

4th QUARTER MANAGEMENT ACCOUNT

For The Period Ended 31 December 2018

Universal Insurance Plc

RC 2460

UNIVERSAL INSURANCE PLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 DECEMBER 2018

	NOTES	GROUP		COMPANY	
		31/12/2018	31/31/2017	31/31/2018	31/31/2017
		N'000	N'000	N'000	N'000
Assets					
Cash and Cash Equivalents	6	421,217	298,868	419,480	271,230
Financial Assets	7	2,858,153	2,856,058	2,858,153	2,856,058
Trade Receivable	8	130,079	97,096	10,931	6,773
Reinsurance Assets	9	237,065	375,503	237,065	375,503
Deferred Acquisition cost	10	96,592	31,090	96,592	31,090
Other Receivable	11	1,734,935	1,743,243	1,744,652	1,753,153
Investment in Subsidiaries	12	-	-	2,449,516	2,449,516
Investment Properties	13	5,203,697	5,203,697	1,854,000	1,854,000
Intangible Asset	14	42,914	20,550	42,914	20,550
Property, Plant and Equipment	15	2,965,079	2,854,211	2,802,022	2,808,784
Statutory Deposits	16	334,816	335,000	334,816	335,000
Total Assets		14,024,547	13,815,316	12,850,141	12,761,657
Liabilities					
Insurance Contract Liabilities	17	1,018,179	787,276	1,018,179	787,275
Borrowings	18	-	-	-	-
Trade payable	19	40,867	33,423	21,247	22,900
Other payable	20	1,698,568	1,720,622	1,666,578	1,687,537
Employee benefit liability	21	4,749	2,178	4,749	2,178
Income Tax liabilities	22	43,509	67,931	39,119	64,056
Deferred tax liabilities	23	793,258	791,120	702,698	700,560
Total Liabilities		3,599,131	3,402,550	3,452,571	3,264,506
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	428,667	378,007	428,667	378,007
Fair value reserve	24. 4	1,583,838	1,576,710	1,583,838	1,576,710
Non Current assets revaluation reser	24. 5	2,513,040	2,513,040	757,329	757,329
Retained earnings	24. 6	(2,925,147)	(2,880,007)	(2,197,282)	(2,039,913)
Shareholders funds		10,425,416	10,412,768	9,397,570	9,497,151
Other equity instruments		-	-	-	-
Non - controlling interests		-	-	-	-
TOTAL EQUITY & LIABILITIES		14,024,547	13,815,318	12,850,141	12,761,657
		0	2	0	-

Signed on behalf of the Board of Directors on May 10, 2019

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

REGINALD ANYANWU
EXECUTIVE DIRECTOR
FRC/20 13/NIM/0000003245

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

Universal Insurance Plc

Statements of Comprehensive Income

For the PERIOD ENDED 31 DECEMBER 2018

	Notes	GROUP		COMPANY	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
		N'000	N'000	N'000	N'000
Gross Premium written	25	1,688,673	753,066	1,688,673	753,067
Decrease/(increase) in unearned premium		(309,067)	(22,219)	(309,067)	(22,218)
Gross Premium Earned	#	1,379,607	730,847	1,379,607	730,849
Reinsurance Premium Expense	26	(234,520)	(155,465)	(234,520)	(147,106)
Net Insurance Premium Income	#	1,145,087	575,382	1,145,087	583,743
Fees and Commission income	27	49,810	34,008	49,810	34,008
Total Underwriting Income	#	1,194,897	609,390	1,194,897	617,751
<i>Insurance benefits</i>					
Claims expenses	28	(408,359)	(462,731)	(408,359)	(462,731)
Claims Expense Recovery from reinsurance	28	185,372	23,866	185,372	23,866
Change in contract liabilities	28	-	-	-	278,679
Net insurance benefit and claims		(222,987)	(438,865)	(222,987)	(160,186)
Underwriting Expenses					
Acquisition expenses	29	(237,729)	90,661	(237,729)	(90,661)
Maintenance expenses	29	(214,720)	75,549	(214,720)	(75,549)
Total Underwriting Expenses		(452,449)	166,210	(452,449)	(166,210)
Underwriting Profit/(Loss)		519,461	336,735	519,461	291,355
Investment income	30	78,490	128,029	78,490	128,029
Other operating income		48,637	56,910	-	-
Total investment income		127,127	184,939	78,490	128,029
Net Income		646,588	521,674	597,951	419,384
Impairment charges	31 (i)	-	873,755	-	872,813
Net realised gains/(loss) on financial assets	31 (ii)	(5,033)	(669)	(5,033)	(669)
Net fair value gain/(loss) on investment properties	31 (ii)	-	58,000	-	58,000
Other operating and administrative expenses	32	(723,629)	(739,034)	(676,602)	(683,320)
Total Expenses		(728,662)	192,052	(681,635)	246,824
Result of operating activities	#	(82,074)	713,726	(83,684)	666,208
Interest expense	33	-	-	-	-
Profit or (Loss) before Taxation		(82,074)	713,726	(83,684)	666,208
Income Tax Expense/ (Credit)		(15,578)	(32,407)	(15,063)	(32,024)
Profit or Loss after Taxation		(97,652)	681,319	(98,747)	634,184
Profit or Loss for the period		(97,652)	681,319	(98,747)	634,184
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		(97,652)	681,319	(98,747)	634,184
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		(97,652)	681,319	(98,747)	634,184
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	7,128	-	7,128	11,162
Deferred tax impact of changes in AFS financial assets	23	(2,138)	4,116	(2,138)	(3,349)
<i>Items within OCI that will not be reclassified to the profit or loss;</i>					
2017 impairment gain/loss on Financia Assets		(11,970)	0	(11,970)	-
2018 impairment gain/loss on Financia Assets		6,147	0	6,147	-
PPE revaluation gains	24. 5	-	1,755,711	-	-
Deferred tax impact of revaluation gains	23	-	-	-	-
Other comprehensive income for the period		(833)	1,759,827	(833)	7,813
Total comprehensive income		(98,486)	2,441,146	(99,581)	641,997
Total comprehensive income attributable to:					
Equity holders of the company		(98,486)	2,441,146	(99,581)	641,997
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		(98,486)	2,441,146	(99,581)	641,997
Earnings per share-(basic and diluted)	34	(0.61)	3.97	(0.62)	3.96

Universal Insurance Plc
Statement Of Cash Flows

For the year ended 31 DECEMBER 2018	GROUP		COMPANY	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	N'000	N'000	N'000	N'000
Cash flows from operating activities				
Insurance premium received from policy holders, Brokers & Agents, Cedants	1,375,449	734,011	1,375,449	751,723
Commission received	49,810	34,008	49,810	34,008
Reinsurance receipts in respect of claims	185,372	23,866	185,372	23,866
Reinsurance premium paid	(234,520)	(150,950)	(234,520)	(150,950)
Other operating cash payments	(131,178)	(626,265)	(268,189)	(648,376)
Insurance benefits and Claims paid	(487,668)	(194,975)	(340,867)	(194,975)
Payments to intermediaries to acquire insurance contracts	(303,231)	(97,439)	(303,231)	(97,438)
Maintenance expenses	(214,720)	(75,549)	(214,720)	(75,549)
Interest Received	59,075	100,521	59,075	100,521
Dividend Income Received	16,740	22,614	16,740	22,614
Cash generated from operations	315,130	(230,158)	324,920	(234,556)
Company Income Tax paid	(40,000)	(27,282)	(40,000)	(27,282)
Net cash provided by operating activities	275,130	(257,440)	284,920	(261,838)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(122,884)	(18,015)	(106,775)	(13,277)
Purchase of Intangible Assets	(29,894)	(8,730)	(29,894)	(8,730)
Purchase of Listed Equities	-	(64)	-	(64)
Investment income and other receipts	-	1,603	-	1,603
Unlisted AFS Disposed	-	-	-	-
Net Cash provided by investing activities	(152,779)	(25,206)	(136,670)	(20,468)
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	298,866	581,512	271,230	553,536
Net increase/decrease in cash and cash equivalents	122,351	(282,646)	148,250	(282,306)
Cash and Cash equivalent at the end of period	421,217	298,866	419,480	271,230

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

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1 General Information:

The financial statements of the company for the period ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors. The company is a public limited company incorporated and domiciled in Nigeria. The corporate head office is located at 8, Gbagada Expressway Anthony, Lagos. The Company is principally engaged in the business of providing risk underwriting, related financial services and hospitality services to its customers.

2 Summary of significant accounting policies:

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

3 Critical accounting estimates and judgements:

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

3. (i) Fair value of financial assets:

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

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

3. (ii) Liabilities arising from insurance contract:

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

3. (iii) Impairment or receivables:

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

4 Insurance and Financial risks management

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

4 (i) Financial risk management

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

4 (ii) Market risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, 'interest rates and other price changes. Market risks arises due to flunctuations 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.

4v Liquidity risk

Liquidity risk is the risk that the company cannot meet its obligations associated with financial liabilities as they fall due. The company has adopted an appropriate liquidity risk management frameqork for the management of the company's liquidity requirments. 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 catastrphe events, there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers.

