u>65,398</u>	<u>22,900</u>
Current	65,398	22,900
19.(i) Other trade creditors		
Due to Suppliers	-	-
20 Other payables		
This is analysed as follow:	30-06-2019	30-06-2018
	N'000	N'000
Due to related parties	1,613,995	1,613,995
Provisions and accruals	81,613	51,199
Rent Received in Advance	3,149	-
	<u>1,698,756</u>	<u>1,665,194</u>
Current	99,089	65,526
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	<u>14,328</u>	<u>14,328</u>
	<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.		
20.1b Provisions and accruals		
Lease Rentals	21,813	61,331
Accrued Expenses	17,285	2,605
Payable to Associate	11,517	9,606
	<u>50,615</u>	<u>73,542</u>
	-	22,343
20.1c Rent Received in Advance		
Rent from Molit Mall in Advance	1,969	-
	<u>1,969</u>	-
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 N4,749(2018) and N2,178(2017).		
	30-06-2019	30-06-2018
	N'000	N'000
Staff pension scheme	<u>2,106</u>	<u>2,178</u>
Current	2,106	2,178
Balance as per January 1	2,178	2,178
Current Service Cost	-	-
Payment during the year	-	-
Interest Expense	-	-
Actuarial Re-Measurement	-	-
Balance as per June 30	<u>2,178</u>	<u>2,178</u>
22 Income tax payable		
	30-06-2019	30-06-2018
	N'000	N'000
22.1 Per Profit and Loss Account		
Income Tax	4,170	3,757
Education Tax	1,668	939
Provision for NITDA Tax	417	626
	<u>6,255</u>	<u>5,322</u>
Deferred Taxation	-	-
Profit and Loss Account	<u>6,255</u>	<u>5,322</u>
22.2 Per Balance Scheet		
Taxation		
At beginning of year	32,534	64,056
Charge for the Year	6,255	5,323
Payment during the Year	(24,132)	(25,000)
At year end	<u>14,657</u>	<u>44,379</u>
23 Deferred Tax Liability		
At beginning of year	700,560	700,560
Addition during the year	-	-
Charged to profit and loss	-	-
At year end	<u>700,560</u>	<u>700,560</u>
To be recovered after more than 12 months	700,560	700,560
To be recovered in 12 months	-	-
24 EQUITY		
24.1. Share capital		
The share capital comprises:	30-06-2019	30-06-2018
	N'000	N'000
Authorised -		

16,000,000,000 Ordinary shares of 50k each	8,000,000	8,000,000
Issued and fully paid - 16,000,000,000 Ordinary shares of N0.50k each	8,000,000	8,000,000
pg 13		
<b>24. 2. Share premium</b>		
Share premium is made up of payments in excess of par value of paid-in capital. This reserve is not ordinarily available for distribution.		
<b>24. 3. Contingency Reserve</b>		
Balance, beginning of period	428,667	378,007
Transfer from profit and loss	36,492	17,375
Balance, end of period	465,159	395,382
Gross Written Premium	1,216,402	753,067
Percentage Rate for transfer	3%	3%
Increase in Contingency	36,492	22,592
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		
<b>24. 4. Fair Value Reserve</b>		
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	1,583,838	1,576,710
sale unquoted equity	-	-
Net Fair Value derecognised at disposal	-	-
Balance as at period end	1,583,838	1,576,710
<b>24. 5. Revaluation Reserve</b>		
	30-06-2019	30-06-2018
	N'000	N'000
Balance, beginning of period	757,329	757,329
Revaluation Surplus	-	-
Balance as at period end	757,329	757,329
<b>24. 6. Retained earnings</b>		
The retained earnings represents the amount available for dividend distribution to the equity holders of the		
<b>24.7 Contingencies and Commitments</b>		
The company operates in the insurance industry and is subject to legal proceedings in the normal course of business. There were 11 (2017 (8)) outstanding legal proceedings against the company as at 30 June 2019 with claim totalling N42,325,304.12 ( 2017 N31,515,730). While it is not practicable to forecast or determine the final results of all pending or threatened legal proceeding, management does not believe that such proceedings ( including litigations) will have a material effect on its results and financial position.		
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.		
<b>25 Gross Premium Income</b>		
	30-06-2019	30-06-2018
	N'000	N'000
Gross premium written		
Direct Premium:		
Motor	120,771	88,915
Fire	232,570	36,285
General Accident	156,264	71,244
Bond	51,970	77,748
Engineering	24,057	13,560
Oil & Gas	401,526	177,415
Aviation	18,690	28,259
Marine	87,621	33,695
	1,093,468	527,121
Inward Reinsurance Premium:		
Motor	15,052	14,846
Fire	32,191	13,894
General Accident	16,729	5,869
Bond	1,282	999
Engineering	18,712	8,335
Oil & Gas	21,233	3,675
Aviation	1,203	1,437
Marine	16,532	2,995
	122,934	52,050
<b>Gross premium written</b>	1,216,402	579,171
Changes in unearned premium		
Motor	(39,030)	(22,831)
Fire	60,907	3,971
General Accident	(35,809)	(7,532)
Bond	10,604	4,414
Engineering	9,506	3,003
Oil & Gas	(100,533)	(111,326)
Aviation	(35,969)	(17,034)
Marine	2,241	(13,500)
<b>Net change in unearned premium</b>	(128,086)	(160,835)
<b>Change in UPR per Actuarial Valuation</b>	-	-
<b>Net change in unearned premium</b>	(128,086)	(160,835)
<b>Gross premium earned</b>	1,088,316	418,336

