

relax

OUR WORD IS OUR BOND

Universal Insurance offers an extensive range of insurance and financial services and products to commercial, institutional and individual customers throughout Nigeria. As a leader in an industry with very high potential, Universal Insurance is raising the bar in terms of quality, coverage and customer service.

Since you have worked hard to build up your financial legacy, you should choose only the best to ensure it.



Universal Insurance Plc

No 11A, Ligali Ayorinde Street, Victoria Island Lagos. Tel.: +234 (0) 1 8753226,
Email: info@universalinsuranceplc.com, Website: www.universalinsuranceplc.com

BRANCHES

Abakaliki Office
4, Afikpo Road, Abakaliki
Ebonyi State
08037505530

Benin Office
129 Siluko Road,
Off Oguola Road,
Benin City, Edo State.
08036729677

Onitsha Office
4A Oguta Road,
Opposite DMGS
Onitsha, Anambra State.
08033204223

PortHarcourt Office
Hippo House
274 Aba/PortHarcourt
Express Road
Ekere Street Junction
Rivers State
08037095119

Abuja Office
Suite No. 6, Block B
Teehof's Place
Adetokunbo Ademola
Wuse II, Abuja FCT
07093685188

Enugu Office
4 Ridgeway/Station Road
P.O. Box 360
Enugu
08037505530

Owerri Office
4 Assumpta Avenue,
Owerri
Imo State.
0802914197



The Universal Insurance Plc.
RC 2460



Annual Report & Accounts

2011

Our word is our bond



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Vision Statement

"To render prompt, honest, efficient, innovative and dynamic Insurance services to all our Stakeholders, especially, in the areas of provision of adequate cover, risk management services and prompt settlement of claim".

Mission Statement

Our mission is to become a dominant player through the provision of Insurance services with professional touch, using highly motivated workforce, and modern Information Technology, while discharging our duties to the society and all stakeholders, to achieve long term value for them.



Our Values

- Integrity
- Honesty
- Excellence
- Teamwork
- Openness
- Professionalism
- Trust
- Pride
- Respect for People
- Your Reliable Partner in Insurance



ENGR. CYRIL UMUNNA AJAGU
VICE CHAIRMAN



BARR. (MRS.) JULIET MADUBUEZE OON
DIRECTOR



EVANGELIST JASPER AZODO
DIRECTOR



HRM IGWE NNAEMEKA ACHEBE CFR mni
CHAIRMAN



CHIEF ABEL NWANKWO (JP)
DIRECTOR



LT. Gen. J. N. DOGONYARO (RTD.) CFR mni
DIRECTOR



GLORIA N. NBANEFO (MRS.)
COMPANY SECRETARY/
LEGAL ADVISER



BEN UJOATUONU
MD/CEO

1 CORPORATE INFORMATION

The Universal Insurance Plc (UNISURE) was established by the then Eastern Nigeria Government, African Continental Bank Plc in 1961 through an association between Eastern Nigeria Development Corporation (ENDC) and Pearl Assurance Company Limited of London whereby ENDC acted as agents to the insurance company. The Universal Insurance Company Limited also from inception has been on a partnership relationship with Swiss Reinsurance Company of Zurich, which also provided the necessary reinsurance support. Mr. K. R. Lugg an expatriate had the privilege of being the first General Manager of the Company until 1963 when Mr. M.A.C Chukwudinma was appointed the first indigenous General Manager.

The aftermath of the Nigeria civil war was that Eastern Nigeria became defunct. Thus after series of changes, the East Central State was split into Anambra, Imo, Enugu, Abia, and Ebonyi States. These five states, apart from many individuals, have shares in the Company.

As at today, this company has an asset base of over N9Billion and authorized and paid-up share capital of N16Billion and N8Billion respectively. It is a General Business organization (i.e. underwrites General Insurance businesses).

The Universal Insurance Plc is now fully computerized to drive excellence in service delivery, customer oriented, and a prime company that is poised to be a giant in risk bearing.

POST CONSOLIDATION STATUS

The new Universal Insurance Plc is now a mega organization comprising the former United Trust Assurance Company Limited, Oriental Insurance Company Limited and African Safety Insurance Company Limited. Overtures are still being made by some companies seeking to be acquired by the new mega Company. The Shareholders fund of the new mega Company after NAICOM verification stood at over N9Billion.

The new Universal Insurance Plc has 100% equity stake in African Alliance Insurance Company Limited to handle the Life aspect of its operations.

In order to guarantee maximum cover to our customers Universal Insurance Plc has made a two pronged reinsurance arrangement as follows:

- (i) Unlimited capacity protection on facultative reinsurances based on individual account. Our facultative reinsurances are placed both locally and offshore depending on the size of the account.

Our offshore placing Brokers based in London give us access to all first class reinsurers worldwide and Lloyds of London.

Our local facultative reinsurance is placed with other local insurers and other regional reinsurers that respond quickly to claims.

- (ii) The second segment of our reinsurance arrangement is led by the foremost reinsurance company in African sub region-African Re. Insurance Company Limited.

Universal Insurance Plc has since restructured its Management and operations for the challenges ahead.

We are pleased to introduce to you a repositioned giant in the Insurance Industry in Nigeria.



2. BOARD OF DIRECTORS

His Royal Majesty Nnaemeka Achebe (Cfr), mni	Chairman
Engr. Cyril Ajagu Umunna	Vice Chairman
Mrs Juliet Madubueze (OON)	Director
Chief Abel Nwankwo (JP)	Director
Alagbo O.C. Harry	Director
Evang. Jasper Azodo	Director
Lt. Gen. J.N Dogonyaro (Rtd) (Cfr) Mni	Director
Mrs. Enase Okonedo	Director
Mr. Ben Ujoatuonu	AG. GM/CEO
Barr (Mrs.) Gloria Mbanefo	Company Secretary

3. CORPORATE HEAD OFFICE

Plot 1204A, Amodu Ojikutu Street
Off Bishop Oluwole Sreet,
Victoria Island, Lagos.

4. BRANCH OFFICES

Enugu Zonal Office
4, Ridgeway Station Road,
G.R.A. Enugu.

Onitsha Branch
4, Oguta Road,
Opposite DMGS
Onitsha.

Owerri Branch
4, Assumpta Avenue,
Owerri.

Benin Branch
129 Soluko Road,
Off Oguela Road,
Benin City.

Abakaliki Branch
33 Ezza Road,
Abakaliki.

Abuja Area Office
Suit No 6, Block B,
Teehof's Place,
Adetokunbo Ademola Street,
Wuse 2, Abuja.

Port Harcourt Branch
245, Aba Road,
Port Harcourt.

5. BANKERS

Union Bank of Nigeria (UBN) Plc
Eco Bank Plc
Guaranty Trust Bank (GTB) Plc
First City Monument Bank (FCMB) Plc
United Bank for Africa (UBA) Plc
Fidelity Bank Plc

6. AUDITORS

ANUEBUNWA JUDE & CO.
(Chartered Accountants)
7, Sabitu Street, Ijgun Zone 2,
Satelite Town,
P.O. Box 1231, Festac Town, Lagos.

7. REGISTRAR & TRANSFER OFFICE

Main Street Bank Registrars Limited
No. 2A Gbagada Expresssaway,
Anthony Village, Lagos.