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

5 Insurance Risks management

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

The company is exposed to the uncertainty surrounding the timing,

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

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

5 (i) Capital Management

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

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 2018 is, as follows:

		31-Dec-17				
		IAS 39 classification and measurement			Reclassification	
	Notes	Category	Amount		Amount	
			₺'000	₺'000	₺'000	
Assets						
Cash and cash equivalents	a,c	L&R	271,230		-	
Other receivables and prepayments:						
-Other loans and receivables	a,c	L&R	1,588,961		-	
-Other loans and receivables from related party	a,c	L&R	33,960		-	
Financial assets:						
-Fair value through profit or loss		FVTPL	617,245		-	
-Equity instrument at fair value through OCI	b		-		2,238,813	
From:						
-Available for sale	a,c		2,238,813		(2,238,813)	
Statutory deposit	a,c	L&R	335,000		-	
Total financial assets			5,085,209	-	2,238,813	
Financial liabilities						
Other Payables						
-Due to related party	a	OFL	1,613,995		-	
Total liabilities			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

5 (iii) Transition Disclosures- Continued

	IAS 39 31-Dec-17	IFRS 1-Jan-18
1 Cash and cash equivalents	`=N='000	`=N='000
Balances as at 31 December 2017 (IAS 39)	271,230	271,230
Impairment (ECL Model)	-	(8,205)
	271,230	263,025
2 Other loans and receivables		
Balances as at 31 December 2017 (IAS 39)	1,588,961	
Reclassified to amortised cost	(1,588,961)	1,588,961
Impairment (ECL Model)		(1,075)
	-	1,587,886
3 Other loans and receivables from related parties		
Balances as at 31 December 2017 (IAS 39)	33,960	-
Reclassified to amortised cost	(33,960)	33,960.00
Impairment (ECL Model)	-	(2,689.00)
	-	31,271.00
The impact of transition to IFRS 9 on reserves and accumulated losses is, as follows:		
		Reserves and Retained Earnings
Fair value reserve		`=N='000
Closing balance under IAS 39 (31 December 2017)		1,576,710
Remeasurement impact of revaluation of financial assets held as available for sale		-
Opening balance under IFRS 9 (1 January 2018)		1,576,710

Retained earnings/(Accumulated losses)			
Closing balance under IAS 39 (31 December 2017)			(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 2018)			(2,051,882)
Total change in equity due to adopting IFRS 9			(11,969)

5 (iv) Transition Disclosures- Continued

The following table reconcile the aggregate opening impairment allowances under IAS 39 to ECL allowances under IFRS 9.

	Allowance for impairment under IAS 39	Remeasurement	ECLs under IFRS 9
	31-Dec-17		1-Jan-18
	₦'000	₦'000	₦'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-end stage classification. The amounts presented are gross of impairment allowances.

	Impairment charges		Gross impairment allowance			
			Stage 1	Stage 2	Stage 3	Total
			₦'000	₦'000	₦'000	₦'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 related party	2,689		2,689	-	-	2,689

5 (vi) Transition Disclosures- Continued

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:

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 2018, 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 2018, the Company adopted the general approach for all these instruments in accordance with IFRS 9 and recognised an

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.

6	Cash and Cash Equivalents	GROUP		COMPANY	
		31-12-2018	31-12-2017	31-12-2018	31-12-2017
	This comprises of:	N'000	N'000	N'000	N'000
	Cash In Hand	2,710	613	2,622	546
	Current Account Balances	392,858	117,028	391,209	89,458
	Impairment gain/loss	(576)	-	(576)	-
		392,282	117,028	390,633	89,458
	Placement with banks	26,795	181,227	26,795	181,227
	Impairment gain/loss	(570)	-	(570)	-
		26,225	181,227	26,225	181,227
	Total	421,217	298,868	419,480	271,231
7	Financial asset				
	This comprises of:				
	Financial assets at fair value through profit or loss	612,182	617,245	612,182	617,245
	Available-for-sale financial assets	2,245,971	2,238,813	2,245,971	2,238,813
	Financial assets	2,858,153	2,856,058	2,858,153	2,856,058
	Current	612,182	617,245	612,182	617,245
	Non-current	2,245,971	2,238,813	2,245,971	2,238,813
(a)	Financial assets at fair value through profit or loss				
	<i>Listed Equity securities</i>				
	Balance as at January 1	617,215	617,851	617,215	617,851
	Addition during the year	-	64	-	64
	Disposal during the year	-	-	-	-
	Fair value gain/(loss)	(5,033)	(669)	(5,033)	(669)
	Foreign Exchange gain/(loss)	-	-	-	-
	Net impairment gain/(loss)	-	-	-	-
	Balance as at 31 December	612,182	617,246	612,182	617,246
	Market value of Quoted Investment				
	As at January 1	617,215	617,130	617,215	617,130
	As at 31 December	612,182	617,799	612,182	617,799

Fair value gain/(loss)	5,033	(669)	5,033	(669)
(b) Available-for-sale financial assets				
<i>Unlisted Equity securities</i>				
Balance as at January 1	2,238,842	2,227,651	2,238,842	2,227,651
Addition during the year	-	-	-	-
Disposal during the year	-	-	-	-
Fair value gain/(loss)	7,128	11,162	7,128	11,162
Foreign Exchange gain/(loss)	-	-	-	-
Net impairment gain/(loss)	-	-	-	-
Balance as at 31 December	2,245,971	2,238,813	2,245,971	2,238,813

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	=N=
2018	16,740
2017	20,890
2016	nil

8 Trade Receivables

Insurance receivables	10,931	6,773	10,931	6,773
Other receivables (From subsidiary)	119,148	90,323	-	-
	130,079	97,096	10,931	6,773
Trade receivables	119,148	-	-	-
Net impairment gain/(loss)	-	-	-	-
	-	-	-	-
Balance end of year	130,079	97,096	10,931	6,773
Current	130,079	97,096	10,931	6,773
Non-current	-	-	-	-

8.1 Insurance receivables

Premium receivable from agents, brokers and intermediaries

Due from agents	-	-	-	-
Due from brokers	6,182	5,207	6,182	5,207
Due from insurance companies	4,749	1,566	4,749	1,566
Due from insurance companies	-	-	-	-
	<u>10,931</u>	<u>6,773</u>	<u>10,931</u>	<u>6,773</u>

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

At beginning of year	-	-	-	-
Provision for impairment	-	-	-	-
Amount written off during the year as uncollectible	-	-	-	-
At end of year (31 December 2018)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9 Reinsurance Assets	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Reinsurance Prepaid	265	265	265	265
PREPAID MINIMUM AND DEPOSIT (M & D) Oil & Gas/Treaty	19,499	21,635	19,499	21,635
REINSURANCE RECOVERY ON CLAIMS (IBNR)	151,741	307,438	151,741	307,438
REINSURANCE RECOVERY ON (UPR)	65,561	46,165	65,561	46,165
Total Reinsurance Assets	<u>237,065</u>	<u>375,503</u>	<u>237,065</u>	<u>375,503</u>
ALLOWANCE FOR IMPAIRMENT	-	-	-	-
	<u>237,065</u>	<u>375,503</u>	<u>237,065</u>	<u>375,503</u>

Current	237,065	375,503	237,065	375,503
Non-current				

12

9.1 IMPAIRMENT:

Minimum and Deposit (M & D)	-	-	-	-
REINSURANCE RECOVERY ON CLAIMS (IBNR)	145,655	278,679	145,655	278,679
REINSURANCE RECOVERY ON (UPR)	(9,354)	8,359	(9,354)	8,359
	<u>136,301</u>	<u>287,038</u>	<u>136,301</u>	<u>287,038</u>

9.2 Movements on Reinsurance Assets are as follows:

At the beginning of the year	8,359	6,800	8,359	6,800
Additions during the year	557,591	148,665	557,591	148,665
Amortised in the year (Reinsurance expenses)	(234,520)	(147,106)	(234,520)	(147,106)

Balance at the end of the year	331,430	8,359	331,430	8,359
9.3 Movement in Reinsurance Share of outstanding Claims and IBNR				
Balance at the beginning of the year	297,396	66,564	297,396	66,564
Increase/(Decrease) during the year	(145,655)	287,038	(145,655)	287,038
Balance at the end of the year	151,741	353,602	151,741	353,602
9.4 Movement in Reinsurance Share of Recoverable on Claims Reserve				
Balance at the beginning of the year	297,396	28,759	297,396	28,759
Increase/(Decrease) during the year	(145,655)	278,679	(145,655)	278,679
Allowance for impairment	-	-	-	-
Balance at the end of the year	151,741	307,438	151,741	307,438

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

10 Deferred acquisition

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

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Motor	6,471	4,363	6,471	4,363
Fire	40,064	5,323	40,064	5,323
General accident	12,750	8,445	12,750	8,445
Bond	6,124	8,756	6,124	8,756
Engineering	7,615	598	7,615	598
Oil & Gas	15,350	1,520	15,350	1,520
Aviation	81	50	81	50
Marine	8,137	2,035	8,137	2,035
Additional (DCA) per actuarial Valuation Report	-	-	-	-
	96,592	31,090	96,592	31,090

