

UNIVERSAL INSURANCE PLC
ANNUAL REPORT AND ACCOUNTS
For The Year Ended 31st December 2015

Universal Insurance Plc

RC 2460

Universal Insurance Plc

Statements of Changes in Equity (COMPANY)

for the year ended 31 December 2015

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

Universal Insurance Plc

Statements of Changes in Equity (GROUP)

for the year ended 31 December 2015

	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 2015	8,000,000	825,018	3,383,466	315,546	568,117	(2,356,162)	10,735,985
Total comprehensive income for the period							-
Profit or loss						(186,851)	(186,851)
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	-	-	-	0	0
Fair value changes in AFS financial assets	-	-	-	-	212,506	(63,752)	148,754
Fair value reserve derecognised on disposal	-	-	-	-	(1,974)	592	(1,382)
Transfer To Contingency Reserve	-	-	-	21,861	-	(21,861)	-
Other comprehensive income for the period	-	-	-	21,861	210,532	(85,020)	147,372
Total comprehensive income for the period	-	-	-	21,861	210,532	(271,871)	(39,479)
Balance at 31 December 2015	8,000,000	825,018	3,383,466	337,406	778,649	(2,628,033)	10,696,506
Balance at 1 January 2014	8,000,000	825,018	3,166,405	293,879	979,308	(2,828,998)	10,435,612
Total comprehensive income for the period							-
Profit or loss						436,263	436,263
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	217,061	-	-	(65,118)	151,943
Fair value changes in AFS financial assets	-	-	-	-	69,288	(20,786)	48,502
Fair value reserve derecognised on disposal	-	-	-	-	(480,479)	144,144	(336,335)
Transfer To Contingency Reserve	-	-	-	21,667	-	(21,667)	-
Other comprehensive income for the period	-	-	217,061	21,667	(411,191)	36,573	(135,890)
Total comprehensive income for the period	-	-	217,061	21,667	(411,191)	472,836	300,373
Balance at 31 December 2014	8,000,000	825,018	3,383,466	315,546	568,117	(2,356,162)	10,735,985

UNIVERSAL INSURANCE PLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2015

	NOTES	GROUP		COMPANY	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
		N'000	N'000	N'000	N'000
Assets					
Cash and Cash Equivalents	6	960,418	1,035,301	933,534	1,029,733
Financial Assets	7	2,057,934	1,859,545	2,057,934	1,859,545
Trade Receivable	8	84,132	95,696	11,632	23,196
Reinsurance Assets	9	113,062	115,919	113,062	115,919
Deferred Acquisition cost	10	25,516	32,135	25,516	32,135
Other Receivable and Prepayment	11	1,733,661	1,740,186	1,709,913	1,709,917
Investment in subsidiaries	12	-	-	1,610,015	1,570,315
Investment Properties	13	4,614,621	1,250,560	1,279,410	1,250,560
Intangible Asset	14	12,062	8,489	12,062	8,489
Property, Plant and Equipment	15	2,883,659	7,036,036	2,840,804	2,900,005
Statutory Deposits	16	335,000	335,000	335,000	335,000
Assets classified as held for sale	12 (ii)	798,406	-	-	-
Total Assets		13,618,470	13,508,867	10,928,883	10,834,814
Liabilities					
Insurance Contract Liabilities	17	509,656	407,172	509,656	407,172
Borrowings	18	-	-	-	-
Trade payable	19	13,892	14,236	246	6,341
Other payable	20	1,677,123	1,693,550	1,649,390	1,649,891
Employee benefit liability	21	13,142	9,346	13,142	9,346
Income Tax liabilities	22	83,588	104,438	81,696	103,738
Deferred tax liabilities	23	550,683	544,140	460,890	397,730
Liabilities associated with assets classified as held for sale	12 (ii)	73,880	-	-	-
Total Liabilities		2,921,964	2,772,882	2,715,020	2,574,218
Equity					
Issued and paid Share capital	24. 1	8,000,000	8,000,000	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018	825,018	825,018
Contingency Reserves	24. 3	337,406	315,546	337,406	315,545
Fair value reserve	24. 4	778,649	568,117	778,649	568,117
Revaluation reserve	24. 5	3,383,466	3,383,466	757,329	757,329
Retained earnings	24. 6	(2,628,033)	(2,356,162)	(2,484,539)	(2,205,413)
Shareholders funds		10,696,506	10,735,985	8,213,863	8,260,596
Other equity instruments		-	-	-	-
Non - controlling interests		-	-	-	-
TOTAL EQUITY & LIABILITIES		13,618,470	13,508,867	10,928,883	10,834,814

Signed on behalf of the Board of Directors on November 25 2016

.....
REGINALD ANYANWU
DIRECTOR
FRC/2013/NIM/0000003245

.....
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 year ended 31 December 2015

	Notes	GROUP		COMPANY	
		31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
		N'000	N'000	N'000	N'000
Continuing Operations:					
Gross Premium written	25	728,685	722,228	728,685	722,228
Decrease/(increase) in unearned premium		(71,859)	(23,173)	(71,859)	(23,173)
Gross Premium Earned		656,826	699,055	656,826	699,055
Reinsurance Premium Expense	26	(114,552)	(65,805)	(114,552)	(65,805)
Net Insurance Premium Income		542,274	633,251	542,274	633,250
Fees and Commission income	27	16,892	12,720	16,892	12,720
Total Underwriting Income		559,165	645,970	559,165	645,970
Claims expenses	28	(122,328)	(62,228)	(122,328)	(62,228)
Claims Expense Recovery from reinsurance	28	(48,747)	(5,121)	(48,747)	(5,121)
Net claim expenses		(171,075)	(67,349)	(171,075)	(67,349)
Underwriting Expenses					
Acquisition expenses	29	(24,963)	(16,147)	(24,963)	(16,147)
Maintenance expenses	29	(113,241)	(122,872)	(113,241)	(122,872)
		(138,204)	(139,019)	(138,204)	(139,019)
Underwriting Profit/(Loss)		249,887	439,602	249,887	439,602
Investment income	30	166,866	532,487	166,866	532,487
Other operating income	30 (ii)	84,651	145,972	-	-
Total investment income		251,517	678,459	166,866	532,487
Net Income		501,403	1,118,061	416,752	972,089
Impairment charges	31 (i)	0	-	0	(991,601)
Net realised gains/(loss) on financial assets	31 (ii)	(3,658)	(3,290)	(3,658)	(3,291)
Net fair value gain/(loss) on investment properties	31 (ii)	-	124,060	-	124,060
Other operating and administrative expenses	32	(654,526)	(777,987)	(579,242)	(549,047)
Total Expenses		(658,184)	(657,217)	(582,899)	(1,419,879)
Result of operating activities		(156,780)	460,845	(166,147)	(447,790)
Interest expense	33	-	-	-	-
Profit or (Loss) before Taxation		(156,780)	460,845	(166,147)	(447,790)
Income Tax Expense/ (Credit)	22	(29,550)	(24,581)	(27,958)	(24,381)
Profit/(Loss) from continuing operations		(186,331)	436,264	(194,105)	(472,171)
Profit/(Loss) from discontinued operations	12 (ii)	(521)	-	-	-
Profit or Loss for the year		(186,851)	436,264	(194,105)	(472,171)
Profit attributable to:					
Equity holders of the Company		(186,851)	436,264	(194,105)	(472,171)
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		(186,851)	436,264	(194,105)	(472,171)
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	212,506	69,288	212,506	69,288
Deferred tax impact of changes in AFS financial assets	23	(63,752)	(20,786)	(63,752)	(20,786)
<i>Items within OCI that will not be reclassified to the profit or loss;</i>					
PPE revaluation gains	24. 5	-	217,061	-	217,061
Deferred tax impact of revaluation gains	23	0	(65,118)	0	(65,118)
Other comprehensive income for the period		148,754	200,445	148,754	200,445
Total comprehensive income		(38,097)	636,708	(45,351)	(271,726)
Total comprehensive income attributable to:					
Equity holders of the company		(38,097)	636,708	(45,351)	(271,726)
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		(38,097)	636,708	(45,351)	(271,726)
Earnings per share-(basic and diluted)	34	(1.17)	2.73	(1.21)	(2.95)

Universal Insurance Plc

Statement Of Cash Flows

For the year ended 31 December 2015

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
Cash flows from operating activities				
Insurance premium received from policy holders, Brokers & Agents, Cedants	728,685	722,228	728,685	722,228
Commission received	16,892	12,720	16,892	12,720
Reinsurance receipts in respect of claims	(48,747)	(5,121)	(48,747)	(5,121)
Reinsurance premium paid	(114,552)	(65,805)	(142,316)	(75,743)
Other operating cash payments	(606,922)	(984,250)	(473,648)	(835,978)
Insurance benefits and Claims paid	(122,328)	(62,228)	(164,917)	(88,064)
Payments to intermediaries to acquire insurance contracts	(138,204)	(139,019)	(131,586)	(144,058)
Interest Received	125,098	208,073	165,386	274,978
Dividend Income Received	626	524	626	524
Cash generated from operations	(159,452)	(312,877)	(49,625)	(138,514)
Interest Paid	-	-	-	-
Company Income Tax paid	(50,000)	(74,000)	(50,000)	(74,000)
Net cash provided by operating activities	(209,452)	(386,877)	(99,625)	(212,514)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(8,183)	(263,647)	(3,044)	(259,564)
Purchase of intangible assets	(6,385)	(3,899)	(6,385)	(3,899)
Investment income and other receipts	137,135	438,325	854	256,985
Unlisted AFS disposed	12,002	917,239	12,002	917,239
Net Cash provided by investing activities	134,568	1,088,018	3,426	910,761
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	1,035,301	334,160	1,029,733	331,486
Net increase/decrease in cash and cash equivalents	(74,884)	701,141	(96,198)	698,247
Cash and Cash equivalent at the end of period	960,417	1,035,301	933,535	1,029,733

Universal Insurance Plc
Notes to the financial statements
For the year ended 31 December 2015

1 General Information:

The financial statements of the company for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 14th September 2016. The company is a public limited company incorporated and domiciled in Nigeria. The corporate head office is located at 8, Gbagada Expressway, Anthony, Lagos.