Reinsurance expenses	(127,399)	(7,459)
Net insurance premium income	<u>960,917</u>	<u>410,877</u>
<b>26 Reinsurance expenses</b>		
Reinsurance costs		
Motor	1,825	291
Fire	22,002	1,612
General Accident	32,805	356
Bond	10,692	3,558
Engineering	5,506	1,642
Oil & Gas	40,901	-
Aviation	-	-
Marine	13,668	-
	<u>127,399</u>	<u>7,459</u>
Prepaid re-insurance cost		
Movement in Reinsurance Share of UPR	-	-
Movement in Prepaid M & D	-	-
	<u>127,399</u>	<u>7,459</u>

	30-06-2019	30-06-2018
	N'000	N'000
<b>27 Fees and Commission Income</b>		
Motor	17,520	51
Fire	833	484
General Accident	5,968	107
Bond	112	1,067
Engineering	-	493
Marine	20	-
	<u>24,453</u>	<u>2,202</u>

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

	30-06-2019	30-06-2018
	N'000	N'000
<b>28 Claims expenses</b>		
Direct claims paid during the year	161,330	223,263
Changes in outstanding claims	134,330	(114,614)
Changes in Outstanding claims (IBNR)	(43,072)	(24,336)
Gross claims incurred	252,588	84,313
Reinsurance claims recovery	(6,149)	(15,937)
Reinsurance recovery per Actuarial Valuation	-	-
	<u>246,439</u>	<u>68,376</u>

<b>28.a REINSURANCE CLAIMS RECOVERY</b>		
Claims paid recovered from Reinsurance	(198,005)	(23,866)
Changes in Outstanding claims and IBNR	45,115	(278,679)
	<u>(152,890)</u>	<u>(302,545)</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

	30-06-2019	30-06-2018
	N'000	N'000
Gross commission paid		
Motor	15,549	11,049
Fire	53,155	9,932
General Accident	34,818	16,123
Bond	7,737	11,230
Engineering	6,545	1,341
Oil & Gas	60,044	36,104
Aviation	1,355	104
Marine	18,301	7,531
Total Commission paid	<u>197,504</u>	<u>93,414</u>
Changes in deferred commission		
Motor	(4,131)	(3,033)
Fire	11,563	(373)
General Accident	(6,435)	(3,552)
Bond	1,567	1,297
Engineering	3,319	(280)
Oil & Gas	(25,966)	(25,171)
Aviation	(5,891)	(24)
Marine	380	(2,841)
Additional (DCA) per actuarial Report	-	-
Changes in deferred commission	<u>(25,593)</u>	<u>(33,977)</u>
Acquisition expenses	171,911	59,437
Maintenance expenses	366,911	17,056
Underwriting expenses	<u>538,822</u>	<u>76,493</u>