8. INVESTORS/SHAREHOLDERS RELATIONS

Barrister Chinedu Onyilimba

BENEDICT U. UJOATUONU

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

GLORIA N. MBANEFO

COMPANY SECRETARY/LEGAL ADVISER

REGINALD ANYANWU

REGIONAL DIRECTOR (NORTH)

PETER EZE

AG. HEAD OF TECHNICAL

CHUKWUEMEKA OGOKE

AG. HEAD FINANCE & ADMIN

PASTOR TUNJI OYEBAYO

HEAD OF MARKETING

IFEOMA IBIK

COMPLIANCE/MANAGER (ADMIN)

MERCY OKAFOR

UNDERWRITING MANAGER

OBY OKAGBUE

AG. INTERNAL AUDITOR



	GROUP 2011 N'000	COMPANY 2011 N'000	2010 N'000
Major Profit & Loss Account Items:			
Gross Revenue	361,958	321,658	310,895
Earnings	348,555	348,555	266,604
Investment/Other Income	241,240	241,240	166,801
Commission	2,446	2,446	11,276
Profit/(Loss) before Taxation	134,593	133,053	(194,377)
Taxation	(17,819)	(17,819)	16,680
Profit/(Loss) after Taxation	(661,891)	(663,431)	(193,344)
Major Balance Sheet Items:			
Total Assets	10,364,491	8,919,449	8,991,074
Statutory Deposit	335,000	335,000	335,000
Paid Up Share Capital	8,000,000	8,000,000	8,000,000
Share Premium	825,018	825,018	825,018
Contingency Reserve	220,612	220,612	210,138
Fixed Assets Revaluation Reserve	2,242,073	103,968	1,628,262
Shareholder's Funds	8,284,210	6,873,203	8,329,291
Per 50 kobo share data:			
Profit/(Loss) Basic Earnings per share (kobo)	(4.20)	(4.21)	(1.17)
No. of employees		95	128
No. of Branches		8	8

NOTICE IS HEREBY GIVEN THAT the forty two (42nd) Annual General meeting of **THE UNIVERSAL INSURANCE PLC** will be held at **Universal Hotel Ltd. Plot 3, Aguleri street, Independence Layout, Enugu, Enugu State** on **Thursday 27th March, 2014 at 9.00 a.m** to transact the following business:

NOTES:

1. To receive the Audited Financial Statements for the year ended 31st December 2011 and the Report of the Directors and Auditors thereon.
2. To receive the Report of the Audit Committee.
3. To retire/re-elect Directors
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect/re-elect members of the Audit Committee.

Notes:

- i) Proxies**
A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A Proxy need not be a Member of the Company. A Proxy form is attached to the Annual Report and Accounts and to be valid for the purpose of the Meeting, it must be duly completed, stamped and deposited at the Company's Lagos office, Plot 1204A Amodu Ojikutu Street, Victoria Island, Lagos not less than 48 hours before the time fixed for the Meeting.
- ii) Closure of Register of Members**
The Register of Members and the Share Transfer Books of the Company will be closed from 20th to Thursday 27th March, 2014 both days inclusive.
- iii) Nomination for the Audit Committee**
In accordance with **Section 359(5)** of the Companies and Allied Matters Act, 1990 a Member may nominate a Shareholder as a Member of the Audit Committee. Nominations in writing for appointment to the Audit committee should reach the Company Secretary at least 21 days before the Annual General Meeting.
- iv) Change of Registered Address**
Members are requested to inform the Company of any change in their registered address.

Dated the 17th day of February, 2014.

By Order of Board

**G.N. MBANEFO (MRS.)
COMPANY SECRETARY/LEGAL ADVISER
LAGOS, NIGERIA**





Distinguished Shareholders, Fellow Board Members, Representatives of the Regulatory Bodies, Ladies and Gentlemen. I warmly welcome you to the 42nd Annual General Meeting (AGM) of our Company and to present the Annual Report and Financial Statement for the year ended 31st December 2011.

OPERATING BUSINESS ENVIRONMENT

The global economic activity weakened significantly in 2011 due to low growth in advanced economies and fragility elsewhere. Fiscal challenges in advanced economies negatively affected the world economic activity.

The slowing economy was boosted to some extent by Sub-Saharan Africa with average growth rate of 4.9% and majorly by the developing Asian economies with an average growth rate of 7.9%.



Nigerian economy as the second largest in Africa with a GDP of USD 238.9 billion during the year 2011 witnessed about 7.36% growth which is slightly lower than the 7.85% recorded in 2010.

The lingering effect of the financial sector reforms amongst other factors contributed to the marginal decline. The inflation rate decline to 10.9% in 2011 as against 11.8% in 2010.

FINANCIAL SERVICE SECTOR

In the year 2011 the Nigerian Stock Exchange suffered a decline. The all Share index and Market Capitalization went down by 16.3% and 17.5% compared to growth of 18.9% and 56% in 2010 respectively.

The growth in the insurance industry has been necessitated by the reforms within the industry, especially the initiative for local risk retention through the local content policy. The economic situation that leaves the populace with little or no disposable income still affects the non-compulsory insurances especially the personal line classes. The industry continues to witness negative competition among the players. Also the enactment of the Employees Compensation Act 2011 which took away the traditional workmen's compensation insurance from the industry.

BOARD OF DIRECTORS

There was no change in the composition of the Board in the year ended 31st December 2011.

STAFF

The staff strength of our company as at 31st December 2011 stood at Seventy Seven (77), who are committed and rank among the best in the industry.

CONCLUSION

On behalf of the Board, I would like to extend my immense gratitude to our valued brokers, customers, business partners, agents, shareholders and various regulatory bodies for your support and contributions during the year.

Thank you.

HRM IGWE ALFRED ACHEBE CFR, mni
CHAIRMAN



To the Shareholders of Universal insurance Plc.

In accordance with Section 359(6) of the Companies and Allied Matters Act, we the Members of the Audit Committee of Universal Insurance Plc, have reviewed the audited financial statements of the Company for the year ended 31 December 2011 and based on the documents and information available to us, report as follows:

- (A) We have reviewed the scope and planning of the external audit requirements.
- (B) We deliberated upon the Management Control Report of the External Auditors and the Management response provided thereto;

We are certain that the accounting and reporting policies of the Company for the year ended December 31, 2011 are in accordance with the legal requirements and agreed ethical standards.

CHIEF UZOMA E. NJOKU
CHAIRMAN, AUDIT COMMITTEE

Members of the Audit Committee

- | | | | |
|----|--------------------------|---|----------|
| 1. | Chief Uzoma E. Njoku | - | Chairman |
| 2. | Mr. Boniface E. Okezie | - | Member |
| 3. | Mr. Alexander A. Adio | - | Member |
| 4. | Lt. Gen. J. N. Dogonyaro | - | Director |
| 5. | Chief Abel Nwankwo | - | Director |
| 6. | Evang. Jasper Azodo | - | Director |



ANUEBUNWA JUDE & CO.

(Audit, Tax Financial and Management Consultancy) BN 2112660

Corporate Head Office:
7, Sabitu Street, Ijgun Satellite Town, Lagos.
Tel: +234 1 893 3813, 0803 3056 496, 0702 876 8146

Other Office:
31 Ikosi Road, Oregun, Lagos.
P. O. Box. 1231 Festac Town, Lagos
E-mail: ajconsultingng@gmail.com

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE UNIVERSAL INSURANCE PLC

We have audited the accompanying separate and consolidated financial statements of Universal Insurance Plc [the Company] and its Subsidiary companies [together 'the Group'] which comprise the balance sheet as at 31 December 2011 and the profit and loss accounts and statements of cash flows for the year ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statement

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act and for such internal control, as the directors' determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility for the financial statements

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors', as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the financial affairs of the company and the group at 31st December 2011 and of their profits and cash flows for the year then ended in accordance with the Nigerian Statements of Accounting Standards issued by the Nigerian Accounting Standards Board and the relevant provisions of the Companies and Allied Matters Act, CAP20 LFN 2004, Insurance Act, CAP 117, LFN 2004 and relevant National Insurance Commission [NAICOM] guideline 2011 and circulars.



Report on other legal and regulatory requirements.

The Companies and Allied Matters Act require that in carrying out our Audit we consider and report to you on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion proper books of account have been kept by the company as far as appears from our examination of those books.
- iii. The group's balance sheet and profit and loss account are in agreement with the books of account.