10.1 Movement in deferred acquisition cost

At beginning of year	31,090	24,313	31,090	24,313
Changes during the year	65,502	6,777	65,502	6,777
At end of year	96,592	31,090	96,592	31,090

Due within 12 months	<u>96,592</u>	<u>31,090</u>	<u>96,592</u>	<u>31,090</u>
Due after more than 12 months	-	-	-	-

11 Other Receivables, prepayments and stock

The balance is analysed as follow:

Prepayment	122,122	130,232	122,122	130,232
Other loans and receivables	2,328,579	2,327,656	2,328,030	2,327,656
Other loans and receivables from related parties	33,195	33,960	33,195	33,960
	-	-	-	-
	<u>2,483,896</u>	<u>2,491,848</u>	<u>2,483,347</u>	<u>2,491,848</u>
Impairment of other loans and receivables	(749,307)	(749,307)	(738,695)	(738,695)
Balance at period end	<u>1,734,935</u>	<u>1,743,243</u>	<u>1,744,652</u>	<u>1,753,153</u>
Current	135,993	144,301	145,710	154,211
Non-current	1,598,942	1,598,942	1,598,942	1,598,942

11. (i) Other loans and receivables

Staff Debtors	7,592	5,511	7,592	5,511
Impairment Charges ON Staff loan	(1,728)	-	(1,728)	-
	5,864	5,511	5,864	5,511
Staff Share Loan	<u>1,598,942</u>	<u>1,598,942</u>	<u>1,598,942</u>	<u>1,598,942</u>
Deposit for properties (reclassified from inv. Properties) (11(v))	720,000	720,000	720,000	720,000
Other receivables	3,223	3,203	3,223	3,203
	<u>2,333,894</u>	<u>2,333,167</u>	<u>2,328,030</u>	<u>2,333,167</u>
Impairment of other loans and receivables	(749,307)	(749,307)	(738,695)	(738,695)
	<u>1,584,587</u>	<u>1,583,860</u>	<u>1,589,335</u>	<u>1,594,472</u>

11 (ii) Staff Share Loan:-

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

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

Due from related parties	35,960	33,960	35,960	33,960
	<u>35,960</u>	<u>33,960</u>	<u>35,960</u>	<u>33,960</u>
Impairment of due from related parties	(2,765.00)	0	(2,765)	-
	<u>33,195</u>	<u>33,960</u>	<u>33,195</u>	<u>33,960</u>

	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
11.(iv) Impairment of other loans and receivables				
Balance beginning of year	(749,307)	(738,695)	(738,695)	(738,695)
Charge during the year	-	(10,612)	-	-
Amount written off during the year	-	-	-	-
Write back	-	-	-	-
Balance at period end	<u>(749,307)</u>	<u>(749,307)</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.

11.(vi) Stock of raw materials	346	702	-	-
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12 Investment in subsidiaries	31-12-2018	31-12-2017	31-12-2018	31-12-2017
This comprises of investment in:	N'000	N'000	N'000	N'000
Universal Hotels Limited (b)	-	-	2,449,516	2,040,199
Impairment charge on Universal Hotel	-	-	-	409,317
Investment in subsidiaries	-	-	2,449,516	2,449,516

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

	30-12-2018	30-12-2017	30-12-2018	30-12-2017
	N'000	N'000	N'000	N'000
Balance as at January 1	-	-	-	(463,496)
Charge during the year	-	-	-	-
Amount written off during the year	-	-	-	872,813
Written back	-	-	-	-
Balance as at December 31	-	-	-	409,317

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	513,000	513,000	513,000	513,000
Rumudumu For Model Estate	816,000	816,000	816,000	816,000
UHE Complex	3,349,697	3,349,697	-	-
Others (Nigeria Cement company; Progress Bank Ltd; Nigeria Tobacco Ltd; Ferdinand Oil Ltd)	175,369	175,369	175,369	175,369
Molit Mall	525,000	525,000	525,000	525,000
	5,379,066	5,379,066	2,029,369	2,029,369
Impairment loss on investment properties	(175,369)	(175,369)	(175,369)	(175,369)
	5,203,697	5,203,697	1,854,000	1,854,000

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

	Balance as at Jan 1	Addition	Disposal	Reclassi- fication	Transfer	Revalua- tion Gain	Impairment	Balance as at December
13.a Movement of Assets								
1 Oyigbo Garden Avenue Estate	513,000	-	-	-	-	-	-	513,000
2 Rumudumu For Model Estate	816,000	-	-	-	-	-	-	816,000
3 Others	175,369	-	-	-	-	-	-	175,369
4 Molit Mall	525,000	-	-	-	-	-	(175,369)	349,631
Total	2,029,369	-	-	-	-	-	175,369	1,854,000

	Balance as at Jan 1	Addition	Disposal	Balance as at Dec 31
13.b Impairment loss on investment properties				
Oyigbo Garden Avenue Estate	-	-	-	-
Rumudumu For Model Estate	-	-	-	-
Others	(175,369)	-	-	(175,369)
Molit Mall	-	-	-	-
Total	(175,369)	-	-	(175,369)

13.c Assets In The Name of Conau Limited:

	N'000 Amount	N'000 Amount	N'000 Amount	N'000 Amount
Rumudumu Model Estate Portharcourt	816,000	816,000	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(2018)

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Cost				
Balance, beginning of period	36,989	28,259	36,989	28,259
Additions	29,894	8,730	29,894	8,730
Transferred from PPE (computer)	-	-	-	-
Balance, end of period	66,884	36,989	66,884	36,989

Accumulated amortisation				
Balance, beginning of period	16,439	10,891	16,439	10,891
Amortisation expense/impairment charge	7,530	5,548	7,530	5,548
Transferred from PPE (computer)	-	-	-	-
Balance, end of period	<u>23,969</u>	<u>16,439</u>	<u>23,969</u>	<u>16,439</u>
Net book amount				
End of period	<u>42,914</u>	<u>20,550</u>	<u>42,914</u>	<u>20,550</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(2017)

	31-12-2017 N'000	31-12-2016 N'000	31-12-2017 N'000	31-12-2016 N'000
Cost				
Balance, beginning of period	28,259	18,713	28,259	18,713
Additions	8,730	9,546	8,730	9,546
Transferred from PPE (computer)	-	-	-	-
Balance, end of period	<u>36,989</u>	<u>28,259</u>	<u>36,989</u>	<u>28,259</u>
Accumulated amortisation				
Balance, beginning of period	-	6,652	-	6,652
Amortisation expense/impairment charge	(6,683)	4,239	(6,683)	4,239
Transferred from PPE (computer)	-	-	-	-
Balance, end of period	<u>(6,683)</u>	<u>10,891</u>	<u>(6,683)</u>	<u>10,891</u>
Net book amount				
End of period	<u>43,672</u>	<u>17,368</u>	<u>43,672</u>	<u>17,368</u>

15 PROPERTIES, PLANT AND EQUIPMENT

15.a(i) GROUP(2018)

	Land & N'000	Plant & Machinery N'000	Furniture and N'000	Motor N'000	Computer N'000	Total N'000
Cost/Revalued amount						
Balance, beginning of period	3,397,038	39,583	151,242	286,094	11,993	3,885,949
Additions during the year	-	24,937	22,919	64,762	10,266	122,884
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-

Balance, end of period	3,397,038	64,519	174,161	350,856	22,260	4,008,834
Accumulated depreciation						
Balance, beginning of period	599,750	23,229	122,235	171,067	4,320	920,601
Charge for the year	67,941	10,212	3,762	39,371	1,868	123,154
On Disposal	-	-	-	-	-	-
Balance, end of period	667,691	33,441	125,997	210,438	6,188	1,043,755
Netbook value as at 31 DECEMBER 2018	2,729,347	31,078	48,164	140,418	16,071	2,965,079
Netbook value as at 1 JANUARY 2018	2,797,288	16,354	29,007	115,027	7,673	2,965,348

Property at Ridgeway Station Road Enugu	505,680.00	-	-	-	-	104,646	401,034
Property at New Owerri Road Behind CBN, Ov	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, Port	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
Total	3,397,039	-	-	-	-	666,961	2,730,078

15.b(i) GROUP(2017)

	N'000	N'000	N'000	N'000	N'000	N'000
Cost/Revalued amount						
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
Accumulated depreciation						
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 31 DECEMBER 2017	2,730,075	14,993	24,994	77,597	6,551	2,854,210

Netbook value as at 1 JANUARY 2017	2,798,016	18,897	23,198	107,501	4,655	2,952,267		
15.b(ii) Movement in Land & Building (Group)	Balance as at	Addition	Disposal	Reclassifica	Transfer	Revaluation	Depreciation	Balance as
Property at Ridgeway Station Road Enugu	505,680.00	-	-	-	-	-	104,646	401,034
Property at New Owerri Road Behind CBN, Ov	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, Port	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
Total	3,397,039	-	-	-	-	-	666,961	2,730,078

PROPERTY PLANTS AND EQUIPMENTS

15.c(i) COMPANY (2018)