<b>30 INVESTMENT INCOME</b>		
Dividend - Quoted and unquoted investments	16,740	16,510
Gains on sales of shares	-	-
Interest on call deposits	59,075	27,495
Rental Income	2,451	773
Other income	4,407	615
	<u>82,673</u>	<u>45,393</u>

<b>30.a INVESTMENT INCOME</b>		
Investment Income		
Investment income attributable to policyholders	-	-
Investment income attributable to shareholders	53,644	45,393
	<u>53,644</u>	<u>45,393</u>

<b>30.b Investment income attributable to shareholders</b>		
Dividend - Quoted and unquoted investments	34,109	16,510
Gains on sales of shares	-	-
Interest on call deposits	18,056	27,495
Exchange gain/(loss)	-	-
Profit/(loss) on disposal of fixed assets	100	-



Rental Income			-	773		
Other income			1,379	615		
			53,644	45,393		
<b>30.c Other income :</b>						
Interest on Staff Loan			-	-		
Rental			-	-		
Bank Interest			18,056	-		
Sundry Income			-	-		
			18,056	-		
<b>30.d Other operating income</b>						
Exchange gain/(loss)			-	-		
Profit/(loss) on disposal of fixed assets			-	-		
Rental Income			-	-		
Other income			-	-		
			-	-		
<b>31 ALLOWANCES AND FAIR VALUE GAINS/(LOSS)</b>						
<b>31 (i) Allowances for impairment;</b>						
On trade receivables			-	-		
on other receivables			-	-		
on stock of raw materials			-	-		
Impairment Recovery on Molit Hotel			-	-		
Impairment Gain on Universal Hotel			-	-		
			-	-		
Net impairment recovery			-	-		
<b>31 (ii) Net Fair Value Gains/(Loss)</b>						
On Investment properties			-	-		
On Financial Assets			-	-		
NET Fair Value Gains/(Loss)			-	-		
<b>31 (iii) Credit loss expense (GROUP)</b>						
The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:						
	Note		Stage 1 individual	Stage 2 Individual	Stage 3	Total
<i>In thousands of Nigerian Naira</i>						
Cash and cash equivalents			(6,914)	-	-	(6,914)
Other loans and receivables			4	-	649	653
Other loans and receivables from related parties			76	-	-	76
Other receivables(For subsidiary)			-	-	8,936	8,936
Total impairment loss			(6,834)	-	9,585	2,751
<b>31 (iv) Credit loss expense (COMPANY)</b>						
The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:						
	Note		Stage 1 individual	Stage 2 Individual	Stage 3	Total
<i>In thousands of Nigerian Naira</i>						
Cash and cash equivalents			(6,875)	-	-	(6,875)
Other loans and receivables			4	-	649	653
Other loans and receivables from related parties			76	-	-	76
Total impairment loss			(6,795)	-	649	(6,146)
<b>32 Other operating and administrative expenses</b>						
<b>(i) Employee benefits expense</b>						
Staff cost					114,579	70,880
Contributions to defined pension scheme					-	-
Other staff costs (Notes 32.(i.a))					84,127	82,302
					198,706	153,182
<b>(i.a) Other staff costs</b>						
Temporary Staff Salaries					4,292	966
Staff Training & Entertainment					6,426	3,487
Staff other benefits					48,246	48,515
Leave Allowance					24,248	20,836
Staff Gratuity					915	5,950
Nigeria Social Ins Trust Fund					-	1,087
Staff GPA Insurance					-	1,460
					84,127	82,301
<b>(ii) Management expenses comprise;</b>						
Bank charges					4,251	748
Other charges and expenses (Notes 32.(iia))					54,767	52,317
General maintenance and running costs					54,557	19,005
Legal and professional fees					35,863	36,695
Audit fees					5,000	-
Insurance supervision fees					13,910	6,567
Depreciation					49,171	54,838
Amortisation of Intangible Assets					4,330	2,774
Impairment gain/(loss)					-	-
Interest on overdrafts					-	-
Cost of sales - Hotels					-	-
Other operating expenses					221,850	172,944
Other operating and administrative expenses					420,556	326,126
					30-06-2019 N'000	30-06-2018 N'000
<b>(ii.a) Other charges and expenses</b>						
OTHER PROFESSIONAL CHARGES					-	-
TRANSPORT ALLOWANCE					123	17
TERMINAL PAY					-	-
HOTEL ACCOMMODATION					1,638	4,545
SECURITY EXPENSES					275	182
ENTERTAINMENT					1,850	1,384
BUSINESS PROMOTION					-	-
ADVERTISEMENT					4,742	3,812
NEWSPAPERS & PERIODICALS					8	-