Anuebunwa Jude

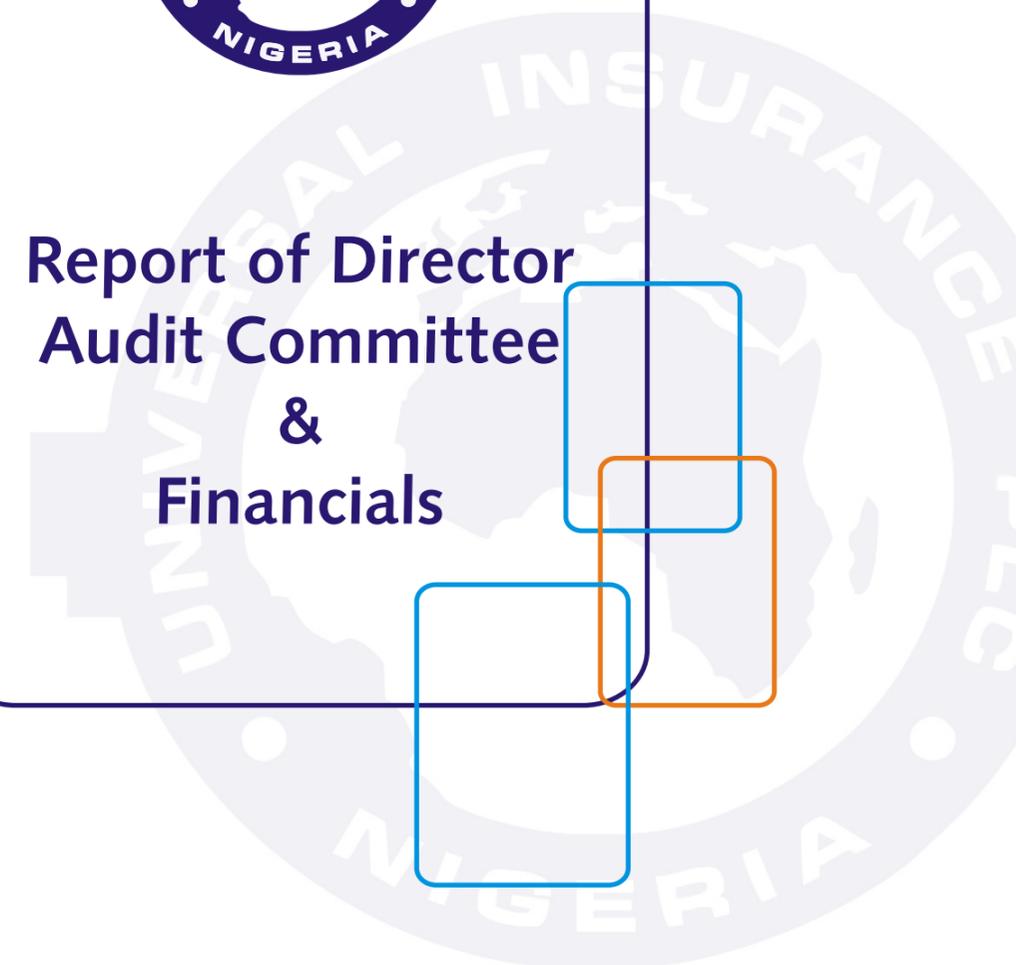


Jude Anuebunwa
FOR: Anuebunwa Jude & Co
(Chartered Accountants)
Lagos, Nigeria.

29th November, 2012.



**Report of Director
Audit Committee
&
Financials**





The Directors are pleased to present to the members of Universal Insurance Plc their report and audited financial statements for the year ended 31 December, 2011.

PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT

The company was incorporated as a private company limited by shares but subsequently metamorphosed into a publicly quoted company after the recent consolidation and recapitalization in the Nigerian Insurance industry. The company engages principally in the Non Life Insurance Businesses which includes Motor, Fire, General Accident, Workmen Compensation, Burglary, Marine Cargo, Marine Hull, Aviation etc.

OPERATING RESULTS

The financial results of the subsidiaries have been consolidated in these financial statements.

The following is a summary of the Group's operating results:-
(in thousands of Nigerian Naira)

	Group 2011	Company 2011	2010
Profit before tax	(646,851)	(648,391)	(116,078)
Taxation	(17,819)	(17,819)	(16,680)
Profit after tax	(664,670)	(666,210)	(115,045)
Transfer to contingency reserve	(10,475)	(10,475)	(9,053)
Retained earnings for the year	(1,161,114)	(1,073,411)	(124,098)
Retained earnings, end of year	(2,942,450)	(2,123,109)	(1,602,489)
Earnings per share – Basic	(4.15)	(4.16)	(0.68)
Total assets	11,951,509	10,208,991	8,121,268
Cash and cash equivalent	67,912	63,732	55,769
Financial assets	2,324,013	2,324,013	3,933,064
Insurance contract liabilities	199,347	199,347	166,605
Share -holders funds	9,965,148	8,348,909	7,536,634
Statutory deposits	335,000	335,000	335,000

CORPORATE GOVERNANCE

The company is committed to the principles of Corporate Governance and code of Best Practices. We are committed to full disclosure and transparency in providing information to all stakeholders.

The Board of Directors is currently made up of eight (8) Directors. The position of the Chairman is distinct from that of the Managing Director. The Board is responsible for controlling and managing the strategic business of the company and constantly reviews and presents a balanced and comprehensive assessment of the company's performance and future prospects. It may exercise all such powers of the company as are not by law or the Articles of Association of the company in General Meetings.

The Board functioned either as a full board or through committees. The Board committees as listed below make recommendations for approval by the full Board.



COMMITTEE	MEMBERSHIP	STATUS
Corporate Governance/Admin/Operations	Barr. Juliet A. Madubueze Evangelist Jasper Azodo Barr. Gloria N. Mbanefo Barr. Ifeoma Ibik	Chair Member Member Member
Underwriting/Technical Committee	Evangelist Ja sper Azodo Ben U. Ujoatuonu Peter Eze Barr. Ifeoma Ibik	Chair Member Member Recorder
Statutory Audit Committee	Chief (Sir) Uzoma Njoku Chief (Sir) Abel Nwankwo (JP) Lt. Gen. Joshua Dogonyaro Eveng. Jasper Azodo Mr. Boniface Okezie Mr. Alex Adio	Sharehold er/Chairman Director/Member Director/Member Director/Member Shareholder/Member Shareholder/Member
Investment/Finance Committee	Engr. Cyril Ajagu Chief Abel Nwankwo Eveng. Jasper Azodo Barr. Gloria N. Mbanefo Barr. Ifeoma Ibik	Chair Member Member Member Recorder

In addition, a Management Executive Committee meets regularly to address policy implementation and other operational issues.

Corporate Governance/Admin/Operations Committee:

This committee met three times during the year. The committee meets as the need arises to review the composition of the Board and recommend skill mix and diversity required for appointment of new board members and senior management staff. It also makes recommendations relating to Corporate Governance.

Underwriting/Technical committee:

The Committee met twice during the year. It was set up to ensure effective control measures and set up sufficient internal checks to ensure effective and efficient underwriting.

Statutory Audit Committee:

The Committee held three meetings during the year. Section 359(6) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria, 2004 provides for the functions of this committee. In addition, the 2011 Securities and Exchange Commission (SEC) Code of Corporate Governance also assigns responsibilities to the Committee. In addition to this, a Board Audit Committee is constituted to further ensure compliance to the statutory requirements.

Investment/Finance Committee:

The Committee did not meet during the year. It meets as the need arises to review and make recommendations to the Board of Directors with respect to the Company's annual long term financial and investment strategies and objectives.

DIRECTORS ATTENDANCE AT MEETINGS



REPORT OF THE DIRECTORS CONT'D

FOR THE YEAR ENDED 31 DECEMBER, 2011

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REPORT OF THE DIRECTORS CONT'D

FOR THE YEAR ENDED 31 DECEMBER, 2011

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Directors	Board	Corporate Gov/ Admin/Operations Committee	Audit Committee	Underwriting/ Technical Committee
Number of Meetings	4	3	3	2
HRM Igwe Nnaemeka Achebe, CFR, mni	4	N/A	N/A	N/A
Engr. Cyril Ajagu	4	N/A	N/A	N/A
Evang. Jasper Azodo	4	2	3	2
Lt. Gen. J. Dogonyaro, CFR, mni	3	N/A	2	N/A
Barr. Juliet A. Madubueze, OON	4	3	N/A	N/A
Chief Abel Nwankwo (JP)	4	N/A	3	N/A

LEGAL FORM

The company was incorporated on the 1st of March 1961 and commenced business on the 13th of March 1961. The company's shares were admitted through listing by introduction on the Nigeria Stock Exchange on the 11th of February 2007.