	Land& Building N'000	Plant & Machinery N'000	Furniture and N'000	Motor Vehicles N'000	Computer N'000	Total N'000
Cost/Revalued amount						
Balance, beginning of period	3,360,675	15,982	93,746	271,389	11,993	3,753,784
Additions during the year	-	9,907	21,840	64,762	10,266	106,775
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance, end of period	3,360,675	25,888	115,586	336,151	22,260	3,860,560
Accumulated depreciation						
Balance, beginning of period	664,782	8,443	72,542	193,792	5,441	945,000
Charge for the year	67,214	2,486	2,599	39,371	1,868	113,538
On Disposal	-	-	-	-	-	-
Balance, end of period	731,995	10,929	75,141	233,163	7,309	1,058,538
Netbook value as at 31 December 2018	2,628,679	14,960	40,445	102,988	14,950	2,802,022
Netbook value as at 1 JANUARY 2018	2,695,893	7,539	21,204	77,597	6,552	2,808,784

15.c(ii) Movement in Land & Building (Group)	Balance as at Jan 1	Addition	Disposal	Reclassificati on	Transfer	Revaluation Gain	impairment	Balance as at 31
Property at Ridgeway Station Road Enugu	505,680.00	-	-	-	-	-	107,174	398,506
Property at New Owerri Road Behind CBN, Ov	1,336,316.00	-	-	-	-	-	299,560	1,036,756

Property at no 2 Emole Street Enugu	100,500.00	-	-	-	-	-	21,708	78,792
49A,50A,51A,52A and 53A city Layout Enugu	805,000.00	-	-	-	-	-	169,417	635,583
Eliowahani Shell estate, Obior Akpor LGA, Port	355,680.00	-	-	-	-	-	66,986	288,694
Land at Awka ,Anambra State	257,500.00	-	-	-	-	-	16,738	240,762
Total	3,360,676	-	-	-	-	-	681,583	2,679,093

15.d(i) COMPANY(2017)

	Land& N'000	Plant & Machinerv N'000	Furniture and N'000	Motor N'000	Computer N'000	Total 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 31 DECEMBER 2018	2,695,893	7,539	21,204	77,597	6,551	2,808,784
Netbook value as at 1 JANUARY 2017	2,763,107	6,723	23,198	107,501	4,655	2,905,184

15.d(ii) Movement in Land & Building (company)	Balance as at Jan 1	Addition	Disposal	Reclassifica tion	Transfer	Revaluation Gain	Depreciation	Balance as at Dec 31
Property at Ridgeway Station Road Enugu	505,680.00	-	-	-	-	-	104,646	401,034
Property at New Owerri Road Behind CBN, Ov	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, Port	355,680.00	-	-	-	-	-	65,208	290,472
Land at Awka ,Anambra State	257,500.00	-	-	-	-	-	15,450	242,050
Total	3,360,676	-	-	-	-	-	664,779	2,695,897

16 STATUTORY DEPOSIT	31-12-2018 N'000	31-912-2017 N'000	31-12-2018 N'000	31-912-2017 N'000
Statutory deposit	1,598,942	335,000	1,598,942	335,000
Impairment gain/loss	(184)		(184)	
Total	<u>1,598,758</u>	<u>335,000</u>	<u>1,598,758</u>	<u>335,000</u>
Non-current				

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

17 Insurance Contract Liabilities	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Aggregate Insurance Contract Liabilities				
Unearned Premium	532,451	223,384	532,451	223,384
Outstanding Claims	390,202	500,924	390,202	500,924
IBNR	95,526	62,968	95,526	62,968
Total	<u>1,018,179</u>	<u>787,276</u>	<u>1,018,179</u>	<u>787,276</u>

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

0 - 90days	95,876	159,784	95,876	159,784
91 - 180days	40,644	30,665	40,644	30,665
181 - 270days	22,836	80,243	22,836	80,243
271 - 365days	12,709	126,856	12,709	126,856
366 Days and Above	218,137	103,376	218,137	103,376
Total	<u>390,202</u>	<u>500,924</u>	<u>390,202</u>	<u>500,924</u>

The latest valuation of the fund was as at 31 December 2018 by Ernest & Young. At that date, the gross book value of the fund was stated above for each of the years. Provision for claims was determined using the inflation adjusted chain ladder method and claims development from 2009 to 2018.

	N'000	Movement		N'000	Movement		N'000
		N'000	N'000		N'000	N'000	
Reserve for Unearned premium							
Motor	52,393	25,912	39,076	52,393	25,912	39,076	
Fire	199,290	34,603	25,889	199,290	34,603	25,889	
General Accident	62,339	62,690	58,636	62,339	62,690	58,636	
Bond	41,812	45,487	521	41,812	45,487	521	
Engineering	34,156	12,556	16,980	34,156	12,556	16,980	

Oil & Gas	97,562	18,904	16,327	97,562	18,904	16,327
Aviation	-	3,270	42	-	3,270	42
Marine	39,047	8,020	1,565	39,047	8,020	1,565
Additional charge (UPR) per actuarial valuation	-	-	-	-	-	-
Gross Unearned Premium Reserve	526,598	211,442	159,036	526,598	211,442	159,036
Reinsurance element in UPR	-	-	-	-	-	-
Net Unearned Premium Reserve	526,598	211,442	159,036	526,598	211,442	159,036
Reinsurance recovery on UPR per actuarial valuation	-	-	-	-	-	-
Net Unearned Premium Reserve	526,598	211,442	159,036	526,598	211,442	159,036
Reserve for Outstanding Claims						
Motor	24,313	18,812	14,317	24,313	18,812	14,317
Fire	16,249	46,838	23,968	16,249	46,838	23,968
General Accident	81,993	88,939	61,873	81,993	88,939	61,873
Bond	186,161	263,206	223,634	186,161	263,206	223,634
Engineering	11,231	3,694	6,322	11,231	3,694	6,322
Oil & Gas	52,800	23,277	25,669	52,800	23,277	25,669
Aviation	5,987	4,497	4,433	5,987	4,497	4,433
Marine	11,468	6,954	224	11,468	6,954	224
	390,202	456,217	360,440	390,202	456,217	360,440
Add 10% IBNR	39,020	45,622	36,044	95,526	45,622	36,044
	429,222	501,839	396,484	485,728	501,839	396,484
Additional charge to claims reserve (IBNR) as per valuation	-	-	-	-	-	-
Gross claim reserve	429,222	501,839	396,484	485,728	501,839	396,484
Reinsurance projection on IBNR	-	-	-	-	-	-
Net Claims reserve	429,222	501,839	396,484	485,728	501,839	396,484
Gross Insurance Contract Liabilities	955,820	713,281	555,520	1,012,326	713,281	555,520
Net Insurance Contract Liabilities	955,820	713,281	555,520	1,012,326	713,281	555,520

17 b. Hypothetication of investment/assets	31-12-2018	31-12-2018	31-12-2018	31-12-2017	31-12-2017	31-12-2017
	Total	Insurance	Shareholder's	Total	Insurance	Shareholder's
	Funds	Funds	Funds	Funds	Funds	Funds
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	420,626	290,539	130,087	271,230	90,539	180,691
Financial Assets: Quoted	612,182	249,071	363,111	617,245	154,463	462,782

Financial Assets: UnQuoted	2,245,971		2,245,971	2,238,813	62,546	2,176,267
Trade Receivable	10,931		10,931	6,773		6,773
Reinsurance Assets	237,065		237,065	375,503	282,909	92,594
Deferred Acquisition cost	96,592		96,592	31,090		25,516
Other Receivable	1,749,145		1,749,145	1,753,153		1,753,153
Investment in Subsidiaries	2,449,516		2,449,516	2,449,516		2,449,516
Investment Properties	1,854,000	612,861	1,241,139	1,854,000	196,819	1,657,181
Intangible Asset	42,914		42,914	20,550		20,550
Property, Plant and Equipment	2,802,022		2,802,022	2,808,784		2,808,784
Statutory Deposits	335,000		335,000	335,000		335,000
	<u>12,855,964</u>	<u>1,152,471</u>	<u>11,703,493</u>	<u>12,761,657</u>	<u>787,276</u>	<u>11,968,807</u>
Insurance Contract Liabilities		<u>1,012,326</u>			<u>787,276</u>	

18 BORROWINGS

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19 Trade payables

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

	GROUP		COMPANY	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Reinsurance payable	21,247	22,900	21,247	22,900
Insurance payable	-	-	-	-
Other trade creditors	19,620	10,523	-	-
Balance at year end	<u>40,867</u>	<u>33,423</u>	<u>21,247</u>	<u>22,900</u>
Current	40,867	33,423	21,247	22,900

20 Other payables

This is analysed as follow:	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
Due to related parties	1,613,995	1,613,995	1,613,995	1,613,995
Provisions and accruals	82,605	80,827	50,615	73,542
Provision for rentals	1,969	25,800	1,969	-
	<u>1,698,568</u>	<u>1,720,622</u>	<u>1,666,578</u>	<u>1,687,537</u>
Current	98,901	120,955	66,911	87,870
Non-current	1,599,667	1,599,667	1,599,667	1,599,667

20.1 Due to related companies

Conau Limited	-	-	-
African Alliance Insurance Plc	1,599,667	1,599,667	1,599,667
Due to other related parties	14,328	14,328	14,328
	<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.