The group 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 on pages 18-35. These policies have been consistently applied to all the years presented, unless otherwise stated.

3 Critical accounting estimates and judgements:

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

3. (i) Fair value of financial assets:

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

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

3. (ii) Liabilities arising from insurance contract:

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

3. (iii) Impairment or receivables:

In accordance with the accounting policy stated in Note 2.9, the group tests annually whether premium receivables have suffered any impairment on individual bases. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations require the use of estimates.

4 Insurance and Financial risks management

The Group issues contracts that transfer insurance risk or financial risk or both. Bellow is a summary of these risk and the way they are managed;

4. (i) Financial risk management

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

4. (ii) Market risk

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

4. (iii) Interest rate risk management

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

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

4.(iv) Credit risk

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

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

The following shows the carrying value of assets that are neither past due nor impaired, past due but not impaired and assets that have been impaired for loans and receivables;

	31-Dec-2015 N'000	31-Dec-2014 N'000
Neither past due nor impaired	4,102,018	4,124,141
past due but not impaired	1,439,913	2,287,959
impaired	(0)	-

4. (v) Liquidity risk

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

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

The following table shows details of the expected maturity profile of the company's obligations with respect to its financial liabilities and estimated cash flows of recognised insurance contract liabilities:

31 December 2015	Carrying amount	Maturity profile				
		< 3 months	3-6 months	6- 12 months	1- 5 years	> 5 years
Assets:						
Cash and Cash equivalents	960,418	960,418	-	-	-	-
Financial assets	2,057,934	-	-	2,057,934	-	-
Reinsurance assets	113,062	-	-	113,062	-	-
Trade and other receivables	1,721,545	-	688,618	1,032,927	-	-
Total Assets	4,852,959	960,418	-	2,170,996	-	-
Liabilities						
Trade Creditors	1,649,390	-	21,521	1,627,869	-	-
Borrowings	-	-	-	-	-	-
Insurance Contract Liabilities	509,656	509,656	-	-	-	-
Total liabilities	2,159,046	-	21,521	1,627,869	-	-
liquidity gap	2,693,913	960,418	(21,521)	543,127	-	-

31 December 2014	Carrying amount	Maturity profile				
		< 3 months	3-6 months	6- 12 months	1- 5 years	> 5 years
Assets:						
Cash and Cash equivalents	1,029,733	1,029,733	-	-	-	-
Financial assets	1,859,545	-	-	223,575	-	1,635,970
Reinsurance assets	115,919	-	-	115,919	-	-
Trade and other receivables	2,110,280	-	844,112	1,266,168	-	-
Total Assets	5,115,477	1,029,733	844,112	1,605,662	-	1,635,970
Liabilities						
Trade Creditors	1,649,891	169,655	220,551	1,649,891	-	-
Borrowings	-	-	-	-	-	-
Insurance Contract Liabilities	757,329	757,329	-	-	-	-
Total liabilities	2,407,220	926,984	220,551	1,649,891	-	-
liquidity gap	2,708,257	102,749	623,561	(44,229)	-	1,635,970

Although the company has access to financing facilities, the company also expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

4. (vi) 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 that are directly subject to the underlying loss. The company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

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

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

4. (vii) Capital Management

The capital structure of the group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. Universal Insurance Company also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or just large random single claims. The Company's operations are also subject to regulatory requirements within the environment in which it operates. The minimum paid up capital requirements as specified by National Insurance commission (NAICOM) for Non-life business in Nigeria is N3 billion and the insurers are also mandated to maintain 10% of this paid up capital with the Central Bank of Nigeria as Statutory Deposit. In addition, quarterly and annual returns must be submitted to NAICOM on a regular basis.

The regulations prescribed by NAICOM not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (such as the solvency margin) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as there arise. The Company has met the requirements throughout the financial year.

In reporting the Company's solvency status, solvency margin are computed using the rules prescribed by NAICOM. The margin of solvency, according to NAICOM is defined as total admissible assets less total liabilities. This shall not be less than 15% of net premium or the minimum paid up share capital whichever is higher. Universal's capital management policy is to hold sufficient capital to cover the statutory requirements based on the NAICOM regulations, including any additional amounts required by the regulators. Universal Insurance company seeks to optimize the structure and sources of capital to ensure that it consistently maximizes returns to the shareholders and policyholders.

The company's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. Management uses regulatory capital ratios to monitor its capital base. Capital is allocated between specific operations and activities and to a large extent driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each activity is based primarily on the regulatory capital. In some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations or activities is undertaken independently of those responsible for the operation by a committee.

Synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the company's longer-term strategic objectives are also considered in allocating capital to operations. The company's policies in respect of capital management and allocation are reviewed regularly by the board of directors.

The table below summarises the minimum authorised capital set by the regulator and the shareholders' equity held by the Company:

	31-Dec-2015	31-Dec-2014
	N'000	N'000
Minimum paid up capital (required by regulator)	3,000,000	3,000,000
Shareholders funds	8,213,863	8,260,596

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever is greater. During the year, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

The solvency margin for the company for 2015 is as follows:

	Total N'000	Inadmissible N'000	Admissible N'000
Assets:			
Cash and bank balances	933,534		933,534
Financial Assets	2,057,934	1,439,913	618,021
Trade Receivable	11,632		11,632
Reinsurance Assets	113,062		113,062
Deferred Acquisition cost	25,516		25,516
Other Receivable	1,709,913	1,707,397	2,516
Investment in subsidiaries	1,610,015	-	1,610,015
Investment Properties	1,279,410	816,000	463,410
Intangible Asset	12,062	12,062	(0)
Land and building	2,830,325		2,830,325
Other items of PPE	10,479		10,479
Statutory Deposits	335,000		335,000
	10,928,882	3,975,372	6,953,510
Liabilities:			
Insurance Contract Liabilities	509,656		509,656
Trade payables	246		246
Other payables	1,649,390		1,649,390
Employee benefit liability	13,142		13,142
Income tax liabilities	81,696		81,696
Deferred tax liabilities	460,890	460,890	-
	2,715,020	460,890	2,254,130
solvency margin			4,699,380

4. (viii) Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged between willing partners in an arms-length transaction. The three levels of fair value measurement are as follows:

Level 1 - This includes exchange-traded prices of fixed maturities and equity instruments in an active market.

Level 2 - This includes instruments measured using quoted market prices in an active market or quoted market prices for similar instruments in a market considered to be less active or other valuation techniques where observable inputs from market can be applied.

Level 3 - This includes instruments that are valued using unobservable inputs. Unobservable inputs are those not readily available in an active market and instruments here are determined using historical observations or inputs of similar nature.

The table below shows the fair value hierarchy of financial instruments measured at fair value as at 31st December 2015 and 2014.

Assets - Group (2015)	Level1	Level 2	Level 3	Total
Equity Instruments - At FVTPL	618,021			618,021
Equity Instruments - Available for sale			1,439,913	1,439,913

Assets - Company (2015)	Level1	Level 2	Level 3	Total
Equity Instruments - At FVTPL	618,021			618,021
Equity Instruments - Available for sale			1,439,913	1,439,913

Assets - Group (2014)	Level1	Level 2	Level 3	Total
Equity Instruments - At FVTPL	620,177			620,177
Equity Instruments - Available for sale			2,259,076	2,259,076

Assets - Company (2014)	Level1	Level 2	Level 3	Total
Equity Instruments - At FVTPL	620,177			620,177
Equity Instruments - Available for sale			2,259,076	2,259,076

5 Segment Information:

.1 By business segment:

	Insurance N'000	Hotel and Catering N'000	2015 Total N'000	2014 Total N'000
Gross income	559,165	136,281	695,447	827,310
Investment income	166,866	-	166,866	532,487
	<u>726,031</u>	<u>136,281</u>	<u>862,312</u>	<u>1,359,797</u>
Expenses;				
Underwriting expenses:				
Commission paid	(138,204)	-	(138,204)	(139,019)
Cost of sales	-	(51,630)	(51,630)	(35,368)
Management expenses	(579,242)	(75,284)	(654,526)	(777,987)
Claims incurred	(171,075)	-	(171,075)	(67,349)
Impairment gain/(loss) on debtors	0	-	0	(991,601)
Finance charges	-	-	-	-
Fair value gain/(loss) on financial assets	(3,658)	-	(3,658)	(3,290)
	<u>(892,178)</u>	<u>(126,915)</u>	<u>(1,019,093)</u>	<u>(2,014,614)</u>
Reportable segment profit before tax	(166,147)	9,367	(156,780)	(654,817)
Income tax expenses	(27,958)	(300)	(28,258)	(24,681)
Reportable Profit after tax	<u>(194,105)</u>	<u>9,067</u>	<u>(185,039)</u>	<u>(679,498)</u>
Total assets employed			<u>10,696,506</u>	<u>10,735,985</u>

No single external customer contributed 10 per cent or more of the entity's revenues as at year end.