DIRECTORS

His Royal Majesty Nnaemeka Achebe (CFR), mni
Engr. Cyril Ajagu Umunna
Mrs. Juliet Madubueze (OON)
Chief Abel Nwankwo (JP)
Evang. Jasper Azodo
Lt. Gen. J. N. Dogonyaro (Rtd) (CFR), mni
Mr. Ben Ujoatuonu
Barr. (Mrs.) Gloria Mbanefo

Chairman
Vice Chairman
Director
Director
Director
Director
MD/CEO
Company Secretary

In accordance with section 259 of the Companies and Allied Matters Act CAP 20LFN 2004, Chief Abel Nwankwo and Evangelist Jasper Azodo will retire by rotation at the next AGM. Being eligible they both offer themselves for re-election.

DIRECTORS' INTEREST IN SHARES

In accordance with sections 275 and 276 of the Companies and Allied Matters Act CAP 20 LFN 2004 and the listing requirement of the Nigerian Stock Exchange, the direct and indirect interests of directors' shareholding as advised by the Registrar of the company, Afribank Registrars Limited, was as follows:

DIRECTORS'HOLDING	No of 50k Ordinary shares As at 31 December 2011	No of 50k Ordinary shares as at 31 December 2010
HRM Nnaemeka Achebe (CFR), mni	16,050,000	16,000,000
Engr. Cyril Ajagu Umunna	80,000,000	80,000,000
Mrs. Juliet Madubueze (OON)	4,400,000	4,400,000
Chief Abel Nwankwo (JP)	700,000	10,000,000
Evang. Jasper Azodo	16,000,000	10,000,000
Lt. Gen. J. N. Dogonyaro (Rtd) (CFR), mni	10,000,000	10,000,000
Mrs. Enase Okonodo	16,000,000	16,000,000
Alabo, Adaye Harry	16,000,000	16,000,000

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the company for the purpose of section 277 of the Companies and Allied Matters Act CAP 20 LFN 2004, of any disallowable interest in contracts with which the company was involved either as at 31 December 2011 or as at the date of this report.

SHARE HOLDING STRUCTURE

According to the Register of members, the following shareholders of the company hold 5% and more of the issued ordinary capital of the company.

	NO OF SHARES	% HOLDING
AFRICAN ALLIANCE INSURANCE PLC	4,155,106,088	25.97
STANBIC NOMINEES NIGERIA LIMITED	1,330,221,424	8.31
CONAU LIMITED	753,286,899	4.71
OTHERS	<u>9,761,385,589</u>	<u>61.01</u>
	<u>16,000,000,000</u>	<u>100.00</u>



SHAREHOLDING ANALYSIS

The shareholding pattern of the company is as stated below:

Share Range	No of Shareholders	% of Shareholders	No. of Holdings	% of Holdings
1 - 1,000	1,969	3.23%	1,562,608	0.01%
1,001 - 5,000	11,551	18.96%	37,577,500	0.24%
5,000 - 10,000	10,002	16.42%	83,719,055	0.52%
10,001 - 50,000	22,842	37.50%	594,300,951	3.71%
50,000 - 100,000	7,694	12.63%	627,359,603	3.92%
100,001 - 500,000	5,626	9.24%	1,211,443,415	7.57%
500,000 - 1,000,000	652	1.07%	521,182,339	3.26%
1,000,001 - 5,000,000	444	0.73%	927,612,341	5.80%
5,000,001 - 10,000,000	52	0.09%	406,723,409	2.54%
10,000,001 - 100,000,000	63	0.10%	2,064,841,848	12.91%
100,000,001 - 10,000,000,000	17	0.03%	9,523,676,931	59.52%
Grand Total	60,912	100%	16,000,000,000	100%

Acquisition of Shares

The company did not purchase any of its own shares during the year.

Fixed Assets

Investment in fixed assets during the year is limited to the amount shown in the financial statements. In the opinion of the directors, the market value of fixed assets is not less than the value included in the financial statement.

Business Review and Future Development

The company shall continue to fulfill its objectives as contained in its Articles and Memorandum of Association. The company shall continue to pursue and fulfill standards set by the regulatory authority, NAICOM.

Agencies and Brokers

The company maintains a network of licensed Agents throughout the country. The Company also renders services to its customers through Brokers licensed by the National Insurance Commission.



HUMAN RESOURCES

-Employment of Disable Persons

It is the policy of the company that there is no unfair discrimination in considering applications for employment on ground of disability. All employees whether disabled or not disabled are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2011 there is no disabled person in the employment of the company.

-Health, Safety At Work Welfare of Employees

Health and safety regulations are in force within the company's premises and employees are aware of existing regulations. The company provides free medical attention to all levels of employees and allowance for meal, transportation and housing.

-Employees Involvement and Training

The company is committed to keeping employees as fully informed as possible regarding the company's performance and progress and seeking their views where ever practicable on matters which particularly affect them as employees. The company runs an open door management policy. Management, professional and Technical expertise are the company major assets and investment in developing such skill is continuous. Incentive scheme designed to meet the circumstances of each individuals are implemented where ever appropriate and some of these schemes include bonuses, promotions salary review etc.

INCORPORATION AND SHARE CAPITAL HISTORY

The Universal Insurance Ltd was incorporated as a Private Limited Liability Company on 1st of March 1961 and commenced business operations on 1st January, 1962.

The Company's authorized share capital at incorporation was N200, 000.00 and has progressively increased over the years to N15,000,000,000 divided into 30,000,000,000 ordinary shares of 50 Kobo each. The Company currently has an Issued & Fully paid capital of N8, 000,000,000 divided into 16,000,000,000 Ordinary shares of 50 Kobo each..

The following changes have taken place in the company's authorized and issued capital since incorporation:

Changes to Authorized Share Capital

Date of Resolution	Increased from	Increased to
24/4/1962	₦ 200,000.00	₦ 500,000.00
2/2/1977	₦ 500,000.00	₦ 1,000,000.00 ²
1/11/1991	₦ 1,000,000.00	₦ 25,000,000.00
9/10/1998	₦ 25,000,000.00	₦ 100,000,000.00
6/01/2004	₦ 100,000,000.00	₦ 400,000,000.00
15/02/2007	₦ 400,000,000.00	₦ 2,000,000,000.00
29/03/2007	₦ 2,000,000,000.00	₦ 8,000,000,000.00
25/09/2007	₦ 8,000,000,000.00	₦ 11,000,000,000.00
12/10/2007	₦ 11,000,000,000.00	₦ 15,000,000,000.00



RESEARCH AND DEVELOPMENT

The company continues to encourage Research and Development of existing and new products aimed at consistently improving the company's position.

DONATIONS

The company did not make any donation during the year.

AUDITORS

In accordance with section 357(2) of the Companies and Allied Matters Act, 1990, Messrs Anuebunwa Jude & Co [Chartered Accountants] was appointed as Auditors to the company during the year.

A resolution shall be proposed at the Annual General Meeting authorizing the Directors to determine their remuneration. They have indicated their willingness to continue.

AUDIT COMMITTEE

In accordance with Section 359(3) of the Companies and Allied Matters Act CAP C20 Laws of The Federation of Nigeria 2004; the company has an Audit Committee comprising three Directors and three Shareholders namely:-

Chief (Sir) Uzoma Njoku	Shareholder/Chairman
Chief (Sir) Abel Nwankwo (JP)	Director
Lt. Gen. Joshua Dogonyaro	Director
Evang. Jasper Azodo	Director
Mr. Boniface Okezie	Shareholder
Mr. Alex Adio	Shareholder

By Order Of The Board

GLORIA N. MBANEFO
Company Secretary



The following is a summary of the significant accounting policies adopted by the Company in the preparation of its financial statements. These accounting policies have been consistently applied for all the years presented.

1) Basis of Accounting

These financial statements are prepared in accordance with Nigeria Statements of Accounting Standards [SAS], the Companies and Allied Matters Acts [CAMA] CAP 20 LFN 2004, the Insurance Act and Regulation 2003 and its interpretation issued by the National Insurance Commission in its Insurance Industry Policy Guidelines.

The financial statements are prepared under the historical cost convention as modified by the carrying of fixed assets and certain long term investments at valuation amount.

The financial statements for general insurance business have been prepared using the annual basis of accounting.

2) Reporting Currency

The financial statements are prepared in Nigerian currency [Naira], which is the company's reporting currency.