Universal Insurance Plc is not indebted to African Alliance Plc in any form.

The amount of =N=1,598,942,000 (one billion five hundred and ninety eight million nine hundred and forty two thousand naira only) represents African Alliance Insurance Plc shares warehoused for Universal Insurance Plc staff. However Universal Insurance Plc Staff did not take up the shares. Universal Insurance Plc has written African Alliance to cancel the shares, which African Alliance Plc has accepted.

21 Employee benefit liabilities

Defined contributory scheme

The Company runs a defined contributory plan in accordance with the Pensions Reform Act where contributions are made to an approved pension fund administrator. The amount recognised as an expense for defined contribution plan in the income statement is N4,749(2018) and N2,178(2017).

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Staff pension scheme	<u>4,749</u>	<u>2,178</u>	<u>4,749</u>	<u>2,178</u>
Current	4,749	2,178	4,749	2,178
Balance as per January 1	2,178	5,043	2,178	5,043
Current Service Cost	-	-	-	-
Payment during the year	-	(2,865)	-	(2,865)
Interest Expense	-	-	-	-
Acturial Re-Measurement	-	-	-	-
Balance as per 31 December	<u>2,178</u>	<u>2,178</u>	<u>2,178</u>	<u>2,178</u>

22 Income tax payable

22.1 Per Profit and Loss Account

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Income Tax	13,036	26,185	12,553	25,826
Education Tax	1,706	4,156	1,674	4,132
Provision for NITDA Tax	837	2,066	837	2,066
	<u>15,578</u>	<u>32,407</u>	<u>15,063</u>	<u>32,024</u>
Deferred Taxation	-	-	-	-

Profit and Loss Account	15,578	32,407	15,063	32,024
22.2 Per Balance Scheet				
Taxation				
At beginning of year	67,931	62,807	64,056	59,314
Charge for the Year	15,578	32,406	15,063	32,024
Payment during the Year	(40,000)	(27,282)	(40,000)	(27,282)
At year end	<u>43,509</u>	<u>67,931</u>	<u>39,119</u>	<u>64,056</u>
23 Deferred Tax Liability				
At beginning of year	791,120	787,004	700,560	697,211
Addition during the year	2,138	4,116	2,138	3,349
Charged to profit and loss	-	-	-	-
At year end	<u>793,258</u>	<u>791,120</u>	<u>702,698</u>	<u>700,560</u>
To be recovered after more than 12 months	793,258	791,120	702,698	700,560
To be recovered in 12 months		-	-	-
24 EQUITY				
24.1. Share capital				
The share capital comprises:	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
Authorised -				
16,000,000,000 Ordinary shares of 50k each	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
Issued and fully paid -				
16,000,000,000 Ordinary shares of N0.50k each	8,000,000	8,000,000	8,000,000	8,000,000
24.2. Share premium				
Share premium is made up of payments in excess of par value of paid-in capital. This reserve is not ordinarily available for distribution.				
24.3. Contingency Reserve				
Balance, beginning of period	378,007	355,415	378,007	355,415
Transfer from profit and loss	50,660	22,592	50,660	22,592
Balance, end of period	<u>428,667</u>	<u>378,007</u>	<u>428,667</u>	<u>378,007</u>
Gross Written Premium	1,688,673	753,067	1,688,673	753,067
Percentage Rate for transfer	3%	3%	3%	3%

Increase in Contingency	50,660	22,592	50,660	22,592
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In accordance with the Insurance act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of total profits after tax. This shall accumulate until it reaches the amount of greater of minimum paid- up capital or 50 percent of net premium.

24. 4. Fair Value Reserve

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

Balance, beginning of period	1,576,710	1,565,548	1,576,710	1,565,548
Net Fair value gain/(loss) on available-for-sale unquoted equity	7,128	11,162	7,128	11,162
Net Fair Value derecognised at disposal	-			
Balance as at period end	<u>1,583,838</u>	<u>1,576,710</u>	<u>1,583,838</u>	<u>1,576,710</u>

24. 5. Revaluation Reserve

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Balance, beginning of period	2,513,040	757,329	757,329	757,329
Revaluation Surplus	-	1,755,711	-	-
Balance as at period end	<u>2,513,040</u>	<u>2,513,040</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

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 31 December 2018 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.

25 Gross Premium Income	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
Gross premium written				
Direct Premium:				
Motor	131,142	81,869	131,142	81,869
Fire	737,896	74,080	737,896	74,080
General Accident	139,323	254,539	139,323	254,539
Bond	136,176	138,264	136,176	138,264
Engineering	50,679	29,101	50,679	29,101
Oil & Gas	257,906	52,178	257,906	52,178
Aviation	31,324	10,182	31,324	10,182
Marine	70,170	17,412	70,170	17,412
	<u>1,554,615</u>	<u>657,625</u>	<u>1,554,615</u>	<u>657,625</u>
Inward Reinsurance Premium:				
Motor	31,470	18,573	31,470	18,573
Fire	36,111	36,473	36,111	36,473
General Accident	15,506	13,573	15,506	13,573
Bond	4,805	3,316	4,805	3,316
Engineering	13,606	11,368	13,606	11,368
Oil & Gas	16,493	4,830	16,493	4,830
Aviation	1,548	-	1,548	-
Marine	14,518	7,308	14,518	7,308
	<u>134,058</u>	<u>95,441</u>	<u>134,058</u>	<u>95,441</u>
Gross premium written	<u>1,688,673</u>	<u>753,066</u>	<u>1,688,673</u>	<u>753,066</u>
Changes in unearned premium				
Motor	(15,449)	21,003	(15,449)	21,003
Fire	(167,700)	(8,144)	(167,700)	(8,144)
General Accident	(12,315)	(24,421)	(12,315)	(24,421)
Bond	17,773	(19,043)	17,773	(19,043)
Engineering	(16,802)	639	(16,802)	639
Oil & Gas	(80,614)	(9,324)	(80,614)	(9,324)
Aviation	(5,206)	3,474	(5,206)	3,474
Marine	(28,753)	13,597	(28,753)	13,597
Net change in unearned premium	<u>(309,067)</u>	<u>(22,219)</u>	<u>(309,067)</u>	<u>(22,219)</u>
		-		-
Change in UPR per Actuarial Valuation		-		-
Net change in unearned premium	<u>(309,067)</u>	<u>(22,219)</u>	<u>(309,067)</u>	<u>(22,219)</u>

		<u>1,379,607</u>	<u>730,847</u>	<u>1,379,607</u>	<u>730,847</u>
	Gross premium earned				
	Reinsurance expenses	(243,874)	(155,465)	(243,874)	(155,465)
	Net insurance premium income	<u>1,135,733</u>	<u>575,382</u>	<u>1,135,733</u>	<u>575,382</u>
26	Reinsurance expenses				
	Reinsurance costs				
	Motor	9,781	4,521	9,781	4,521
	Fire	41,609	36,183	41,609	36,183
	General Accident	39,762	34,218	39,762	34,218
	Bond	30,450	31,639	30,450	31,639
	Engineering	39,634	24,184	39,634	24,184
	Oil & Gas	52,305	11,244	52,305	11,244
	Aviation	-	-	-	-
	Marine	30,334	13,476	30,334	13,476
		<u>243,874</u>	<u>155,465</u>	<u>243,874</u>	<u>155,465</u>
	Prepaid re-insurance cost				
			-		-
	Reinsurance projection on IBNR	-	-	-	-
	Net Reinsurance expenses	243,874	(155,465)	243,874	(155,465)
	Reinsurance projection on UPR per Actuarial Valuation	(9,354)	0	(9,354)	-
	Net Reinsurance expenses	<u>234,520</u>	<u>(155,465)</u>	<u>234,520</u>	<u>(155,465)</u>
27	Fees and Commission Income	31-12-2018	31-12-2017	31-12-2018	31-12-2017
		N'000	N'000	N'000	N'000
	Motor	27,801	61	27,801	61
	Fire	3,542	8,900	3,542	8,900
	General Accident	7,994	6,541	7,994	6,541
	Bond	2,916	9,599	2,916	9,599
	Engineering	3,745	7,255	3,745	7,255
	Marine	3,813	1,652	3,813	1,652
		<u>49,810</u>	<u>34,008</u>	<u>49,810</u>	<u>34,008</u>
	Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.				
28	Claims expenses	31-12-2018	31-12-2017	31-12-2018	31-12-2017

	N'000	N'000	N'000	N'000
Direct claims paid during the year	340,867	194,975	340,867	194,975
Changes in outstanding claims	(110,722)	282,941	(110,722)	282,941
Net Changes in outstanding claims per actuarial valuation	145,655	-	145,655	-
Changes in Outstanding claims (IBNR)	32,559	(15,185)	32,559	(15,185)
Gross claims incurred	408,359	462,731	- 408,359	462,731
Reinsurance claims recovery	(185,372)	(23,866)	(185,372)	(23,866)
Reinsurance recovery per Actuarial Valuation	0	(278,679)	-	(278,679)
	<u>222,987</u>	<u>160,186</u>	<u>- 222,987</u>	<u>160,186</u>

28.a REINSURANCE CLAIMS RECOVERY

Claims paid recovered from Reinsurance	(198,005)	(23,866)	(198,005)	(23,866)
Changes in Outstanding claims and IBNR	-	(278,679)	-	(278,679)
	<u>(198,005)</u>	<u>(302,545)</u>	<u>(198,005)</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 incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other attributable incidental costs.