6 Cash and Cash Equivalents

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
This comprises of:				
Cash and Bank Balances	724,957	102,208	698,074	96,640
Placement with banks	235,461	933,093	235,461	933,093
Total	<u>960,418</u>	<u>1,035,301</u>	<u>933,534</u>	<u>1,029,733</u>

Placement with banks are call deposits and tenored deposits made with banks with less than 3 months maturity from the date of acquisition. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

7 Financial asset

This comprises of:

Financial assets at fair value through profit or loss	618,021	621,679	618,021	621,679
Available-for-sale financial assets	1,439,913	1,237,866	1,439,913	1,237,866
Financial assets	2,057,934	1,859,545	2,057,934	1,859,545
Current	618,021	625,048	618,021	625,048
Non-current	1,439,913	1,237,866	1,439,913	2,287,959

(a) Financial assets at fair value through profit or loss
Quoted Equity Securities

Balance Beginning of year	621,679	620,177	621,679	624,969
Fair value gain/(loss)	(3,658)	4,872	(3,658)	(3,290)
Total financial assets at fair value through profit or loss	618,021	625,048	618,021	621,679
Current	618,021	625,048	618,021	621,679
Non-current	-	-	-	-

(b) Available-for-sale financial assets
Equity securities

-Unquoted:

At beginning of year	1,237,866	2,287,959	1,237,866	2,287,959
Addition/(disposal) during the year (War Stock, UK)	(10,459)	(1,119,381)	(10,459)	(1,119,381)
Fair value gain/(loss) on AFS unlisted equity (i)	212,506	69,288	212,506	69,288
Total available-for-sale financial assets	1,439,913	1,237,866	1,439,913	1,237,866
Current	-	-	-	-
Non-current	1,439,913	1,237,866	1,439,913	1,237,866

(i) The movement in Fair Value is as follow:

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
Balance beginning of year	568,117	979,308	568,117	979,308
Fair value gain/(loss) (Note 24.4)	212,506	69,288	212,506	69,288
Fair Value derecognised (War Stock, UK)	(1,974)	(480,479)	(1,974)	(480,479)
Balance at period end	778,649	568,117	778,649	568,117

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 N212.506 Million (2014: (N69.288 Million)) derived have been considered in this report. The War Stock UK was redeemed during the financial year and the accumulated fair value reserve of N1.974 Million derecognised in the account.

8 Trade Receivables

Premium receivable (note 8.1)	11,632	23,196	11,632	23,196
Net impairment gain/(loss) (note 8.1a)	0	-	0	-
	11,632	23,196	11,632	23,196
Trade receivables	188,884	201,204	-	-
Net impairment gain/(loss) (note 8.2)	(116,384)	(128,704)	-	-
	72,500	72,500	-	-
Balance end of year	84,132	95,696	11,632	23,196
Current	84,132	95,696	11,632	23,196
Non-current	-	-	-	-

Premium receivable equals the amount of premium collected after year end for businesses written during the year.

8.1 Premium receivable

Premium receivable from agents, brokers and intermediaries

Due from agents	3,853	4,080	3,853	4,080
Due from brokers	7,779	10,990	7,779	10,990
Due from insurance companies	-	8,127	-	8,127
	<u>11,632</u>	<u>23,197</u>	<u>11,632</u>	<u>23,197</u>

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

At beginning of year	233,065	233,065	233,065	233,065
Impairment gain/(loss)	(0)	-	(0)	-
Amount written off during the year as uncollectible	-	-	-	-
At end of year (31 December 2015)	<u>233,065</u>	<u>233,065</u>	<u>233,065</u>	<u>233,065</u>

8.2 Movements on impairment of trade receivable are as follows:

At beginning of year	128,704	128,704	-	-
Impairment gain/(loss)	-	-	-	-
Portion of discontinued segment reclassified	(12,320)	-	-	-
At end of year (31 December 2015)	<u>116,384</u>	<u>128,704</u>	<u>-</u>	<u>-</u>

9 Reinsurance Assets

Reinsurance balances	265	-	265	-
Prepaid minimum and deposit reinsurance	11,819	18,387	11,819	18,387
Reinsurance recovery (IBNR) per actuarial valuation	73,214	87,593	73,214	87,593
Reinsurance recovery (UPR) per actuarial valuation	27,764	9,939	27,764	9,939
Total Reinsurance Assets	<u>113,062</u>	<u>115,919</u>	<u>113,062</u>	<u>115,919</u>
Current	113,062	115,919	113,062	115,919
Non-current	-	-	-	-

9.1 Movements on Reinsurance Assets are as follows:

At beginning of year	128,704	128,704	115,919	115,919
Net change during the year	-	-	-	-
Impairment gain/(loss)	-	-	-	-
At end of year (31 December 2015)	<u>128,704</u>	<u>128,704</u>	<u>115,919</u>	<u>115,919</u>

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

10 Deferred acquisition

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

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Motor	3,585	5,367	3,585	5,367
Fire	4,650	4,022	4,650	4,022
General accident	17,245	22,127	17,245	22,127
Marine	37	620	37	620
	<u>25,516</u>	<u>32,135</u>	<u>25,516</u>	<u>32,135</u>

10.1 Movement in deferred acquisition cost

At beginning of year	32,135	27,095	32,135	27,095
Changes during the year	(6,619)	5,040	(6,619)	5,040
At end of year	<u>25,516</u>	<u>32,135</u>	<u>25,516</u>	<u>32,135</u>
Due within 12 months	25,516	32,135	25,516	32,135
Due after more than 12 months	-	-	-	-

11 Other Receivables and prepayments

The balance is analysed as follow:

Prepayment	92,572	94,601	92,572	94,601
Other loans and receivables (note 11 (i))	2,355,525	2,357,265	2,324,576	2,322,551
Other loans and receivables from related parties (iii)	31,460	31,460	31,460	31,460
Stock of raw materials	4,353	7,109	-	-
	<u>2,483,910</u>	<u>2,490,435</u>	<u>2,448,608</u>	<u>2,448,612</u>
Impairment of other loans and receivables (11.(iv))	(750,249)	(750,249)	(738,695)	(738,695)
Balance at period end	<u>1,733,661</u>	<u>1,740,186</u>	<u>1,709,913</u>	<u>1,709,917</u>
Current	1,733,661	1,740,186	1,709,913	1,710,087
Non-current	-	-	-	-

11. (i) Other loans and receivables

Staff Debtors	2,516	4,023	2,516	3,603
Staff Share Loan (note 11.(ii))	1,598,942	1,598,942	1,598,942	1,598,942
Deposit for properties (reclassified from inv. Properties) (11(v))	720,000	720,000	720,000	720,000
Other receivables	34,067	34,300	3,118	6
	<u>2,355,525</u>	<u>2,357,265</u>	<u>2,324,576</u>	<u>2,322,551</u>
Impairment of other loans and receivables (11.(iv))	-	-	-	-
	<u>2,355,525</u>	<u>2,357,265</u>	<u>2,324,576</u>	<u>2,322,551</u>

11 (ii) Staff Share Loan:-

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

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

Due from related parties	31,460	31,460	31,460	31,460
	<u>31,460</u>	<u>31,460</u>	<u>31,460</u>	<u>31,460</u>
Impairment of due from related parties (11.(iv))	-	-	-	-
	<u>31,460</u>	<u>31,460</u>	<u>31,460</u>	<u>31,460</u>

11 (iv) The movement in impairment charge is as follow:

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Balance beginning of year	750,249	750,249	738,695	738,695
Balance reclassified from investment properties	-	-	-	-
Impairment of other loans and receivables (11.(i))	-	-	-	-
Balance at period end	<u>750,249</u>	<u>750,249</u>	<u>738,695</u>	<u>738,695</u>

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

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
12 Investment in subsidiaries				
This comprises of investment in:				
Molit Hotels & Catering Services Limited (a)	-	-	568,055	528,355
Universal Hotels Limited (b)	-	-	2,033,561	2,033,561
			<u>2,601,616</u>	<u>2,561,916</u>
Impairment gain/(loss) (12 (i))	-	-	(991,601)	(991,601)
Net Investment in subsidiaries	<u>-</u>	<u>-</u>	<u>1,610,015</u>	<u>1,570,315</u>

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

	At beginning of year	Charge/(write back)	Balance as at 31-12-2015
	N'000	N'000	N'000
Molit Hotels & Catering Services Limited	(528,105)	-	(528,105)
Universal Hotels Limited	(463,496)	-	(463,496)
	<u>(991,601)</u>	<u>-</u>	<u>(991,601)</u>

12 (a) Molit Hotels and Catering Services 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.

12 (b) 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.

12 (c) Discontinued Operations

During the year, the management renovated and converted the entire hotel complex of Molit Hotels and Catering Services Limited into a shopping mall. The Group's management committed to a plan to discontinue the operations of the Molit Hotels and Catering Services Limited.

The decision is in line with the Group's plan to turn around the earning capacity of its assets and investments with a view to profitable disposal of the investments. The Group is in the process of winding up the Molit Hotels and Catering Services Limited and this is expected to be completed in 2016.

The directors of the company expects that fair value of assets less costs of wind up will be higher than the aggregate carrying amount of the related assets and liabilities, therefore, no impairment loss was recognised on reclassification of assets and liabilities as held for sale as at December 31, 2015. On this date, the major classes of assets and liabilities of Molit Hotels and Catering Services Limited are as follows:

	31-Dec-2015
	N'000
Assets classified as held for sale:	
Cash and cash equivalents	2,550
Other Receivable & Prepayments	457
Inventory	8
Investment Properties	787,996
Property, Plant and Equipment	7,395
	<u>798,406</u>
Liabilities associated with assets classified as held for sale:	
Other payable & accruals	16,763
Income tax liabilities	500
Deferred tax liabilities	56,617
	<u>73,880</u>
Loss from discontinued operations:	
Loss from operations of the segment	(1,357)
Income from disposal of assets of discontinued segment	836
Net loss from discontinued operations	<u>(521)</u>

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
13 Investment Properties				
Oyingbo Garden Avenue estate (note 13a)	463,410	434,560	463,410	434,560
Rumudumu Model Estate Portharcourt (note 13a)	816,000	816,000	816,000	816,000
UHE Complex	3,335,211	-	-	-
Others	175,369	175,369	175,369	175,369
	<u>4,789,990</u>	<u>1,425,929</u>	<u>1,454,779</u>	<u>1,425,929</u>
Impairment loss on investment properties	(175,369)	(175,369)	(175,369)	(175,369)
	<u>4,614,621</u>	<u>1,250,560</u>	<u>1,279,410</u>	<u>1,250,560</u>

The properties of the company at Oyingbo Garden Estate and Rumudumu Model Estates were revalued on 31st December 2014 by A.C. Otegbulu & Partners, Estate Surveyors & Valuers (FRC/2013/NIESV/0000001582) to ascertain the open market value of the investment properties. The open market value of the properties were; Oyingbo Garden Avenue: N434.560 Million, and Rumudumu Model Estate: N816.0 Million. The fair value gain/(loss) on the investment properties were recognised in the Statement of Comprehensive Income for the period and the impact on deferred taxation recognised.