3) Use of estimates in the preparation of financial statements

The preparation of financial statements requires the use of certain critical accounting estimates and assumption. It also requires management to exercise judgment in the process of applying the company's accounting policies. Although these estimates are based on historical information, actuarial analyses and the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis to take account of new and available information. Revisions to accounting estimates are recognized in the year in which the estimate is revised.

4) Basis of Consolidation

Subsidiaries

The group financial statements comprise the financial statements of the company and Its subsidiaries made up to 31st December of the year. A subsidiary is an entity, including an incorporated entity such as partnership that is controlled by another entity known as the parent. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and event in similar circumstances in the books of the holding company and the subsidiaries. Separate disclosure is made for non-controlling interest.

The consolidated financial statements combine the financial statements of Universal Insurance Plc ('the company') and its subsidiaries ('the group') wherein there is majority shareholding and/or control of the Board of Directors and management. The consolidated subsidiaries are Molit Hotel Limited and Universal Hotels Limited.

Transactions eliminated on consolidation.

Intra-group balances and transactions and any unrealized gains arising from intra-group transactions are eliminated unless the transaction provides evidence of impairment of the asset transferred.

5) Classification of Insurance Contracts

Contracts that are classified as insurance contracts are those under which the company Underwrites significant insurance risk from another party (the Broker or Insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

6) Recognition and measurement of Insurance Contracts

Short-term insurance contracts under General business are accounted for on an annual basis.



- 7) **Premium**
- (i) **Gross Premium**
is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover.
 - (ii) **Gross Premium Earned**
is written premium after adjusting for the unearned portion of the premium.
 - (iii) **Unearned Premium**
premium relating to risk for period not falling within the accounting period is carried forward as unearned premium.
 - (iv) **Net Premium Earned**- net premium earned represents gross premium less reinsurance costs
- 8) a) **Reinsurance**
Proportional and non-proportional reinsurance premiums are accounted for on an accrual basis. Reinsurance premium are recognized as outflows in accordance with the tenor of the reinsurance contract.
- b) **Reinsurance cost**
Reinsurance cost represents outwards premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.
- c) **Reinsurance Recoveries**
Reinsurance recoveries represent that portion of claims paid/payable on risk ceded out in respect of which recoveries are received/receivable from the Reinsurer
- d) **Prepaid Reinsurance**
Unexpired reinsurance cost is determined on a time apportionment basis and is reported under other assets in the balance sheet.
- 9) **Claims**
- (i) **Gross claims paid**
consists of direct claims, plus reinsurance claims.
 - (ii) **Gross claims incurred**
consists of claims and claims handling expenses paid during the financial year after adjusting for movement in provision for outstanding claims and IBNR.
 - (iii) **Net claims incurred**
is gross claims incurred after adjusting for reinsurance claims recoveries
- 10) **Underwriting expenses**
Underwriting expenses are subdivided into acquisition and maintenance expenses. Acquisition expenses are those incurred in obtaining and renewing insurance Contracts'. They include Commission paid, policy expenses and indirect expenses such as salaries of underwriting staff; and are deferred And amortized in proportion to the amount of premium determined separately for matching concept. Maintenance expenses are charged to the revenue account in the accounting period in which they are incurred.
- 11) **Deferred Acquisition Costs**
The proportion of acquisition costs that correspond to the unearned premiums are deferred as an asset and recognized in the subsequent period.
- 12) **Management expenses**
Management expenses are expenses other than claims, investments and underwriting expenses. They include salaries and wages, depreciation charges and other non- operating expenses. Management expenses are charged to the profit and loss accounts in the accounting period in which they are incurred.



- 13) **Staff Pension Scheme**
The company makes provision for retirement benefit in accordance with the Pension Reform Act of 2004, with the Company and the employee contributing a total of 20%. The Company contribution is charged to profit and loss account. Remittances are made to each employee's chosen pension fund administrator.
- 14) **Investment Income**
Investment income comprises of interest earned on short-term deposits, rental income, dividend and income earned on trading of securities, investment income is accounted for on an accrual basis.
- 15) **Technical Reserves**
- (i) **Provision for unexpired premium**
provision for unexpired premium represents the portion of gross premium income on short-term general business insurance contracts that relate to a period of risk after the end of accounting period. This is calculated on a time apportionment basis of the risk accepted in the year in accordance with the provisions of section 20 of the Insurance Act 2003
 - (ii) **Unexpired risks provision** - Unexpired risks provisions are the estimated amounts required over and above provisions for unearned premiums to meet future claims and related expenses on policies in force at the end of the accounting period.

Unexpired risk provision is determined based on the underwriting experiences of each class of business written. The unexpired risks provision is determined in a way that allows for proper segregation of items of income and expenditure. In this case, deferred acquisition expenses are disregarded and a provision is made for the entire acquisition expenses being carried forward separately.
 - (iii) **Provision for Outstanding Claims**
Provision for outstanding claims comprise of estimated costs of settling all claims and related claim handling expenses incurred but unpaid at the balance sheet date. Outstanding claims that have occurred at the balance sheet date and have been notified to the Company are carried at their reported amounts, while Adequate provisions are also made for claims incurred, but not reported (IBRN) at 10% of outstanding claims amount as at the balance sheet date in accordance with the provision of S. 20 of the Insurance Act 2003.
 - (iv) **Contingency Reserves**
The Company maintains contingency reserves in accordance with the provisions of S. 21 of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation; until the reserve reaches the greater of minimum paid up capital or 50% of net premium.
- 16) **Fixed assets**
- a. **Recognition and Classification**
 - i. Fixed assets comprising land and buildings and other properties owned by the Company are initially recorded at cost. Subsequently, Land and building are stated at historical cost (Historical cost includes expenditure that is directly attributable to the acquisition of the asset) or revalued amount (based on valuation by external independent valuers).
 - ii. Revaluation may be carried out at the discretion of the management. Surpluses arising on the revaluation of individual fixed assets are credited to the Assets Revaluation Reserve Account. However recognition of such surpluses is subject to the provision of the relevant section of the policy Guideline.



When previously revalued fixed assets are disposed of, any revaluation surplus relating to the disposed assets is transferred to the profit and loss account

All other fixed assets are subsequently stated at historical cost less accumulated depreciation.

Subsequently costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. In the case of revalued assets, depreciation is calculated by reference to the enhanced value of the assets concerned. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

iii. All construction costs are carried at cost as work-in-progress. On completion of construction, the related amounts are transferred to the appropriate category of fixed assets.

iv. Payments in advance for items of fixed assets are classified under prepayments and upon delivery are classified as additions to the appropriate category of property and equipment. Capital work-in-progress is not depreciated.

b. Depreciation.

Depreciation is calculated on other assets and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on fixed assets until they are brought into use.

The principal annual rates used for this purpose, which are consistent with those for the previous years, are as follows:

	%
Leasehold Building	2
Office Equipment	20
Motor Vehicles	25
Plants and Machinery	15
Furniture and Fittings	15

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount, it is written down immediately to its recoverable amount.

The recoverable amount is the higher of the asset's value less costs to sell and value in use.

c. Disposal

Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are charged to the profit and loss account for the year.

(17) Investment.

Investments are initially recognized at cost and are classified into short and long term in accordance with the Statements of Accounting standards (SAS 13) on accounting for investments depending on the purpose for which they are acquired. This classification is revalued on every reporting date.

a. Short term investments

An investment is classified into this category at inception if acquired principally on temporary basis for a period not more than one year. Such investments can be converted into cash when current financing needs make it desirable, or if it forms part of a portfolio of financial assets in which there is evidence of short-term profit taking.



Short-term investments are valued at the lower of cost and market value. The amount by which cost exceeds market value (unrealized loss) is charged to the profit and loss account for the period.

b. Long term investment

Long term investments relates to investments held over a long period of time to earn income. These are investments other than short-term investments.

(18) Investment Property

This is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the Company and/or members of the group. An occupation of more than 15% of the property is considered substantial.

Investment properties are carried in the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there is a decline in value of an investment property, the carrying amount of the property is written down to recognize the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the company's policy, on investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to Asset Revaluation Reserve Account. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against that revaluation surplus rather than profit and loss account.

An increase in revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit and loss account is credited to profit and loss account to the extent that it offsets the previously recorded decrease.