	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
Gross commission paid				
Motor	17,913	11,279	17,913	11,279
Fire	155,680	23,093	155,680	23,093
General Accident	32,153	30,700	32,153	30,700
Bond	20,548	17,905	20,548	17,905
Engineering	8,815	2,363	8,815	2,363
Oil & Gas	50,240	6,929	50,240	6,929
Aviation	104	353	104	353
Marine	17,777	4,817	17,777	4,817
	<u>303,231</u>	<u>97,439</u>	<u>303,231</u>	<u>97,439</u>
Changes in deferred commission				
Motor	(2,108)	83	(2,108)	83
Fire	(34,741)	(1,082)	(34,741)	(1,082)
General Accident	(4,305)	(3,583)	(4,305)	(3,583)
Bond	2,632	(2,735)	2,632	(2,735)
Engineering	(7,017)	514	(7,017)	514
Oil & Gas	(13,830)	(1,388)	(13,830)	(1,388)
Aviation	(31)	71	(31)	71
Marine	(6,102)	1,343	(6,102)	1,343
Additional (DCA) per actuarial Report	-	-	-	-
	<u>(65,502)</u>	<u>(6,777)</u>	<u>(65,502)</u>	<u>(6,777)</u>
Maintenance expenses	214,720	75,549	214,720	75,549
Underwriting expenses	<u>452,449</u>	<u>166,211</u>	<u>452,449</u>	<u>166,211</u>

Acquisition expenses	237,729	90,661	237,729	90,661
Maintenance expenses	214,720	75,549	214,720	75,549
	<u>452,449</u>	<u>166,210</u>	<u>452,449</u>	<u>166,210</u>
30 INVESTMENT INCOME				
Investment Income				
Investment income attributable to policyholders	-	33,951	-	33,951
Investment income attributable to shareholders	<u>78,490</u>	<u>94,078</u>	<u>78,490</u>	<u>94,078</u>
	<u>78,490</u>	<u>128,029</u>	<u>78,490</u>	<u>128,029</u>
30.a Investment income attributable to shareholders				
Dividend - Quoted and unquoted investments	16,740	22,614	16,740	22,614
Gains on sales of shares	-	-	-	-
Interest on call deposits	59,075	66,571	59,075	66,571
Exchange gain/(loss)	-	-	-	-
Profit/(loss) on disposal of fixed assets	(1,612)	1,603	(1,612)	1,603
Rental Income		3,291	2,451	3,291
Other income		-	1,835	-
	<u>74,204</u>	<u>94,079</u>	<u>78,490</u>	<u>94,079</u>
30.b Other income :				
Interest on Staff Loan	-	-	-	-
Rental	-	-	-	-
Bank Interest	-	-	-	-
Sundry Income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30.c Other operating income				
31 ALLOWANCES AND FAIR VALUE GAINS/(LOSS)				
31 (i) Allowances for impairment;				
On trade receivables	-	-	-	-
on other receivables	-	-	-	-
on stock of raw materials	-	-	-	-
Impairment Recovery on Molit Hotel	-	-	-	-
Impairment Gain on Universal Hotel	-	-	-	-
	-	872,813	-	872,813
Net impairment recovery	<u>-</u>	<u>872,813</u>	<u>-</u>	<u>872,813</u>
31 (ii) Net Fair Value Gains/(Loss)				
On Investment properties	-	58,000	-	58,000
	-	-	-	-

On Financial Assets	(5,033)	(699)	(5,033)	(699)
NET Fair Value Gains/(Loss)	(5,033)	57,301	(5,033)	57,301
32 Other operating and administrative expenses				
(i) <i>Employee benefits expense</i>				
Staff cost	163,805	147,617	155,407	133,527
Contributions to defined pension scheme	6,563	6,153	6,563	6,153
Other staff costs	164,189	177,017	163,520	176,532
	<u>334,558</u>	<u>330,787</u>	<u>325,491</u>	<u>316,212</u>
(i.a) Other staff costs				
Temporary Staff Salaries	1,346	1,788	1,346	1,788
Staff Training & Entertainment	4,401	13,030	4,401	13,030
Staff other benefits	111,872	105,456	111,872	105,456
Leave Allowance	23,536	23,383	23,536	23,383
Staff Gratuity	19,818	26,112	19,818	26,112
Nigeria Social Ins Trust Fund	1,087	1,383	1,087	1,383
Staff GPA Insurance	1,460	5,380	1,460	5,380
	<u>163,520</u>	<u>176,532</u>	<u>163,520</u>	<u>176,532</u>
(ii) Management expenses comprise;				
Bank charges	6,309	3,260	6,152	2,624
Other charges and expenses	108,233	109,555	99,493	101,721
General maintenance and running costs	86,675	82,296	68,633	56,779
Legal and professional fees	41,207	80,228	40,920	80,148
Audit fees	8,800	800	8,000	-
Insurance supervision fees	6,949	11,431	6,632	10,611
Depreciation	123,181	116,071	113,564	109,676
Amortisation of Intangible Assets	7,718	5,548	7,718	5,548
Impairment gain/(loss)	-	(942)	-	(942)
Interest on overdrafts	-	-	-	-
Cost of sales - Hotels	-	-	-	-
Other operating expenses	389,071	408,247	351,111	366,165
Other operating and administrative expenses	<u>723,629</u>	<u>739,034</u>	<u>676,602</u>	<u>682,377</u>
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
(ii.a) Other charges and expenses				
OTHER PROFESSIONAL CHARGES	-	-	-	-
TRANSPORT ALLOWANCE	723	2,499	186	896
TERMINAL PAY	-	-	-	-

HOTEL ACCOMMODATION	5,655	7,472	5,655	7,472
SECURITY EXPENSES	1,702	2,066	460	332
ENTERTAINMENT	9,295	6,599	3,680	3,484
BUSINESS PROMOTION	-	-	-	-
ADVERTISEMENT	4,162	11,649	4,162	11,649
NEWSPAPERS & PERIODICALS	256	258	27	33
TELEPHONE BILLS	3,149	2,569	2,546	2,024
INTERNET CONNECTIVITY	6,950	4,617	6,950	4,580
PRINTING COST	9,358	8,233	8,844	7,671
STATIONERY COST	3,920	1,329	3,920	1,329
LOCAL GOVT. LEVIES	6,741	716	6,741	716
VALUE ADDED TAX	(64)	-	(64)	-
LEVY/FEE/PENALTY	1,388	4,157	1,388	4,157
DIRECTORS EXPENSES	-	-	-	-
DIRECTORS SITTING ALLOWANCES	5,335	9,340	5,335	9,340
ASSETS INSURANCE EXPENSES	6,518	5,927	6,518	5,927
FILING FEE	-	1,020	-	1,020
DIRECTORS FEES	6,000	13,100	6,000	13,100
GIFTS	7,651	6,479	7,651	6,479
OFFICE CLEANING EXPENSES	326	217	326	204
CHRISTMAS GIFT	10,830	2,563	10,830	2,563
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	750	45	750	45
MEDICAL EXPENSES	6,430	4,222	5,796	4,222
WATER BILL	4,968	-	-	-
ENTERTAINMENT ALLOWANCE	-	-	-	-
EXCHANGE VARIANCE A/C	(972)	(27,917)	(972)	(27,917)
POSTAGES & COURIER	2,010	717	2,010	717
INTEREST ON LOANS	-	-	-	-
OVERSEAS TRAVEL EXPENSES	-	2,569	-	2,569
SERVICE CHARGE - ABUJA	-	-	-	-
RENT & RATES	-	2,376	-	2,376
NIA LEVIES	6,314	4,468	6,314	4,468
INDUSTRIAL TRAINING FUND LEVY	1,393	3,317	1,393	3,317
ANNUAL GENERAL MEETING	2,931	28,948	2,931	28,948
TRAINING	-	-	-	-
REPAIRS & MAINTENANCE OTHER FITTINGS	5,950	-	12	-
REFUND OF EXAM EXPENSES	-	-	-	-
	-	-	-	-

	-	-	-	
11,435	<u>119,668</u>	<u>109,555</u>	<u>99,388</u>	<u>101,721</u>

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

Earnings per share

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Profit attributable to equity holders	<u>(97,652)</u>	<u>635,938</u>	<u>(98,747)</u>	<u>634,184</u>
Weighted average number of ordinary shares in issue (in thous	16,000,000	16,000,000	16,000,000	16,000,000
Basic earnings per share (kobo per share)	(0.61)	3.97	(0.62)	3.96

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 Universal Hotels Limited**
This is a subsidiary of the company.