Investment properties represent buildings and un-developed landed properties acquired for subsequent disposal in the near future and not occupied substantially by the company or members of the group of the holding company. They are not subjected to periodic charges for depreciation.

Following the ongoing conversion of the Molit Hotel complex to a commercial shopping mall, and the completion of the turn-around contract of Universal Hotel Enugu by Bluebyte Limited, the Board, approved the reclassification of the hotel complex buildings as investment properties to be held distinct for the purpose of earning rental revenue and the possibility of third party management. In accordance with the provisions of IAS 40, the carrying amount net of accumulated depreciation of the properties have been reclassified from property, plant and equipments. The properties were revalued on 31st December 2012 by A.C. Otegbulu & Partners, Estate Surveyors & Valuers (FRC/2013/NIESV/0000001582) to ascertain the open market values. The revaluation surpluses have been accumulated in the Statement of Changes in Equity prior to reclassification.

Investment properties (others) of =N=175,369 million is an unsubstantiated investment in Real Estate since year 2008, which was fully impaired in year 2009.

13 a. Assets In The Name of Conau Limited:	N'000
	Amount
Rumudumu Model Estate Portharcourt	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 was appointed to perfect the title to the properties in the name of Universal Insurance Plc. The process is in the last stage of completion.

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
Cost				
Balance, beginning of period	12,328	8,429	12,328	8,429
Additions	6,385	3,899	6,385	3,899
Balance, end of period	<u>18,713</u>	<u>12,328</u>	<u>18,713</u>	<u>12,328</u>
Accumulated amortisation				
Balance, beginning of period	3,839	1,999	3,839	1,999
Amortisation expense/impairment charge	2,812	1,840	2,812	1,840
Balance, end of period	<u>6,652</u>	<u>3,839</u>	<u>6,652</u>	<u>3,839</u>
Net book amount				
End of period	<u>12,062</u>	<u>8,489</u>	<u>12,062</u>	<u>8,489</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.

15 Property, plants and equipments

15(a) GROUP

	Land & Building N' 000	Plant & Machinery N' 000	Furniture and Fittings N' 000	Motor Vehicles N' 000	Computer Hardware N' 000	Total N' 000
Cost/Revalued amount						
Balance, beginning of period	7,989,707	22,576	125,261	146,026	6,786	8,290,355
Additions during the year	-	7,477	-	-	706	8,183
Transfer to Investment Properties	(4,584,481)	-	-	-	-	(4,584,481)
Disposals	-	(6,536)	(3,751)	-	-	(10,287)
Discontinued segment portion reclassified	(8,187)	(877)	(658)	(7,632)	-	(17,354)
Balance, end of period	3,397,039	22,640	120,852	138,394	7,492	3,686,416
Accumulated depreciation						
Balance, beginning of period	974,234	17,236	116,559	143,992	2,298	1,254,319
Transfer to Investment Properties	(500,974)	-	-	-	-	(500,974)
Charge for the year	58,610	3,158	5,327	1,440	1,124	69,659
On Disposal	-	(6,536)	(3,751)	-	-	(10,287)
Discontinued segment portion reclassified	(792)	(877)	(658)	(7,632)	-	(9,959)
Balance, end of period	531,078	12,980	117,476	137,801	3,422	802,758
Netbook value as at 31 December 2015	2,865,961	9,659	3,376	593	4,070	2,883,659
Netbook value as at 31 December 2014	7,015,473	5,340	8,702	2,033	4,488	7,036,036

The company's properties at 21, Garden Avenue, Port Harcourt, 4, Ridgeway Road, Enugu and Plot 49A-58A City Layout, Enugu were revalued on 31st December 2014 by A.C. Otegbulu & Partners, Estate Surveyors & Valuers(FRC/2013/NIESV/00000001582) to ascertain the open market value. The incidental surplus of Nil, (2014 - N217.061 Million), have been incorporated in the financial statement and recognised in the respective statement of equity.

The hotel residential buildings were reclassified as investment properties during the year. The carrying amount net of accumulated depreciation have been transferred to the investment properties account, in accordance with the provisions of IAS 40.

15 (b) Property, plants and equipments

COMPANY

	Land & Building N'000	Plant & Machinery N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Computer Hardware N'000	Total N'000
Cost/Revalued amount						
Balance, beginning of period	3,360,677	6,379	68,094	123,689	6,786	3,565,624
Additions during the year	-	2,338	-	-	706	3,044
Balance, end of period	3,360,677	8,717	68,094	123,689	7,492	3,568,667
Accumulated depreciation						
Balance, beginning of period	472,633	5,901	63,131	121,656	2,298	665,619
Charge for the year	57,719	374	1,587	1,440	1,124	62,244
Balance, end of period	530,352	6,274	64,718	123,097	3,422	727,863
Netbook value as at 31 December 2015	2,830,325	2,442	3,375	592	4,070	2,840,804
Netbook value as at 31 December 2014	2,888,043	478	4,963	2,032	4,488	2,900,005

16 Statutory deposit

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Statutory deposit	335,000	335,000	335,000	335,000
Total	335,000	335,000	335,000	335,000
Non-current	335,000	335,000	335,000	335,000

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

17 Insurance Contract Liabilities

	2015 N'000	Movement N'000	2014 N'000
Reserve for Unearned premium			
Motor	29,741	(14,793)	44,533
Fire	24,899	5,930	18,970
General Accident	119,364	18,662	100,702
Marine	515	(1,897)	2,412
	174,519	7,902	166,617
Additional charge (UPR) per actuarial valuation	63,957		0
Gross Unearned Premium Reserve	238,476	7,902	166,617
Reinsurance recovery on UPR per actuarial valuation	(27,764)		(9,939)
Net Unearned Premium Reserve	210,712		156,678
Reserve for Outstanding Claims			
Motor	12,471	3,850	8,621
Fire	20,352	(6,448)	26,801
General Accident	141,741	(32,403)	174,145
Marine	7,562	(1,558)	9,120
	182,127	(36,560)	218,686
Outstanding claims IBNR	18,213	(3,656)	21,869
	200,339	(40,216)	240,555
Additional outstanding claims (IBNR) as per actuarial valuation	70,841		-
Gross Outstanding Claims	271,180		240,555
Reinsurance recovery per actuarial valuation	(73,214)		(87,593)
	197,966		152,962
Gross Insurance Contract Liabilities	509,656		407,172
Net Insurance Contract Liabilities	408,678		309,640

The latest valuation of the fund was as at 31 December 2015 by HR Nigeria Limited. At that date, the gross book value of the fund was as stated above for each of the years. Provision for claims was determined using the inflation adjusted chain ladder method and claims development from 2008 to 2015.

17 a. Cumulative Claims Development table as at December 2015 (stated in N'000)

In addition to the testing, the development of insurance liabilities provided a measure of the group's ability to estimate value of claims. The table below illustrates how the group's estimate of total claims outstanding for each year has changed at successive year-ends;

Fire		Development Years							
Accident year	1	2	3	4	5	6	7	8	
2008	-	3,046	-	-	-	-	-	-	
2009	12	-	19	-	-	-	-	-	
2010	1,449	272	99	634	3,500	-	-	-	
2011	106	3,320	7,875	2,000	26,648	-	-	-	
2012	237	655	1,913	308	-	-	-	-	
2013	139	2,135	2,496	-	-	-	-	-	
2014	936	771	-	-	-	-	-	-	
2015	1,489	-	-	-	-	-	-	-	

General Accident		Development Years							
Accident year	1	2	3	4	5	6	7	8	
2008	33,455	1,772	3,328	-	25	1083	-	-	
2009	2,853	3,275	1,316	276	4,462	62	-	-	
2010	2,843	2,115	50	784	68	-	-	-	
2011	419	6,677	82	-	501	-	-	-	
2012	634	4,574	-	68	-	-	-	-	
2013	7,211	5,580	258	-	-	-	-	-	
2014	1,893	33,472	-	-	-	-	-	-	
2015	18,121	-	-	-	-	-	-	-	

Marine		Development Years							
Accident year	1	2	3	4	5	6	7	8	
2008	1,984	600	55	-	-	-	-	-	
2009	1,541	1,565	460	500	4,966	-	2,585	-	
2010	455	1,731	19	-	-	-	-	-	
2011	646	3,785	-	-	438	-	-	-	
2012	1,153	1,640	-	-	-	-	-	-	
2013	624	255	-	-	-	-	-	-	
2014	-	3,816	-	-	-	-	-	-	
2015	1,113	-	-	-	-	-	-	-	

Motor		Development Years							
Accident year	1	2	3	4	5	6	7	8	
2008	6,844	9,869	3,320	-	-	-	-	-	
2009	21,387	9,851	270	6	-	-	-	-	
2010	4,081	4,046	3,861	170	-	-	-	-	
2011	5,865	3,444	938	128	-	-	-	-	
2012	3,376	5,308	725	-	-	-	-	-	
2013	4,861	3,581	3,220	-	-	-	-	-	
2014	3,999	8,207	-	-	-	-	-	-	
2015	9,740	-	-	-	-	-	-	-	