(19) Debtors

Debtors are stated at cost after writing off bad debts and deducting provisions made for other specific debts considered doubtful of recovery. An allowance for specific debt is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables.

In line with the statutory guidelines set by NAICOM, allowance for outstanding premium is made as follows:

Period outstanding	% allowance required
Under 90 days	Nil
91 - 180 days	50%
Above 180 days	100%

When a receivable in respect of which a provision has already been made is deemed uncollectible, it is written-off against the related provision and subsequent recoveries are credited to the profit and loss account.

(20) Taxation

Income tax payable on profit, based on the applicable tax law in each jurisdiction, recognized as an expense in the period in which the related profit arise. The tax effects of income tax losses available for carrying forward are recognized as an asset when it is probable that taxable profits will be available against which these losses can be utilized.

(21) Deferred taxation

Deferred taxation is provided using the liability method for all timing difference arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred taxation.



(22) Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the Financial statements in the period in which the dividend is approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

(23) Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segment.

(24) Other assets

Receivables and other sundry debtors are classified as other assets and are stated at cost less allowances for doubtful amounts. Allowances and write offs are recognized when a receivable is deemed not collectable based on the original terms of the contract. Subsequently recoveries are credited to the profit and loss account.

(25) Earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of shares outstanding during the year.

	NOTE	GROUP		COMPANY	
		2011 N' 000	2010 N' 000	2011 N' 000	2010 N' 000
ASSETS					
Cash and Bank Balances	2	67,912	59,921	63,732	55,769
Long Term Investments	3	1,312,733	1,371,398	3,874,399	3,933,064
Investment Properties	4	934,118	1,654,118	934,118	1,654,118
Trade Debtors	5	40,781	29,423	40,781	29,423
Other Debtors	6	1,701,205	33,042	1,633,960	18,979
Deferred Acquisition Cost	7	12,293	13,943	12,293	13,943
Statutory Deposit	8	335,000	335,000	335,000	335,000
Fixed Assets	9	5,960,448	5,494,228	2,025,165	2,080,972
		10,364,491	8,991,073	8,919,449	8,121,268
LIABILITIES					
Bank Overdraft		3,429	79	-	-
Due to Related Company	10	1,684,667	277,387	1,684,667	277,387
Creditors and Accruals	11	98,044	120,050	63,860	42,980
Taxation	12	99,465	82,224	100,043	82,224
Deferred taxation	13	15,438	15,438	15,438	15,438
Insurance Funds	14	182,237	166,605	182,237	166,605
		2,083,280	661,783	2,046,245	584,634
SHAREHOLDERS' FUND					
Share Capital	16	8,000,000	8,000,000	8,000,000	8,000,000
Share Premium		825,018	825,018	825,018	825,018
Contingency Reserve	17	220,612	210,137	220,612	210,137
General Reserve	18	(3,006,493)	(2,334,127)	(2,276,395)	(1,602,489)
Fixed Asset Revaluation Reserve	19	2,242,073	1,628,262	103,968	103,968
		8,281,210	8,329,290	6,873,203	7,536,634
		10,364,491	8,991,073	8,919,449	8,121,268

The financial statements were approved by the Board of Directors on

and were signed on its behalf by:

DIRECTOR



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER, 2011

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UNDERWRITING REVENUE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER, 2011

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NOTE	GROUP		COMPANY	
	2011 N' 000	2010 N' 000	2011 N' 000	2010 N' 000
INCOME				
Gross premium Written	349,172	253,343	349,172	253,343
(Increase)/Decrease in Unearned Premium	12,786	57,552	12,786	57,552
Gross Premium Earned	361,958	310,895	361,958	310,895
Re-Insurance Cost	(13,403)	(44,291)	(13,403)	(44,291)
Net Premium Earned	348,555	266,604	348,555	266,604
Commission Received	2,446	11,276	2,446	11,276
Total Income	351,001	277,880	351,001	277,880
Direct Claims Paid	26,434	31,050	26,434	31,050
Provision for Outstanding Claims (IBNR)	2,583	6,770	2,583	6,770
(Increase)/Decrease in Outstanding Claims	25,834	(2,021)	25,834	(2,021)
Gross Claims Incurred	54,851	35,799	54,851	35,799
Commission Paid	60,388	47,981	60,388	47,981
Reinsurance Recovery	(3,783)	(10,204)	(3,783)	(10,204)
Total Expenses	111,456	73,576	111,456	73,576
Underwriting Profit/(Loss)	239,545	204,304	239,545	204,304
Gross Profit/(Loss) from Hotel Business	135,731	52,065	-	-
Investment Income/(Loss) & Other Income	241,240	166,801	241,240	166,801
Net Operating Income	616,516	423,170	480,785	371,105
Finance Charges	(861)	(9,734)	-	(9,502)
Management Expenses:				
Insurance Business	(301,498)	(379,739)	(301,498)	(249,607)
Hotel Business	(133,330)	-	-	-
Provision for Doubtful Debts	(46,234)	(228,074)	(46,234)	(228,074)
Profit /(Loss) Before Taxation	134,593	(194,377)	133,053	(116,078)
Exceptional Items:				
Provision for diminution in value of investment	(58,665)	17,713	(58,665)	17,713
Provision for doubtful investment	(720,000)	-	(720,000)	-
Taxation	(17,819)	(16,680)	(17,819)	(16,680)
Profit/(Loss) After Taxation	(661,891)	(193,344)	(663,431)	(115,045)
Transfer to Contingency Reserve	(10,475)	(9,053)	(10,475)	(9,053)
(Loss)/ Profit for the Year Transfer to General Reserve	(672,366)	(202,397)	(673,906)	(124,098)
Earnings Per Share	(4.20)	(0.68)	(4.21)	(0.68)

	MOTOR N' 000	GENERAL			2011 N' 000	2010 N' 000
		FIRE N' 000	ACCIDENT N' 000	MARINE N' 000		
Direct Premium Written	81,259	36,092	77,526	113,995	308,872	268,591
Reinsurance Accepted	12,819	7,253	18,322	1,906	40,300	(15,248)
Gross Premium Written	94,078	43,345	95,848	115,900	349,172	253,343
Changes in Reserve for Unexpired Risk (*)	17,115	6,128	(19,828)	9,371	12,786	57,552
Gross Premium Earned	111,193	49,473	76,020	125,271	361,958	310,895
Reinsurance cost 2009	-	-	-	-	-	(15,489)
Reinsurance cost	-	(5,647)	(5,256)	(2,501)	(13,403)	(28,802)
Net Premium Written	111,193	43,827	70,765	122,770	348,555	266,604
Commission Received		1,976	(72)	542	2,446	11,276
Net Income	111,193	45,803	70,692	123,313	351,001	277,880
Claims Incurred:						
Direct Claims Paid	20,046	396	3,633	2,358	26,434	31,050
Provision for Outstanding claims (IBNR)	(491)	3,691	571	(1,188)	2,583	6,770
Changes in Provision for Outstanding Claims (**)	(4,908)	36,909	5,713	(11,880)	25,834	(2,021)
Gross Claims Incurred	14,647	40,996	9,917	(10,710)	54,851	35,799
Reinsurance Claims Recovery	(1,333)	-	(236)	(2,214)	(3,783)	(10,204)
Net Claims Incurred	13,314	40,996	9,682	(12,924)	51,068	25,595
Underwriting Expenses:						
Commission Paid	12,849	7,762	15,211	22,917	58,738	38,792
Changes in deferred commission	2,305	1,006	(3,356)	1,695	1,650	9,189
Total Underwriting Expenses	15,154	8,767	11,855	24,612	60,388	47,981
Total Expenses	28,468	49,764	21,536	11,688	111,456	73,576
Underwriting Result	82,725	(3,960)	49,156	111,625	239,545	204,304
Provision for Unexpired Risk- 1 January 2011	44,019	16,585	21,312	10,215	92,131	149,683
Provision for Unexpired Risk- 31 December 2011	26,904	10,457	41,140	844	79,345	92,131
* Changes in reserve for unexpired Risk	(17,115)	(6,128)	19,828	(9,371)	(12,786)	(57,552)
Gross Claims Outstanding						
Provision for Outstanding Claims- 1 January 2011	13,406	3,349	20,407	30,542	67,704	69,725
Provision for Outstanding Claims- 31 December 2011	8,498	40,258	26,120	18,662	93,538	67,704
** Changes in provision for outstanding claims	(4,908)	36,909	5,713	(11,880)	25,834	(2,021)