35.2 Related party transactions

Other Loans and Receivables	35,960	33,960	35,960	33,960
Other payables	1,698,568	1,613,995	1,666,578	1,613,995
Other receivables (From subsidiary)	119,148	90,323	-	-

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

a. Employees

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

31-12-2018	31-12-2017	31-12-2018	31-12-2017
------------	------------	------------	------------

	Number	Number	Number	Number
Executive directors	3	2	3	2
Management	30	30	8	25
Non-management	80	80	73	55
	<u>113</u>	<u>112</u>	<u>84</u>	<u>82</u>

36 CONTRAVENTIONS

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:

Description of contravention	Section	Penalties
Penalty on Listing fee		N1,389,150

THE UNIVERSAL INSURANCE PLC

UNDERWRITING REVENUE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2018

	GENERAL							31/12/2018	31/12/2017	
	MOTOR	FIRE	ACCIDENT	BOND	ENGINEERING	OIL & GAS	AVIATION	MARINE		
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Direct Premium Written	131,142	737,896	139,323	136,176	50,679	257,906	31,324	70,170	1,554,615	657,625
Reinsurance Accepted	31,470	36,111	15,506	4,805	13,606	16,493	1,548	14,518	134,058	95,442
Gross Premium Written	162,612	774,007	154,828	140,981	64,286	274,399	32,872	84,688	1,688,673	753,067
Changes in Reserve for Unexpired Risk (*)	(15,449)	(167,700)	(12,315)	17,773	(16,802)	(80,614)	(5,206)	(28,753)	(309,067)	(22,218)
Gross Premium Earned	147,163	606,307	142,513	158,754	47,483	193,785	27,666	55,935	1,379,607	730,849
Net Reinsurance Recovery (UPR) per actuarial valuation	(420)	4,884	(10,594)	16,902	(8,793)	(3,282)	(986)	(7,065)	(9,354)	-
Reinsurance cost	(9,781)	(41,609)	(39,762)	(30,450)	(39,634)	(52,305)	-	(30,334)	(243,874)	(155,465)
Net Premium Written	136,962	569,582	92,157	145,207	(943)	138,197	26,680	18,536	1,126,379	575,384
Commission Received	27,801	3,542	7,994	2,916	3,745	-	-	3,813	49,810	34,008
Net Income	164,763	573,124	100,151	148,123	2,802	138,197	26,680	22,349	1,176,189	609,392
Claims Incurred:										
Direct Claims Paid	36,367	188,616	68,693	5,943	688	12,200	20,708	7,651	340,867	194,975
Provision for Outstanding claims (IBNR)	(3,017)	12,976	(7,806)	3,969	8,648	8,867	1,266	7,656	32,559	62,968
Additional charge to claims reserve per actuarial valuation									145,655	-
Changes in Provision for Outstanding Claims (**)	9,996	(145,437)	20,120	(37,473)	4,909	27,131	1,555	8,478	(110,722)	204,788
Gross Claims Incurred	43,346	56,155	81,007	(27,561)	14,245	48,197	23,529	23,785	408,359	462,731
Reinsurance Claims Recovery per actuarial valuation	-	-	-	-	-	-	-	-	-	(278,679)
Reinsurance Claims Recovery	(3,016)	(131,901)	(45,446)	(1,500)	(116)	-	-	(3,393)	(185,372)	(23,866)
Net Claims Incurred	40,330	(75,746)	35,561	(29,061)	14,130	48,197	23,529	20,392	222,987	160,186
Underwriting Expenses:										
Commission Paid	17,913	155,680	32,153	20,548	8,815	50,240	104	17,777	303,231	97,438
Changes in deferred commission	(2,108)	(34,741)	(4,305)	2,632	(7,017)	(13,830)	(31)	(6,102)	(65,502)	(6,777)
Additional (DCA) per actuarial valuation report										-
Maintenance expenses	26,540	26,521	26,521	26,450	26,521	26,450	26,450	29,267	214,720	75,549
Total Underwriting Expenses	42,345	147,460	54,369	49,630	28,319	62,861	26,524	40,942	452,449	166,210
Total Expenses	82,675	71,714	89,930	20,568	42,449	111,058	50,052	61,335	675,436	326,396
Underwriting Result	82,088	501,410	10,221	127,555	(39,647)	27,139	(23,372)	(38,986)	500,753	282,996
Provision for Unexpired Risk- 1 JANUARY 2018	36,943	31,590	50,024	59,586	17,354	16,947	647	10,294	223,384	201,166
Provision for Unexpired Risk- 31 DECEMBER 2018	52,393	199,290	62,339	41,812	34,156	97,562	5,853	39,047	532,451	223,384
Additional charge (UPR) per actuarial valuation										
Provision for Unexpired Risk- 31 DECEMBER 2018	(15,449)	(167,700)	(12,315)	17,773	(16,802)	(80,614)	(5,206)	(28,753)	(309,067)	(22,218)
* Changes in reserve for unexpired Risk										
Gross Claims Outstanding										
Provision for Outsanding Claims- 1 JANUARY 2018	14,317	161,687	61,873	223,634	6,322	25,669	4,433	2,990	500,924	296,136
Provision for Outsanding Claims- 31 DECEMBER 2018	24,313	16,249	81,993	186,161	11,231	52,800	5,987	11,468	390,202	500,924
** Changes in provision for outstanding claims	9,996	(145,437)	20,120	(37,473)	4,909	27,131	1,555	8,478	(110,722)	204,788

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

Company

In millions of Nigerian naira

	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Fair value reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2018	8,000,000	825,018	757,329	378,007	1,576,710	(2,039,913)	9,497,151
Total comprehensive income							
Profit and loss	-	-	-	-	-	(98,747)	(98,747)
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					7,128	(2,138)	4,990
Fair value reserve derecognised on disposal							-
Transfer to contingency reserve				50,660		(50,660)	-
Other comprehensive income	-	-	-	50,660	7,128	(52,799)	4,990
Total comprehensive income for the period	-	-	-	50,660	7,128	(151,546)	(93,758)
Transfer during the year							
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 December 2018	8,000,000	825,018	757,329	428,667	1,583,838	(2,191,459)	9,403,393
Balance at 1 January 2017	8,000,000	825,018	757,329	355,415	1,566,217	(2,648,825)	8,855,154
Total comprehensive income for the period							
Profit or loss						634,184	634,184
Other comprehensive income							
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Net Fair value changes in AFS financial assets	-	-	-	-	11,162	(3,349)	7,813
Fair value reserve derecognised on disposal					(669)	669	-
Transfer to contingency reserve	-	-	-	22,592		(22,592)	-
Other comprehensive income for the period	-	-	-	22,592	10,493	(25,272)	7,813
Total comprehensive income for the period	-	-	-	22,592	10,493	(50,544)	7,813
Balance at 31 December 2017	8,000,000	825,018	757,329	378,007	1,577,379	(2,065,185)	9,497,151

UNIVERSAL INSURANCE PLC

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

	TOTAL	Inadmissible	Admissible
	N'000	N'000	N'000
1 ADMISSIBLE ASSETS			
Cash and bank balances	420,626		420,626
Financial Assets - Quoted	612,182		612,182
Financial Assets - Unquoted	2,245,971	516,420	1,729,551
Trade Receivable	10,931		10,931
Reinsurance Assets	237,065		237,065
Deferred Acquisition cost	96,592		96,592
Other Receivable	1,749,145	1,580,247	168,898
Investment in Subsidiaries	2,449,516	2,449,516	-
Investment Properties	1,854,000	816,000	1,038,000
Intangible Asset	42,914	42,914	0
Property, Plant and Equipment	2,802,022		2,802,022
Statutory Deposits	335,000		335,000
A	12,855,964		7,450,867
Insurance Contract Liabilities	1,018,179		1,018,179
Trade payable	21,247		21,247
Other payable	1,666,578		1,666,578
Employee benefit liability	4,749		4,749
Income Tax liabilities	39,119		39,119
Deferred tax liabilities	702,698	702,698	0
	3,452,571		2,749,873
Less Non Admissible Liabilities:			-
Due to other insurance and reinsurance companies			
B	3,452,571		2,749,873
Solvency Margin (A-B)	C		4,700,994
15% of Net Premium(999,432 *15%)	D		171,763
Minimum required paid up capital	E		3,000,000

Basis for conclusion:

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

Conclusion:

The company is solvent since its solvency margin of N4,701 billion is higher than 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, 2018 dated 8 April, 2019 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 N 4,700,694 (Four Billion, Seven hundred Million Six hundred and Ninety four 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: 8 April, 2019

Name and address of Auditors

UKWUEGBU, OGBELEJE & CO,
23 RASAKI SHITTU STREET, ISHERI - OSHUN,
LAGOS - NIGERIA.