17 Hypothecation of investment/assets
As at 31 December 2015

	Total N'000	Inadmissible N'000	Total Admissible N'000	Insurance Funds	Shareholders Funds	Total
Assets						
Cash and bank balances	933,534	-	933,534	203,863	729,671	933,534
Financial Assets - Quoted	618,021		618,021	254,828	363,193	618,021
Financial Assets - Unquoted	1,439,913	(1,439,913)	-	50,966	(50,966)	-
Trade Receivable	11,632		11,632		11,632	11,632
Reinsurance Assets	113,062		113,062		113,062	113,062
Other Receivable and Prepayment	1,709,913	(1,707,397)	2,516		2,516	2,516
Investment in subsidiaries	1,610,015	-	1,610,015		1,610,015	1,610,015
Deferred Acquisition cost	25,516	-	25,516		25,516	25,516
Investment Properties	1,279,410	(816,000)	463,410		463,410	463,410
Intangible Asset	12,062	(12,062)	-		-	-
Property, Plant and Equipment	2,840,804	-	2,840,804		2,840,804	2,840,804
Statutory Deposits	335,000		335,000		335,000	335,000
Total Assets	10,928,882	(3,975,372)	6,953,510	509,657	6,443,854	6,953,510
Liabilities						
Insurance Contract Liabilities	509,656		509,656	509,656	-	509,656
Trade payable	246		246		246	246
Other payable	1,649,390		1,649,390		1,649,390	1,649,390
Employee benefit liability	13,142		13,142		13,142	13,142
Income Tax liabilities	81,696		81,696		81,696	81,696
Deferred tax liabilities	460,890	(460,890)	-		-	-
Total Liabilities	2,715,020	(460,890)	2,254,130	509,656	1,744,474	2,254,130
Net Assets/Shareholders fund	8,213,862	(3,514,482)	4,699,380			
Surplus/(Deficit) Asset				0	4,699,380	4,699,380
Required Minimum Solvency						3,000,000
Solvency Margin Surplus						<u>1,699,380</u>

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
18 Borrowings				
Bank loan/overdraft	0	0	0	0
Balance at year end	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
19 Trade payables				
Trade payables represent liabilities to agents, brokers and re-insurers on insurance contracts during the year				
Reinsurance payable	246	6,341	246	6,341
Other trade creditors	13,646	7,895	0	0
Balance at year end	<u>13,892</u>	<u>14,236</u>	<u>246</u>	<u>6,341</u>
Current	13,892	14,236	246	6,341
20 Other payables				
This is analysed as follow:				
Due to related parties (note 20.1)	1,613,995	1,613,995	1,613,995	1,613,995
Provisions and accruals	63,128	79,555	35,395	35,896
	<u>1,677,123</u>	<u>1,693,550</u>	<u>1,649,390</u>	<u>1,649,891</u>
Current	1,677,123	1,693,550	1,649,390	1,649,891
Non-current	-	-	-	-
20.1 Due to related companies				
African Alliance Insurance Plc (note 20.1a)	1,599,667	1,599,667	1,599,667	1,599,667
Due to other related parties	14,328	14,328	14,328	14,328
	<u>1,613,995</u>	<u>1,613,995</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. Conau Limited has majority shareholding in African Alliance Insurance Plc.

N1.598 billion represents the worth of shares allocated for staff on the private placement of African Alliance Insurance Company Plc in 2008. These shares were not taken up by the staff.

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 N8,745 and N5,583(2014).

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Staff pension scheme	13,142	9,346	13,142	9,346
Current	13,142	9,346	13,142	9,346
22 Income tax payable				
22.1 Per Profit and Loss Account				
Income Tax	29,363	24,581	27,958	24,381
Education Tax	187	-	-	-
	<u>29,550</u>	<u>24,581</u>	<u>27,958</u>	<u>24,381</u>
Deferred Taxation (Note 23)	-	-	-	-
Profit and Loss Account	<u>29,550</u>	<u>24,581</u>	<u>27,958</u>	<u>24,381</u>
22.2 Per Balance Sheet				
Taxation				
At beginning of year	104,438	153,857	103,738	153,357
Charge for the Year (note 22.1)	29,550	24,581	27,958	24,381
Payment during the Year	(50,000)	(74,000)	(50,000)	(74,000)
Discontinued segment portion reclassified	(400)	-	-	-
At year end	<u>83,588</u>	<u>104,438</u>	<u>81,696</u>	<u>103,738</u>
23 Deferred Tax Liability				
At beginning of year	544,140	602,380	397,730	455,970
Addition during the year	63,752	85,904	63,752	85,904
Derecognised on disposal of AFS FA	(592)	(144,144)	(592)	(144,144)
Charged to profit and loss	-	-	-	-
Discontinued segment portion reclassified	(56,617)	-	-	-
Balance at year end	<u>550,683</u>	<u>544,140</u>	<u>460,890</u>	<u>397,730</u>
To be recovered after more than 12 months	550,683	544,140	460,890	397,730
To be recovered in 12 months	-	-	-	-
Deferred income tax are attributable to the following:				
Property and equipment	301,239	357,856	211,446	211,446
Fair value gain/(loss) on AFS unquoted equity	249,444	186,284	249,444	186,284
Balance end of year	<u>550,683</u>	<u>544,140</u>	<u>460,890</u>	<u>397,730</u>

The tax provision for the year is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended.

Section 12 (2A) of the Nigerian Information Technology Development Agency (NITDA) Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. No provision for NITDA was made in this financial statements.

24. 1. Share capital

The share capital comprises:

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Authorised -				
16,000,000,000 Ordinary shares of 50k each	8,000,000	8,000,000	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	8,000,000	8,000,000

24. 2. Share premium

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

24. 3. Contingency Reserve

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Balance, beginning of period	352,132	293,879	352,132	293,879
Transfer from profit and loss	21,861	58,253	21,861	58,253
Balance, end of period	<u>373,993</u>	<u>352,132</u>	<u>373,993</u>	<u>352,132</u>

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

24. 4. Fair Value Reserve

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

	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
Balance, beginning of period	568,117	979,308	568,117	979,308
Net Fair value gain/(loss) on available-for-sale unquoted equity (Note 7)	212,506	69,288	212,506	69,288
Net Fair Value derecognised at disposal	(1,974)	(480,479)	(1,974)	(480,479)
Balance as at period end	<u>778,649</u>	<u>568,117</u>	<u>778,649</u>	<u>568,117</u>

The fair value of =N=568,117 at the beginning of the year, includes =N=566,143 on MTN and =N=1,974 on WAR Stock. The amount of =N=(1,974) represents WAR Stock fair value derecognised in 2015.

24. 5. Revaluation Reserve

	GROUP		COMPANY	
	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Balance, beginning of period	3,383,466	3,166,405	757,329	540,268
Revaluation Surplus	0	217,061	0	217,061
Balance as at period end	<u>3,383,466</u>	<u>3,383,466</u>	<u>757,329</u>	<u>757,329</u>

24. 6. Retained earnings

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

24. 7. Contingencies and commitments**(a) Legal proceedings and regulations**

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. There were (3) (2014 - (4)) outstanding legal proceedings against the Company as at 31 December 2015 with claims totaling N18,126,285 (2014 - N18,453,439). While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, 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 these solvency regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

(b) Bonds and guarantees

The company provides financial guarantee and bonds to third parties at the request of customers in the form of bid and performance bonds or advance payment guarantee. As at the reporting date, the maximum loss that would be recognised if the counter parties failed completely to perform the contract will be N5 Million (December 2014: N3 Million).

(c) Capital commitments

The Company has no capital commitments as at the reporting date.

25 (i) Gross Premium Income	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
Gross premium written				
Direct Premium:				
Motor	55,145	84,001	55,145	84,001
Fire	29,549	22,166	29,549	22,166
General Accident	219,719	148,793	219,719	148,793
Marine	115,965	146,867	115,965	146,867
	<u>420,379</u>	<u>401,826</u>	<u>420,379</u>	<u>401,826</u>
Inward Reinsurance Premium:				
Motor	16,848	22,270	16,848	22,270
Fire	72,784	50,602	72,784	50,602
General Accident	213,135	236,897	213,135	236,897
Marine	5,539	10,633	5,539	10,633
	<u>308,306</u>	<u>320,402</u>	<u>308,306</u>	<u>320,402</u>
<i>Gross premium written</i>	<u>728,685</u>	<u>722,228</u>	<u>728,685</u>	<u>722,228</u>
Changes in unearned premium				
Motor	14,793	(17,374)	14,793	(17,374)
Fire	(5,930)	(7,236)	(5,930)	(7,236)
General Accident	(18,662)	2,927	(18,662)	2,927
Marine	1,897	(1,490)	1,897	(1,490)
	<u>(7,902)</u>	<u>(23,173)</u>	<u>(7,902)</u>	<u>(23,173)</u>
<i>Net change in UPR per Actuarial Valuation</i>	<u>(63,957)</u>	<u>(0)</u>	<u>(63,957)</u>	<u>(0)</u>
<i>Net change in unearned premium</i>	<u>(71,859)</u>	<u>(23,173)</u>	<u>(71,859)</u>	<u>(23,173)</u>
Gross premium earned	<u>656,826</u>	<u>699,055</u>	<u>656,826</u>	<u>699,055</u>
Reinsurance expenses (note 26)	<u>(114,552)</u>	<u>(65,805)</u>	<u>(114,552)</u>	<u>(65,805)</u>
Net insurance premium income	<u>542,274</u>	<u>633,251</u>	<u>542,274</u>	<u>633,251</u>
25 (ii) Policies Underwritten	Number of Policies	Total Sum Insured N'000	Number of Policies	Total Sum Insured N'000
Bond	395	15,481,427	352	10,530,465
Engineering	22	7,014,655	7	12,735,496
Fire	50	119,709,806	55	29,585,886
General Accident	261	2,285,015	122	31,580,771
Aviation	17	16,628,607	40	11,378,663
Marine Cargo	312	44,827,631	146	11,913,773
Marine Hull	7	1,334,582	14	3,192,325
Oil & Gas	37	679,686,608	87	9,758,205
Motor	265	2,736,939	1,058	2,736,939
Total	<u>1,366</u>	<u>889,705,270</u>	<u>1,881</u>	<u>123,412,523</u>
26 Reinsurance expenses	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
Reinsurance costs				
Motor	16,653	4,000	16,653	4,000
Fire	30,002	8,306	30,002	8,306
General Accident	83,437	55,251	83,437	55,251
Marine	12,224	8,186	12,224	8,186
	<u>142,316</u>	<u>75,743</u>	<u>142,316</u>	<u>75,743</u>
Reinsurance recovery on UPR per Actuarial Valuation	<u>(27,764)</u>	<u>(9,939)</u>	<u>(27,764)</u>	<u>(9,939)</u>
Net Reinsurance expenses	<u>114,552</u>	<u>65,805</u>	<u>114,552</u>	<u>65,805</u>