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2011

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2011

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NOTE	GROUP		COMPANY	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
Cash flows from operating activities				
Premiums received from policy holders	308,872	253,343	308,872	253,343
Cash receipts from cutomers	-	-	-	-
Reinsurance Cost	(13,403)	(28,802)	(13,403)	(28,802)
Cash payments to and on behalf of employees	(295,196)	(204,727)	(300,320)	(202,202)
Commission received	2,446	11,276	2,446	11,276
Commission paid	(60,388)	(38,792)	(60,388)	(38,792)
Claims and commission paid	(23,519)	(20,846)	(23,519)	(20,846)
Income tax paid	(17,256)	(16,678)	(17,819)	(16,678)
	(98,443)	(45,226)	(104,130)	(42,701)
Input VAT	-	-	-	-
Output VAT	-	-	-	-
Net cash (used)/provided by operating activities	(98,443)	(45,226)	(104,130)	(42,701)
Cash flows from investing activities				
Purchase of fixed assets	(17,033)	-	(13,873)	(566)
Purchase of investments	-	-	-	-
Net cash used in investing activities	(17,033)	-	(13,873)	(566)
Cash flows from financing activities				
Finance charges	(861)	(9,734)	-	(9,503)
Investment Income	227,240	166,801	227,240	166,801
Net cash (used in)/from financing activities	226,379	157,067	227,240	157,298
Net increase in cash and cash equivalents	127,936	111,841	123,110	114,031
Cash and cash equivalents at the beginning of the year	(63,452)	(48,389)	(59,378)	(54,653)
Cash and cash equivalents at the end of the year	64,484	63,452	63,732	59,378

1 The Company

a. Legal entity

The company was incorporated on 1 March 1961 as a private company limited by sares and commenced business on 13 March 1961. The companys shares were admitted through listing by introduction on the Nigerian Stock Exchange on the 11 February, 2007.

b. Principal activities

The company is engaged in Non-Life Insurance businesses which includes motor, fire, general accident, workmen compensation, burglary, Marine cargo, marine hull, Aviation etc. All the company's activities are carried out at its head office and branches nationwide.

c. Going concern considerations

The company had an accumulated loss of N2.27 billion at 31 December 2011. Management is of the view that when the properties paid for in Vine Estate are handed over in the subsequent year, it will result in the write back of N 720 million provided for the investment. It is also hopeful that the Nigerian Capital Market would sustain its level of steady growth in the stock prices to reduce the impact of the losses, yielding favourable results when the diminution in the value of quoted stocks are written back. Consequently, the financial statements have been prepared on the basis of accounting policies applicable to a going concern.

2 Cash and Bank balances

Cash
Bank

Provision for doubtful balances (note 25)

	GROUP		COMPANY	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
Cash	1,341	153	1,325	22
Bank	70,182	63,378	66,018	59,357
	71,522	63,531	67,342	59,379
Provision for doubtful balances (note 25)	(3,610)	(3,610)	(3,610)	(3,610)
	67,912	59,921	63,732	55,769
3 Long Term Investments				
3.1 Quoted investments:				
cost	1,284,715	1,284,715	1,284,715	1,284,715
Provision for diminution in value (note 3.2)	(1,272,474)	(1,213,809)	(1,272,474)	(1,213,809)
Market value	12,241	70,906	12,241	70,906
3.2 Exceptional Item - Diminution in value of investments				
At 1 January	1,213,809	1,231,522	1,213,809	1,231,522
Charge for the year	58,665	(17,713)	58,665	(17,713)
At 31 December	1,272,474	1,213,809	1,272,474	1,213,809
3.3 Unquoted Investments:				
MTN Nigeria	1,300,166	1,300,166	1,300,166	1,300,166
CNL-SME Industries	394,898	394,898	394,898	394,898
War Stock UK	8,485	8,485	8,485	8,485
Others (note 3.4)	33,418	33,418	33,418	33,418
	1,736,967	1,736,967	1,736,967	1,736,967
Provision for doubtful Investment (note 3.6)	(436,475)	(436,475)	(436,475)	(436,475)
	1,300,492	1,300,492	1,300,492	1,300,492

The company suffered diminution in the value of quoted investments amounting to N58,665 million (2010: N17,713 million surplus) as a result of the bearish trend in the Nigerian capital Market. This amount has been charged to the Profit and Loss Account as exceptional item in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board.



3.4 Others represents investments in Nigeria Cement Company Limited N2.45 million, Progress Bank Limited (liquidated) N3.6 million, former Nigeria Tobacco Limited (British American Tobacco Company Limited) N2.29 million and Ferdinand Oil Limited N24.75 million. These have been fully provided for in the previous years and included in the provisions for doubtful investments.

3.5 Investment in Subsidiaries:

Molit Hotels and Catering Services Limited (3.7)
Universal Hotels Limited (3.8)

	GROUP		COMPANY	
	2011	2010	2011	2010
	-	-	528,105	528,105
	-	-	2,033,561	2,033,561
	-	-	2,561,666	2,561,666
	1,312,733	-	3,874,399	3,933,064
	436,475	278,305	436,475	278,305
	-	158,170	-	158,170
	436,475	436,475	436,475	436,475

3.6 Provisions for doubtful investments:

At 1 January
During the year
Unquoted investments (note 3.3)

Long term investments include shares and debenture stocks held in quoted and unquoted companies.

3.7 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. A professional hospitality company has been appointed to manage the company on rental. This contract ensures a monthly guaranteed income to the group while arrangement is on going to turn the business around for profitability.

3.8 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. A professional hospitality company has been appointed to manage the company on rental. This contract ensures a monthly guaranteed income to the group while arrangement is on going to turn the business around for profitability.

4 Investment Properties

Oyingbo Garden Avenue estate (note 4a)
Vine Estate- Abuja (note 4b)
Rumudumu Model Estate Portharcourt (note 4a)
Others

	2011	2010	2011	2010
	250,000	250,000	250,000	250,000
	720,000	720,000	720,000	720,000
	684,118	684,118	684,118	684,118
	175,369	175,369	175,369	175,369
	1,829,487	1,829,487	1,829,487	1,829,487
	(895,369)	(175,369)	(895,369)	(175,369)
	934,118	1,654,118	934,118	1,654,118

Provision for unsubstantiated Investment (note 25)

Investment properties represent buildings and un-developed landed properties including properties under construction, 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 subject to periodic charges for depreciation. Valuation is carried out as the need arises.

4a Assets In The Name of Conau Limited:

Description	N'000 Amount
1 Oyingbo Garden Avenue estate	250,000
2 Rumudumu Model Estate Portharcourt	684,118

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.



4b Assets In the name of Minaj Holdings Limited:

Description	N'000 Amount
1 Vine Estate- Abuja	720,000

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.

Status of Perfection of Title:

This property is still under construction by Minaj Holdings Limited. On completion, the 20 units of houses will be handed over to Universal Insurance Plc and title transferred to the company. This amount has been fully provided for in this account.

5 Premium Debtors

Outstanding premium
Current Premium Debtors
Provision for bad and doubtful balances (note 5.1)

	GROUP		COMPANY	
	2011	2010	2011	2010
	656,859	656,859	656,859	656,859
	57,592	-	57,592	-
	(673,670)	(627,436)	(673,670)	(627,436)
	40,781	29,423	40,781	29,423
	627,436	562,377	627,436	562,377
	29,423	-	29,423	-
	16,811	65,059	16,811	65,059
	673,670	627,436	673,670	627,436

5.1 Provision for bad and doubtful balances:

At January 2011
Charged for the Year on outstanding premium (note 25)
Charged for the Year on premium debtors(note 25)

5.2 Aged analysis for Premium Debtors:	Rate %
Number of days:	
0 - 90 days	0%
91 - 180 days	50%
Above 180 days	100%

A total of N48.479 million has been received after year end.