Sworn to at

This day of2019

BEFORE ME

COMMISSIONER FOR OATHS

UNIVERSAL INSURANCE PLC
STATEMENT OF VALUE ADDED

	GROUP				COMPANY			
	2018 N,000	%	2017 N,000	%	2018 N'000	%	2017 N'000	%
Underwriting income	1,194,897	232%	617,750	57	1,194,897	50%	617,750	58
Re-insurance,claims and commission and others	(757,458)	-147%	338,363	31	(776,721)	42%	316,022	30
Investment and other income	78,490	15%	128,029	12	78,490	8%	128,029	12
Value Added	515,929	100%	1,084,142	100	496,666	100%	1,061,801	100
Applied as follows:								
Staff and other costs	334,558	25%	330,787	31	325,491	24%	316,212	30
Government Taxation	(15,578)	3%	(32,407)	(3)	(15,063)	3%	(32,024)	(3)
Retained in the business								
Depreciation and amortization	123,154	11%	116,071	11	113,538	10%	109,676	10
Retained Profit/(loss) for the year	(97,652)	9%	635,938	59	(98,747)	9%	634,184	60
Fair value reserve	-	51%	11,162	1	-	52%	11,162	1
Contingency reserve	50,660	2%	22,592	2	50,660	2%	22,592	2
Value added	395,141	100%	1,084,143	100	375,878	100%	1,061,802	100

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

Company
In millions of Nigerian naira

	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Fair value reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2018	8,000,000	825,018	2,513,040	378,007	1,576,710	(2,880,007)	10,412,768
Total comprehensive income							
Profit and loss	-	-	-	-	-	(97,652)	(97,652)
Other comprehensive income						111,134	111,134
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					7,128	(2,138)	4,990
Fair value reserve derecognised on disposal							-
Transfer to contingency reserve				50,660		(50,660)	-
Other comprehensive income for the period	-	-	-	50,660	7,128	58,335	116,124
Total comprehensive income for the period	-	-	-	50,660	7,128	(39,317)	18,471
Transfer during the year							
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 December 2018	8,000,000	825,018	2,513,040	428,667	1,583,838	(2,919,324)	10,431,239
Balance at 1 January 2017	8,000,000	825,018	757,329	355,415	1,566,217	(2,648,825)	8,855,154
Total comprehensive income for the period							
Profit or loss						634,184	634,184
Other comprehensive income							
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Net Fair value changes in AFS financial assets	-	-	-	-	11,162	(3,349)	7,813
Fair value reserve derecognised on disposal					(669)	669	-
Transfer to contingency reserve	-	-	-	22,592		(22,592)	-
Other comprehensive income for the period	-	-	-	22,592	10,493	(25,272)	7,813
Total comprehensive income for the period	-	-	-	22,592	10,493	(50,544)	7,813
Balance at 31 December 2017	8,000,000	825,018	757,329	378,007	1,577,379	(2,065,185)	9,497,151

(5,823)

UNIVERSAL INSURANCE PLC
FIVE YEAR FINANCIAL SUMMARY
For the period ended 31 December

COMPANY
STATEMENT OF FINANCIAL POSITION

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalent	420,626	271,230	553,536	933,534	1,029,733
Financial Assets	2,858,153	2,856,058	2,845,502	2,057,934	1,859,545
Trade Receivables	10,931	6,773	5,429	11,632	23,196
Reinsurance Assets	237,065	375,503	84,874	113,062	115,919
Deferred Acquisition Cost	96,592	31,090	24,313	25,516	32,135
Other Receivables	1,749,145	1,753,153	1,752,244	1,709,913	1,709,917
Investment in Subsidiary	2,449,516	2,449,516	1,576,703	1,610,015	1,570,315
Investment Properties	1,854,000	1,854,000	1,796,000	1,279,410	1,250,560
Intangible Assets	42,914	20,550	17,369	12,063	8,489
Property Plant and Equipmeny	2,802,022	2,808,784	2,905,183	2,840,804	2,900,005
Statutory Deposits	335,000	335,000	335,000	335,000	335,000
Total Assets	12,855,964	12,761,658	11,896,153	10,928,883	10,834,814
Liabilities					
Insurance Conract Liabilities	1,018,179	787,275	497,301	509,656	407,172
Borrowing	-	-	-	-	-
Trade Payables	21,247	22,900	18,385	246	6,341
Other Payables	1,666,578	1,687,537	1,763,746	1,649,390	1,649,891
Employee benefits liability	4,749	2,178	5,043	13,142	9,346
Income tax liabilities	39,119	64,056	59,314	81,696	103,738
Deferred tax liabilities	702,698	700,560	697,211	460,890	397,730
Total Liabilities	3,452,571	3,264,505	3,041,000	2,715,020	2,574,218

Equity					
Issued and paid Shared 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 Reserve	428,667	378,007	355,415	337,406	315,545
Fair value reserve	1,583,838	1,576,710	1,566,217	778,649	568,117
Revaluation reserve	757,329	757,329	757,329	757,329	757,329
Retained earning	(2,191,459)	(2,039,913)	(2,648,825)	(2,484,539)	(2,205,414)
Shareholders fund	<u>9,403,393</u>	<u>9,497,151</u>	<u>8,855,154</u>	<u>8,213,863</u>	<u>8,260,595</u>
Non-controlling interest		-	-	-	-
TOTAL EQUITY & LIABILITIES	12,855,964	12,761,656	11,896,154	10,928,883	10,834,813

STATEMENT OF COMPREHENSIVE INCOME	2018	2,017	2,016	2,015	2,014
	N'000	N'000	N'000	N'000	N'000
GROSS Premium written	1,688,673	753,067	536,526	728,685	722,228
Premium earned	1,379,607	730,849	573,837	656,826	699,055
Profi before tax	(83,684)	666,208	121,681	121,680	(447,789)
Taxation	(15,063)	(32,024)	(33,237)	(31,637)	(24,381)
Profit after taxation	(98,747)	634,184	88,444	90,043	(472,170)
Transfer to contigency reserve	(50,660)	(22,592)	(18,009)	(16,096)	(21,667)
Retained earning	(98,747)	611,592	70,435	73,947	(493,837)
Earning per share		4	1	1	(3)

UNIVERSAL INSURANCE PLC
FIVE YEAR FINANCIAL SUMMARY
For the period ended 31 December

GROUP

STATEMENT OF FINANCIAL POSITION

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalent	422,363	298,867	581,513	960,418	1,035,301
Financial Assets	2,858,153	2,856,058	2,845,502	2,057,934	1,859,545
Trade Receivables	130,079	97,096	78,040	84,132	95,696
Reinsurance Assets	237,065	375,503	84,874	113,062	115,919
Deferred Acquisition Cost	96,592	31,090	24,313	25,516	32,135
Other Receivables	1,739,428	1,743,243	1,763,605	1,733,661	1,740,186
Investment in Subsidiary	-	-	-	-	-
Investment Properties	5,203,697	5,203,697	5,136,792	4,614,621	1,250,560
Intangible Assets	42,914	20,550	17,369	12,063	8,489
Property Plant and Equipmeny	2,965,079	2,854,211	2,952,267	2,883,659	7,036,036
Statutory Deposits	335,000	335,000	335,000	335,000	335,000
Assets classified as held for sale	-	-	-	798,406	-
Total Assets	14,030,370	13,815,316	13,819,275	13,618,472	13,508,867
Liabilities					
Insurance Conract Liabilities	1,018,179	787,275	497,301	509,656	407,172
Borrowing	-	-	-	-	-
Trade Payables	40,867	33,423	31,998	13,892	14,236
Other Payables	1,698,568	1,720,622	1,792,531	1,677,123	1,693,550
Employee benefits liability	4,749	2,178	5,043	13,142	9,346
Income tax liabilities	43,509	67,931	62,807	83,588	104,438
Deferred tax liabilities	793,258	791,120	787,005	550,684	544,140
liabilities associated with assets classified as	-	-	-	73,880	-
Total Liabilities	3,599,131	3,402,548	3,176,685	2,921,965	2,772,882

Equity

Issued and paid Shared 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 Reserve	428,667	378,007	355,415	337,406	315,545
Fair value reserve	1,583,838	1,576,710	1,566,217	778,649	568,117
Revaluation reserve	2,513,040	2,513,040	2,513,040	3,383,466	3,383,466
Retained earning	(2,919,324)	-2,880,007	-2,617,101	-2,628,033	-2,356,162
Shareholders fund	10,431,239	10,412,768	10,642,589	10,696,506	10,735,984
Non-controlling interest					
TOTAL EQUITY & LIABILITIES	14,030,370	13,815,316	13,819,274	13,618,471	13,508,866

STATEMENT OF COMPREHENSIVE INCOME	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
GROSS Premium written	1,688,673	753,067	753,067	536,526	728,685
Premium earned	1,379,607	730,849	730,849	573,838	728,685
Profi before tax	(82,074)	668,345	668,345	125,929	-156,780
Taxation	(15,578)	(32,407)	-32,407	-33,237	-29,550
Profit after taxation	(97,652)	635,938	635,938	92,692	-186,330
Transfer to contingency reserve	(50,660)	(22,592)	-22,592	-18,009	-21,861
Retained earning	(97,652)	613,346	613,346	74,683	-6,097
Earning per share	- 0.61	4	0.58	0.58	-1.16