TELEPHONE BILLS	1,491	1,217
INTERNET CONNECTIVITY	3,927	3,565
PRINTING COST	8,343	3,894
STATIONERY COST	1,777	1,592
LOCAL GOVT. LEVIES	235	456
VALUE ADDED TAX	228	100
LEVY/FEE/PENALTY	-	-
DIRECTORS EXPENSES	-	1,388
DIRECTORS SITTING ALLOWANCES	4,540	3,310
ASSETS INSURANCE EXPENSES	-	-
FILING FEE	500	-
DIRECTORS FEES	6,000	-
GIFTS	1,659	6,000
OFFICE CLEANING EXPENSES	53	-
CHRISTMAS GIFT	570	3,756
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	1,335	35
MEDICAL EXPENSES	2,613	3,046
WATER BILL	-	-
ENTERTAINMENT ALLOWANCE	-	-
EXCHANGE VARIANCE A/C	-	-
POSTAGES & COURIER	931	1,381
INTEREST ON LOANS	-	-
OVERSEAS TRAVEL EXPENSES	-	2,000
SERVICE CHARGE - ABUJA	-	-
RENT & RATES	-	-
NIA LEVIES	5,961	6,314
INDUSTRIAL TRAINING FUND LEVY	5,896	1,393
ANNUAL GENERAL MEETING	-	2,931
TRAINING	-	-
REPAIRS & MAINTENANCE OTHER FITTINGS	207	-
REPAIRS AND MAINTENANCE TV SET + RADIO	10	-
SEVERANCE PACKAGE	180,000	-
REPAIRS AND MAINTENANCE TV SET + RADIO	-	-
RENT & RATES - ABAKALIKI	-	-
FUEL SUBSIDY	234,911	52,318

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

Earnings per share

	30-06-2019	30-06-2018
	N'000	N'000
Profit attributable to equity holders	<u>(173,058)</u>	<u>(17,847)</u>
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000
Basic earnings per share (kobo per share)	(1.082)	(0.11)

The calculation of basic earnings per share at 31 December 2018 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	35,660	33,960
Other payables	1,599,667	1,599,667
	<u>1,635,327</u>	<u>1,633,627</u>
35.2 Related Party		
Conau Limited	-	-
Universal Hotels Limited	35,960	33,960
Frenchies Foods Nig. Ltd	4,569	4,569
African Alliance Insurance Plc	1,599,667	1,599,667
	<u>1,640,196</u>	<u>1,638,196</u>

35.3 *Employees*  
The average number of persons employed by the Company

	30-06-2019	30-06-2018
	Number	Number
Executive directors	3	3
Management	17	8
Non-management	78	77
	<u>98</u>	<u>88</u>

36 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 and certain circulars as issued by the NAICOM. Only listing penalty by Security and Exchange Commission was noticed. Details of the contraventions and the related penalties are as follows:

	30-06-2019	30-06-2018
	N'000	N'000
Penalty to National Insurance Commission(NAICOM) (See (i) below)	-	1,179
Penalty on Listing fee (See (ii) below)	1,389	-
	<u>1,389</u>	<u>1,179</u>

(i) 2017 the company paid penalties to NAICOM in contravention on section S 26 of the Insurance Act 2003  
(ii) 2018 the company paid penalty on Listing contravention to Security and Exchange Commission (SEC).