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
27 Fees and Commission Income	N'000	N'000	N'000	N'000
Motor	180	-	180	-
Fire	5,668	5,415	5,668	5,415
General Accident	7,442	4,840	7,442	4,840
Marine	3,602	2,465	3,602	2,465
	<u>16,892</u>	<u>12,720</u>	<u>16,892</u>	<u>12,720</u>
Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.				
28 Claims expenses				
Direct claims paid during the year	164,917	88,064	164,917	88,064
Movement in outstanding claims	(40,216)	61,757	(40,216)	61,757
Net change in IBNR per Actuarial Valuation	70,841	-	70,841	-
Gross claims incurred	195,542	149,821	195,542	149,821
Reinsurance claims recovered	48,747	5,121	48,747	5,121
Reinsurance recovery per Actuarial Valuation	(73,214)	(87,593)	(73,214)	(87,593)
	<u>171,075</u>	<u>67,349</u>	<u>171,075</u>	<u>67,349</u>
29 Underwriting expenses				
Underwriting expenses are those expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other attributable incidental costs.				
	GROUP	COMPANY		
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	N'000	N'000	N'000	N'000
Gross commission paid				
Motor	8,946	10,621	8,946	10,621
Fire	28,617	19,119	28,617	19,119
General Accident	70,283	83,366	70,283	83,366
Marine	23,740	30,963	23,740	30,963
	<u>131,586</u>	<u>144,058</u>	<u>131,586</u>	<u>144,058</u>
Changes in deferred commission				
Motor	1,781	(2,000)	1,781	(2,000)
Fire	(628)	(1,439)	(628)	(1,439)
General Accident	4,862	(1,170)	4,862	(1,170)
Marine	583	(431)	583	(431)
	<u>6,618</u>	<u>(5,040)</u>	<u>6,618</u>	<u>(5,040)</u>
Underwriting expenses	<u>138,204</u>	<u>139,019</u>	<u>138,204</u>	<u>139,019</u>
Maintenance expenses	113,241	122,872	113,241	122,872
Acquisition costs	24,963	16,147	24,963	16,147
	<u>138,204</u>	<u>139,019</u>	<u>138,204</u>	<u>139,019</u>
30 (i) Investment Income				
Investment income attributable to policyholders	44,711	79,055	44,711	79,055
Investment income attributable to shareholders	122,155	453,432	122,155	453,432
	<u>166,866</u>	<u>532,487</u>	<u>166,866</u>	<u>532,487</u>
(a) Investment income attributable to policyholders				
Dividend - Quoted and unquoted investments	188	150	188	150
Interest on call deposits	40,288	66,905	40,288	66,905
Rental income	4,235	12,000	4,235	12,000
	<u>44,711</u>	<u>79,055</u>	<u>44,711</u>	<u>79,055</u>
(b) Investment income attributable to shareholders				
Dividend - Quoted and unquoted investments	439	374	439	374
Gains on sales of shares	-	246,813	-	246,813
Interest on call deposits	120,863	196,073	120,863	196,073
Exchange gain/(loss)	827	(13,447)	827	(13,447)
Other income	27	23,619	27	23,619
	<u>122,155</u>	<u>453,432</u>	<u>122,155</u>	<u>453,432</u>
30 (ii) Other operating revenue				
Gross profit/(loss) from hotel business				
Turnover:				
Rooms and accommodation	136,281	181,340	-	-
Cost of sales:	51,630	35,368	-	-
Gross profit/(loss)	<u>84,651</u>	<u>145,972</u>	<u>-</u>	<u>-</u>
31 (i) Allowances for impairment;				
On trade receivables	0	-	0	-
on other receivables	-	-	-	-
on stock of raw materials	-	-	-	-
on other payable	-	-	-	-
On investment in subsidiaries	-	-	-	(991,601)
Net impairment charge	<u>0</u>	<u>-</u>	<u>0</u>	<u>(991,601)</u>
31 (ii) Net fair value gains/(loss)				
On investment properties	-	124,060	-	124,060
On financial assets	(3,658)	(3,290)	(3,658)	(3,290)
Net Fair value gain/(loss)	<u>(3,658)</u>	<u>120,770</u>	<u>(3,658)</u>	<u>120,770</u>
32 Other operating and administrative expenses				
(i) Employee benefits expense				
Staff cost	114,213	123,262	95,189	97,259
Contributions to defined pension scheme	8,745	5,583	8,745	5,583
Other staff costs	57,693	44,757	53,405	41,836
	<u>180,651</u>	<u>173,602</u>	<u>157,339</u>	<u>144,678</u>
(ii) Management expenses comprise;				
Bank charges	3,671	4,864	3,278	4,417
Other charges and expenses (ii a)	308,031	245,804	296,997	229,081
General maintenance and running costs	62,558	119,069	31,203	47,310
Legal and professional fees	12,807	40,748	11,667	38,627
Audit fees	8,800	9,600	8,000	8,000
Insurance supervision fees	5,699	6,991	5,699	6,991
Depreciation	69,498	175,468	62,247	68,102
Amortisation of Intangible Assets	2,812	1,841	2,812	1,841
Other operating expenses	473,875	604,385	421,903	404,369
Other operating and administrative expenses	<u>654,526</u>	<u>777,987</u>	<u>579,242</u>	<u>549,047</u>

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
27 Fees and Commission Income	N'000	N'000	N'000	N'000
Motor	180	-	180	-
Fire	5,668	5,415	5,668	5,415
General Accident	7,442	4,840	7,442	4,840
Marine	3,602	2,465	3,602	2,465
	16,892	12,720	16,892	12,720

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

28 Claims expenses				
Direct claims paid during the year	164,917	88,064	164,917	88,064
Movement in outstanding claims	(40,216)	61,757	(40,216)	61,757
<i>Net change in IBNR per Actuarial Valuation</i>	70,841	-	70,841	-
Gross claims incurred	195,542	149,821	195,542	149,821
Reinsurance claims recovered	48,747	5,121	48,747	5,121
Reinsurance recovery per Actuarial Valuation	(73,214)	(87,593)	(73,214)	(87,593)
	171,075	67,349	171,075	67,349

29 Underwriting expenses

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

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
Gross commission paid	N'000	N'000	N'000	N'000
Motor	8,946	10,621	8,946	10,621
Fire	28,617	19,119	28,617	19,119
General Accident	70,283	83,356	70,283	83,356
Marine	23,740	30,963	23,740	30,963
	131,586	144,058	131,586	144,058
Changes in deferred commission				
Motor	1,781	(2,000)	1,781	(2,000)
Fire	(628)	(1,439)	(628)	(1,439)
General Accident	4,882	(1,170)	4,882	(1,170)
Marine	583	(431)	583	(431)
	6,618	(5,040)	6,618	(5,040)
Underwriting expenses	138,204	139,019	138,204	139,019
Maintenance expenses	113,241	122,872	113,241	122,872
Acquisition costs	24,963	16,147	24,963	16,147
	138,204	139,019	138,204	139,019

30 (i) Investment Income

Investment income attributable to policyholders	44,711	79,055	44,711	79,055
Investment income attributable to shareholders	122,155	453,432	122,155	453,432
	166,866	532,487	166,866	532,487

(a) Investment income attributable to policyholders

Dividend - Quoted and unquoted investments	188	150	188	150
Interest on call deposits	40,288	66,905	40,288	66,905
Rental Income	4,235	12,000	4,235	12,000
	44,711	79,055	44,711	79,055

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
(b) Investment income attributable to shareholders	N'000	N'000	N'000	N'000
Dividend - Quoted and unquoted investments	439	374	439	374
Gains on sales of shares	-	246,813	-	246,813
Interest on call deposits	120,863	196,073	120,863	196,073
Exchange gain/(loss)	827	(13,447)	827	(13,447)
Other income	27	23,619	27	23,619
	122,155	453,432	122,155	453,432
30 (ii) Other operating revenue				
<i>Gross profit/(loss) from hotel business</i>				
Turnover:				
Rooms and accommodation	136,281	181,340	-	-
Cost of sales:	51,630	35,368	-	-
Gross profit/(loss)	84,651	145,972	-	-
31 (i) Allowances for impairment;				
On trade receivables	0	-	0	-
on other receivables	-	-	-	-
on stock of raw materials	-	-	-	-
on other payable	-	-	-	-
On investment in subsidiaries	-	-	-	(991,601)
Net impairment charge	0	-	0	(991,601)
31 (ii) Net fair value gains/(loss)				
On investment properties	-	124,060	-	124,060
On financial assets	(3,658)	(3,290)	(3,658)	(3,290)
Net Fair value gain/(loss)	(3,658)	120,770	(3,658)	120,770
32 Other operating and administrative expenses				
(i) <i>Employee benefits expense</i>				
Staff cost	114,213	123,262	95,189	97,259
Contributions to defined pension scheme	8,745	5,583	8,745	5,583
Other staff costs	57,693	44,757	53,405	41,836
	180,651	173,602	157,339	144,678
(ii) <i>Management expenses comprise;</i>				
Bank charges	3,671	4,864	3,278	4,417
Other charges and expenses (ii a)	308,031	245,804	296,997	229,081
General maintenance and running costs	62,558	119,069	31,203	47,310
Legal and professional fees	12,807	40,748	11,667	38,627
Audit fees	8,800	9,600	8,000	8,000
Insurance supervision fees	5,699	6,991	5,699	6,991
Depreciation	69,498	175,468	62,247	68,102
Amortisation of Intangible Assets	2,812	1,841	2,812	1,841
<i>Other operating expenses</i>	473,875	604,385	421,903	404,369
<i>Other operating and administrative expenses</i>	654,526	777,987	579,242	549,047

	GROUP		COMPANY	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
(ii a) Other charges and expenses	N'000	N'000	N'000	N'000
Directors expenses	83,132	31,890	83,132	31,890
Levy, fees and penalties	352	9,735	352	9,735
Staff training, GPA and leave allowance	38,775	40,273	38,775	40,273
Government levy	7,431	13,185	7,431	13,185
Rent & rates	15,347	23,222	15,347	23,222
Business promotion	52,128	35,525	52,128	32,397
Other professional charges	20,851	22,381	20,851	22,381
Subscriptions to professional bodies	90	-	90	-
Postages, printing and consumables	19,748	11,024	15,434	7,723
Hotel Accommodation	40,710	18,629	40,710	18,629
Entertainment & AGM	16,168	22,369	12,486	17,709
Office Local transport	13,299	17,571	10,261	11,937
	308,031	245,804	296,997	229,081
	-	0	-	0

33 Interest expense

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

34 Earnings per share

Profit attributable to equity holders	(186,851)	436,263	(194,105)	(472,170)
<i>Weighted average number of ordinary shares in issue (in thousands)</i>	16,000,000	16,000,000	16,000,000	16,000,000
Basic earnings per share (kobo per share)	(1.17)	2.73	(1.21)	(2.95)

The calculation of basic earnings per share at 31 December 2015 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares

35 Related parties

35.1 Conau Limited

Conau Limited is the major shareholder of the company. It carried out various transactions on behalf of Universal Insurance Plc via a deed of assignment. Conau carried out various transactions from purchase of investment properties, investment in other companies and other transactions that have been incorporated into these financial statements in the prior year.

35.2 African Alliance Insurance Plc

This is a sister company. Universal Insurance Plc has a common directorship with the company through its major shareholder, Conau Limited. Universal Insurance Plc carried out various transactions on behalf of the company in the past. These have been incorporated into the financial statements. The companies have shareholding interest in each other.

35.3 Molit Hotels Limited

This is a subsidiary of the company. Various transactions were carried out by Universal Insurance Plc on behalf and with the company in the past. These transactions have been incorporated into the financial statements in the prior year.

35.4 Universal Hotels Limited

This is a subsidiary of the company. Various transactions were carried out by Universal Insurance Plc on behalf and with the company in the past. These transactions have been incorporated into the financial statements in the prior year.

35.5 Related party transactions

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

35.6 Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Universal Insurance Plc.

Key management personnel compensation for the period comprised:

	31-Dec-2015 N'000	31-Dec-2014 N'000	31-Dec-2015 N'000	31-Dec-2014 N'000
Short-term employee benefits	76,482	34,500	76,482	34,500
	76,482	34,500	76,482	34,500

Employees and directors**a. Employees**

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

	2015 Number	2014 Number	2015 Number	2013 Number
Executive directors	3	4	3	4
Management	13	13	5	5
Non-management	85	85	63	63
	101	102	71	72

Compensation for the above staff (excluding executive directors):

	N'000	N'000	N'000	N'000
Salaries and wages	114,213	121,285	95,189	95,282
Retirement benefit costs	8,745	1,141	8,745	1,141
Staff training	28,565	2,910	24,277	2,910
	151,523	125,336	128,211	99,333

The number of employees of the Company, other than directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits), were:

	Number	Number	Number	Number
Less than N800,001	44	44	36	36
N800,001 - N2,000,000	38	38	21	21
N2,000,001 - N2,800,000	8	8	5	5
N2,800,001 - N3,500,000	3	3	2	2
N3,500,001 - and Above	8	9	7	8
	<u>101</u>	<u>102</u>	<u>71</u>	<u>72</u>

b. Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:

	N'000	N'000	N'000	N'000
Fees and sitting allowances	60,790	12,330	60,790	12,330
Executive compensation	0	0	0	0
Other director expenses	22,342	20,140	22,342	20,140
	<u>83,132</u>	<u>32,470</u>	<u>83,132</u>	<u>32,470</u>

Fees and other emoluments disclosed above include amounts paid to:

The chairman	13,100	3,900	13,100	3,900
The highest paid director	46,282	2,800	46,282	2,800

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges was:

	2015 Number	2014 Number	2015 Number	2014 Number
Below N1,600,000	4	4	4	4
N1,600,000 - N2,000,000	4	4	4	4
N3,400,000 - and above	2	2	2	2
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

36(i) Contraventions:

During the year the company was penalised by the National Insurance Commission (NAICOM) for the contravention of certain sections of the Insurance Act and certain circulars as issued by the NAICOM. Details of the contraventions and the related penalties are as stated below:

Description of contravention	Section	Penalties paid N'000
Late submission of quarterly returns	S. 26	2,250
Late submission of audited accounts	S. 26 (3)	80
Insurance levy returns	S. 30	500
Violation of Operational Guidelines & Circulars		250
		<u>3,080</u>

36(ii) The company was penalised by The Nigerian Stock Exchange for late submission of 2014 Audited Account and Reports to the tune of N4 Million.

37 Subsequent events review

There were no post balance sheet events which could have had material effect on the state of the company's financial position since the reporting date of 31 December, 2015 and the state of the comprehensive income for the year ended on that date which might require adjustments or disclosure in the financial statements.

FIVE YEAR FINANCIAL SUMMARY
For the period ended 31 December:-
GROUP
STATEMENT OF FINANCIAL POSITION

	GROUP				
	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Cash and Cash Equivalents	960,418	1,035,301	73,696	73,696	67,913
Financial Assets	2,057,934	1,859,545	2,879,253	2,879,253	2,924,013
Trade Receivable	84,132	95,696	33,695	33,695	43,813
Reinsurance Assets	113,062	115,919	25,513	25,513	27,945
Deferred Acquisition cost	25,516	32,135	15,225	15,225	1,637,314
Other Receivable	1,733,661	1,740,186	1,740,934	1,740,934	-
Investment in subsidiaries	-	-	-	-	12,293
Investment Properties	4,614,621	1,250,560	934,118	934,118	934,118
Intangible Asset	12,062	8,489	4,635	4,635	4,472
Property Plant and Equipment	2,883,659	7,036,036	6,880,877	6,880,877	6,572,750
Statutory Deposits	335,000	335,000	335,000	335,000	335,000
Assets classified as held for sale	798,406	-	-	-	-
Total Assets	13,618,470	13,508,867	12,922,946	12,922,946	12,559,631
Liabilities					
Insurance Contract Liabilities	509,656	407,172	250,597	250,597	207,469
Borrowings	-	-	-	-	3,429
Trade payable	13,892	14,236	29,903	29,903	20,763
Other payable	1,677,123	1,693,550	1,778,641	1,778,641	1,758,006
Employee benefit liability	13,142	9,346	1,219	1,219	3,943
Income Tax liabilities	83,588	104,438	119,109	119,109	99,465
Deferred tax liabilities	550,683	544,140	593,715	593,715	501,407
Liabilities associated with assets classified as held for sale	73,880	-	-	-	-
Total Liabilities	2,921,964	2,772,882	2,773,184	2,773,184	2,594,482
Equity					
Issued and paid Share capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Share Premium	825,018	825,018	825,018	825,018	825,018
Contingency Reserves	337,406	315,546	233,088	233,088	220,612
Fair value reserve	778,649	568,117	950,425	950,425	1,003,121
Fixed asset revaluation reserve	3,383,466	3,383,466	3,166,405	3,166,405	2,858,848
Retained earnings	(2,628,033)	(2,356,162)	(3,025,174)	(3,025,174)	(2,942,450)
Shareholders funds	10,696,506	10,735,985	10,149,762	10,149,762	9,965,149
Non - controlling interests	-	-	-	-	-
TOTAL EQUITY & LIABILITIES	13,618,470	13,508,867	12,922,946	12,922,946	12,559,631
	0	(0)	-	-	-

STATEMENT OF COMPREHENSIVE INCOME

	GROUP				
	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Gross premium written	728,685	722,228	620,247	415,846	349,172
Premium earned	656,826	699,055	567,763	404,231	361,958
Profit before taxation	(156,780)	460,844	307,379	181,758	(646,851)
Taxation	(29,550)	(24,581)	(41,748)	(25,066)	(17,819)
Profit after taxation	(186,331)	436,263	265,631	156,792	(664,670)
Transfer to contingency reserve	21,861	21,667	60,791	(12,473)	(10,475)
Retained earning	(164,470)	457,930	326,422	144,319	(675,145)
Earnings per share	(1.17)	2.73	1.66	0.98	(4.15)

FIVE YEAR FINANCIAL SUMMARY

For the period ended 31 December:-

COMPANY

STATEMENT OF FINANCIAL POSITION

	COMPANY				
	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Cash and Cash Equivalents	933,534	1,029,733	67,060	67,060	63,733
Financial Assets	2,057,934	1,859,545	2,879,253	2,879,253	2,924,013
Trade Receivable	11,632	23,196	14,045	14,045	96
Reinsurance Assets	113,062	115,919	25,513	25,513	27,945
Deferred Acquisition cost	25,516	32,135	15,225	15,225	1,613,786
Other Receivable	1,709,913	1,709,917	1,733,810	1,733,810	2,561,666
Investment in subsidiaries	1,610,015	1,570,315	2,561,666	2,561,666	12,293
Investment Properties	1,279,410	1,250,560	934,118	934,118	934,118
Intangible Asset	12,062	8,489	4,635	4,635	4,472
Property Plant and Equipment	2,840,804	2,900,005	2,546,187	2,546,187	2,339,992
Statutory Deposits	335,000	335,000	335,000	335,000	335,000
Total Assets	10,928,883	10,834,814	11,116,512	11,116,512	10,817,114
Liabilities					
Insurance Contract Liabilities	509,656	407,172	250,597	250,597	207,469
Borrowings	-	-	-	-	-
Trade payable	246	6,341	16,484	16,484	13,969
Other payable	1,649,390	1,649,891	1,737,515	1,737,515	1,730,616
Employee benefit liability	13,142	9,346	1,219	1,219	3,943
Income Tax liabilities	81,696	103,738	118,909	118,909	100,043
Deferred tax liabilities	460,890	397,730	447,305	447,305	412,164
Total Liabilities	2,715,020	2,574,218	2,572,029	2,572,029	2,468,204
Equity					
Issued and paid Share capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Share Premium	825,018	825,018	825,018	825,018	825,018
Contingency Reserves	337,406	315,545	233,088	233,088	220,612
Fair value reserve	778,649	568,117	950,425	950,425	1,003,121
Revaluation reserve	757,329	757,329	540,268	540,268	423,268
Retained earnings	(2,484,539)	(2,205,413)	(2,004,316)	(2,004,316)	(2,123,109)
Shareholders funds	8,213,863	8,260,596	8,544,483	8,544,483	8,348,910
Non - controlling interests	-	-	-	-	-
TOTAL EQUITY & LIABILITIES	10,928,883	10,834,814	11,116,512	11,116,512	10,817,114
	0	(0)	(0)	(0)	-

STATEMENT OF COMPREHENSIVE INCOME

	COMPANY				
	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Gross premium written	728,685	722,228	620,247	415,846	349,172
Premium earned	656,826	699,055	567,763	404,231	361,958
Profit before taxation	(166,147)	(447,789)	345,404	191,275	(648,391)
Taxation	(27,958)	(24,381)	(41,448)	(24,866)	(17,819)
Profit after taxation	(194,105)	(472,170)	303,955	166,409	(666,210)
Transfer to contingency reserve	(21,861)	(21,667)	(60,791)	(12,475)	(10,475)
Retained earning	(215,966)	(493,837)	243,164	153,934	(676,685)
Earnings per share	(1.21)	(2.95)	1.90	1.04	(4.16)

Universal Insurance Plc

STATEMENT OF VALUE ADDED

For the period ended 31 December 2015

	GROUP				COMPANY			
	Dec- 2015	%	Dec- 2014	%	Dec- 2015	%	Dec- 2014	%
Underwriting income	559,165	210%	645,970	62%	559,165	246%	645,970	-5842%
Re-insurance, claims and commission & others	(544,407)	-204%	(290,562)	-28%	(499,165)	-220%	(1,189,514)	10758%
Investment and other income	251,517	94%	678,459	66%	166,866	74%	532,487	-4816%
Value added	266,275	100%	1,033,867	100%	226,866	100%	(11,057)	100%
Applied to pay:								
Staff and other Costs	180,651	68%	173,602	17%	157,339	69%	144,678	-1308%
Government as tax	29,550	11%	24,581	2%	27,958	12%	24,381	-220%
<i>Retained in the business:</i>								
Depreciation and amortisation	72,310	27%	177,309	17%	65,060	29%	69,943	-633%
Retained profit/(loss) for the period	(186,851)	-70%	436,264	42%	(194,105)	-86%	(472,171)	4270%
Fair value reserves	148,754	56%	200,445	19%	148,754	66%	200,445	-1813%
Contingency reserve	21,861	8%	21,667	2%	21,861	10%	21,667	-196%
Value added	266,275	100%	1,033,867	100%	226,866	100%	(11,057)	100%

0

0

(0)

0

UNIVERSAL INSURANCE PLC

**COMPUTATION OF SOLVENCY MARGIN
AS AT DECEMBER 31, 2015**

	Total N'000	Inadmissible N'000	Admissible N'000
1 ADMISSIBLE ASSETS			
Cash and bank balances	933,534	-	933,534
Financial Assets - Quoted	618,021		618,021
Financial Assets - Unquoted	1,439,913	1,439,913	-
Trade Receivable	11,632		11,632
Reinsurance Assets	113,062		113,062
Other Receivable and Prepayment	1,709,913	1,707,397	2,516
Investment in subsidiaries	1,610,015	-	1,610,015
Deferred Acquisition cost	25,516		25,516
Investment Properties	1,279,410	816,000	463,410
Intangible Asset	12,062	12,062	0.00
Property, Plant and Equipment	2,840,804	-	2,840,804
Statutory Deposits	335,000		335,000
A	<u>10,928,882</u>		<u>6,953,510</u>
2 ADMISSIBLE LIABILITIES			
Insurance Contract Liabilities	509,656		509,656
Trade payable	246		246
Other payable	1,649,390		1,649,390
Employee benefit liability	13,142		13,142
Income Tax liabilities	81,696		81,696
Deferred tax liabilities	460,890	460,890	-
B	<u>2,715,020</u>		<u>2,254,130</u>
Solvency Margin (A-B)	C		4,699,380
15% of Net Premium (552,213 *15%)	D		81,341
Minimum required paid up capital	E		3,000,000
Surplus in Solvency Margin (C-E)			1,699,380

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 has a solvency margin surplus of N1.969 Billion from the regulatory requirement of the minimum paid up capital of N3.00 billion.

UNIVERSAL INSURANCE PLC

FORM 19

**(Under the Insurance Act 2003)
AUDITORS CERTIFICATES OF SOLVENCY ON OATH IN
RESPECT OF A REGISTERED INSURER IN NIGERIA**

We certify that (a) Universal Insurance Plc has during the period covered by our Audit report for the year ended (b) 31 December, 2015 dated 28 November 2016 complied with section 24 of the Insurance Act CAP 117 LFN 2004. This is to say that the company has in respect of its insurance business, other than life, maintained at all times a margin of solvency (as defined under section 24 (1) and (2) of the Act). The solvency margin maintained is ₦ 4,969,332,000 (Four Billion, Nine Hundred and sixty Nine Million Three Hundred and Thirty Two Thousand Naira)

The accounts and balance sheet are in accordance with information given to us and with the provisions of the Insurance Act CAP 117 LFN 2004 and reflect a true and fair view of the financial position of the Insurer.

Every information we require has been supplied and the books appear to us to have been properly kept.

Signed:

AUDITORS

Date: 28 November, 2016

Name and address of Auditors

ANUEBUNWA JUDE & CO (Chartered Accountants)
7, SABITU STREET, IJEGUN ZONE 2, SATELITE TOWN
LAGOS - NIGERIA.

Sworn to at

This day of2016

BEFORE ME

COMMISSIONER FOR OATHS

FOR THE YEAR ENDED 31 DECEMBER 2015

	GENERAL				2015	2014
	MOTOR	FIRE	ACCIDENT	MARINE	2015	2014
	N'000	N'000	N'000	N'000	N'000	N'000
Direct Premium Written	55,145	29,549	219,719	115,965	420,379	401,826
Reinsurance Accepted	16,848	72,784	213,135	5,539	308,306	320,402
Gross Premium Written	71,993	102,334	432,854	121,504	728,685	722,228
Changes in Reserve for Unexpired Risk (*)	15,131	(4,891)	(67,767)	(14,332)	(71,859)	(23,173)
Gross Premium Earned	87,124	97,443	365,087	107,172	656,826	699,055
Net Reinsurance Recovery (UPR) per actuarial valuation	-	9,140	14,342	4,282	27,764	9939
Reinsurance cost	(16,653)	(30,002)	(83,437)	(12,224)	(142,316)	(75,743)
Net Premium Written	70,471	76,580	295,992	99,230	542,274	633,251
Commission Received	180	5,668	7,442	3,602	16,892	12,720
Net Income	70,651	82,248	303,435	102,832	559,165	645,971
Claims Incurred:						
Direct Claims Paid	25,648	33,305	97,860	8,104	164,917	88,064
Changes in Provision for Outstanding Claims (**)	8,098	6,339	13,476	2,712	30,625	61,758
Gross Claims Incurred	33,747	39,644	111,336	10,816	195,542	149,822
Reinsurance Claims Recovery per actuarial valuation	-	(21,418)	(48,815)	(2,981)	(73,214)	(87,593)
Reinsurance Claims Recovered	(2,061)	10,455	44,507	(4,154)	48,747	5,121
Net Claims Incurred	31,686	28,680	107,028	3,681	171,075	67,350
Underwriting Expenses:						
Commission Paid	8,946	28,617	70,283	23,740	131,586	144,058
Changes in deferred commission	1,781	(628)	4,882	583	6,618	(5,040)
Total Underwriting Expenses	10,727	27,989	75,165	24,323	138,204	139,019
Total Expenses	42,412	56,669	182,193	28,004	309,279	206,369
Underwriting Result	28,239	25,579	121,242	74,828	249,887	439,602
Provision for Unexpired Risk- 1 January 2015	44,533	18,970	100,702	2,412	166,617	143,444
Provision for Unexpired Risk-	29,741	24,899	119,364	515	174,519	166,617
Additional charge (UPR) per actuarial valuation	(338)	(1,039)	49,105	16,229	63,957	-
Reserve for Unearned premium - 31 December 2015	29,403	23,860	168,469	16,744	238,476	166,617
* Changes in reserve for unexpired Risk	15,131	(4,891)	(67,767)	(14,332)	(71,859)	(23,173)
Gross Claims Outstanding						
Outstanding Claims	12,471	20,352	141,741	7,562	182,127	218,866
Additional charge to claims reserve per actuarial valuation	3,863	13,432	49,120	4,426	70,841	0
Provision for outstanding claims (IBNR)	1,247	2,035	14,174	756	18,213	21,869
Provision for Outstanding Claims- 31 December 2015	17,581	35,819	205,035	12,744	271,180	240,555
Provision for Outstanding Claims- 1 January 2015	9,483	29,481	191,559	10,032	240,555	178,797
** Changes in provision for outstanding claims	8,098	6,339	13,476	2,712	30,625	61,758