6 Other Debtors

Due from Reinsurers
Due from Universal Hotels Limited
Due from Molit Hotels Limited
Wages Control
Staff Debtors
Staff Share Loan (note 6.1)
Prepayments
Stock of raw materials
Trade Debtors
Others
Accrued Rental Income

	2011		2010	
	Amount	Provision	Amount	Provision
	34,333	-	585,734	-
	12,896	6,448	12,132	6,066
	10,363	10,363	58,993	58,993
	57,592	16,811	656,859	65,059
	2,713	1,293	2,713	1,293
	17,460	17,460	29,460	17,460
	-	-	2,000	-
	-	1,235	-	1,235
	3,115	226	1,326	226
	1,598,942	-	1,598,942	-
	900	280	230	-
	20,053	3,248	-	-
	43,717	10,508	-	-
	15,539	27	523	-
	-	-	-	-
	1,702,440	34,277	1,635,195	20,214
	(1,235)	(1,235)	(1,235)	(1,235)
	1,701,205	33,042	1,633,960	18,979

Provision for doubtful balances (note 25)



6.1 The amount represent outstanding payment for African Alliance Insurance Company Plc shares purchased during the private placement exercise on behalf of staff of the company in 2008. The balance is now brought into the account and arrangement concluded to commence recovery from staff. A Trust Fund has been set to manage the shares. The Trust Deed is yet to be registered.

7 Deferred Acquisition Costs

Marine
Fire
Motor
General Accident

	GROUP		COMPANY	
	2011	2010	2011	2010
	166	1,861	166	5,355
	1,957	2,963	1,957	2,963
	3,050	5,355	3,050	3,764
	7,120	3,764	7,120	1,861
	12,293	13,943	12,293	13,943

8 Statutory Deposit

This represents the statutory deposit with the Central Bank of Nigeria on behalf of National Insurance Commission (NAICOM) in line with the Insurance Act.

9 FIXED ASSETS

9.1 Group:

9 COST:

At 1 January 2011
Additions during the year
At 31 December 2011

	Land & Buildings N'000	Plant & Machinery N'000	Furnitures & Fittings N'000	Motor Vehicles N'000	COMPUTER HARDWARE N'000	TOTAL N'000
At 1 January 2011	5,824,423	11,715	103,709	136,012	-	6,075,859
Additions during the year	614,156	99	1,834	7,150	7,605	630,844
At 31 December 2011	6,438,579	11,814	105,543	143,162	7,605	6,706,703
Depreciation;						
At 1 January 2011	410,655	5,436	55,380	110,159	-	581,630
Charge for the year	128,771	1,423	14,035	20,342	54	164,625
At 31 December 2011	539,426	6,859	69,415	130,501	54	746,255
Net Book Value						
At 31 December 2011	5,899,153	4,955	36,128	12,661	7,551	5,960,448
At 31 December 2010	5,413,768	6,279	48,329	25,853	-	5,494,229
Cost						
Valuation	4,196,506	11,814	105,543	143,162	7,605	4,464,630
	2,242,073	-	-	-	-	2,242,073
	6,438,579	11,814	105,543	143,162	7,605	6,706,703

On 3rd May 2010, the group's property at Plot C&C Close, R&D Road, Port Harcourt, was professionally revalued by A.C. Otegbulu & Partners, Estate Surveyors & Valuers at N250.42 million. The valuation was based on open market value. The valuation was incorporated into these financial statements and the surplus arising therefrom credited into fixed assets revaluation reserve

On 14th April 2010, the group's property at No. 45, Okporo Road, Rumudara, Port Harcourt, was professionally revalued by A.C. Otegbulu & Partners Estate Surveyors & Valuers at N375.5 million. The valuation was based on open market value. The valuation was incorporated into these financial statements and the surplus arising therefrom credited into fixed assets revaluation reserve.

Revaluation of land and buildings is carried out at the discretion of the directors and it is considered as and when necessary.



9.2 Company:

COST:

At 1 January 2011
Additions during the year
At 31 December 2011

Depreciation;

At 1 January 2011
Charge for the year

At 31 December 2011

Net Book Value

At 31 December 2011

At 31 December 2010

Cost
Valuation

	Land & Buildings N'000	Plant & Machinery N'000	Furnitures & Fittings N'000	Motor Vehicles N'000	COMPUTER HARDWARE N'000	TOTAL N'000
At 1 January 2011	2,306,314	5,001	66,329	115,506	-	2,493,150
Additions during the year	-	99	-	6,169	7,605	13,873
At 31 December 2011	2,306,314	5,100	66,329	121,675	7,605	2,507,023
Depreciation;						
At 1 January 2011	269,323	2,080	40,870	99,905	-	412,178
Charge for the year	46,126	752	6,633	16,115	54	69,680
At 31 December 2011	315,449	2,832	47,503	116,020	54	481,858
Net Book Value						
At 31 December 2011	1,990,865	2,268	18,826	5,655	7,551	2,025,165
At 31 December 2010	2,036,991	2,921	25,459	15,601	-	2,080,972
Cost						
Valuation	2,202,346	5,100	66,329	121,675	7,605	2,403,055
	103,968	-	-	-	-	103,968
	2,306,314	5,100	66,329	121,675	7,605	2,507,023

10 Related company balances:

Due to related companies

Conau Limited (note 10.1)
African Alliance Insurance Plc (note 10.2)

	GROUP		COMPANY	
	2011	2010	2011	2010
Conau Limited (note 10.1)	-	192,841	-	192,841
African Alliance Insurance Plc (note 10.2)	1,684,667	84,546	1,684,667	84,546
	1,684,667	277,387	1,684,667	277,387

10.1 Conau Limited:

The company is the major shareholder of the shares of Universal Insurance Plc. The balance represents transactions and funding arrangements for Universal Insurance Plc at various times.

10.2 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. The balance represent amount payable to African Alliance Insurance Plc in respect of funds collected on behalf of African Alliance Insurance Plc during the 2008 private placement and other transactions carried out during the period. N1.598 billion represent the balance payment for N2.8 billion worth of shares allotted on the private placement of Africa Alliance Insurance Company Plc subscribed to by the company in 2008. The liability is now recognised into the books.

11 Creditors and Accruals

Due to Reinsurance Companies
Directors Current Account
Staff Pensions
Pay As You Earn
Trade Creditors
Sundry Provisions & Accruals

Due to Reinsurance Companies	13,969	5,892	13,969	5,892
Directors Current Account	41,718	53,383	14,328	17,538
Staff Pensions	3,943	2,613	3,943	2,613
Pay As You Earn	450	437	450	437
Trade Creditors	6,794	41,127	-	-
Sundry Provisions & Accruals	31,171	16,598	31,171	16,500
	98,044	120,050	63,860	42,980



	GROUP		COMPANY	
	2011	2010	2011	2010
12 Taxation				
12.1 Per Profit and Loss Account				
Income Tax	17,819	16,680	17,819	16,680
Education Tax	-	-	-	-
Deferred Taxation (Note 14) Profit and Loss Account	17,819	16,680	17,819	16,680
12.2 Per Balance Sheet				
Taxation				
At 1 January	82,224	82,222	82,224	82,222
Charge for the Year (note 12.1)	17,819	16,680	17,819	16,680
Payment during the Year	(578)	(16,678)	-	(16,678)
	99,465	82,224	100,043	82,224
13 Deferred Taxation				
At 1 January	15,438	15,438	15,438	15,438
Charge for the Year	-	-	-	-
	15,438	15,438	15,438	15,438
14 Insurance Funds				
Reserve for Unexpired Risks				
Motor	26,904	(17,115)	44,019	
Fire	10,457	(6,128)	16,585	
General Accident	41,140	19,828	21,312	
Marine	844	(9,371)	10,215	
	79,346	(12,785)	92,131	
Reserve for Outstanding Claims				
Motor	8,498	(4,908)	13,406	
Fire	40,258	36,909	3,349	
General Accident	26,121	5,714	20,407	
Marine	18,662	(11,880)	30,542	
Add 10% IBNR	93,538	25,834	67,704	
	9,353		6,770	
	182,237		166,605	
15 Hypothecation of investment				
	Insurance Funds	Shareholder's Funds	2011	2010
	N'000	N'000	N'000	N'000
Cash and Bank Balances (note 2)	-	63,732	63,732	55,769
Long Term Investments (note 3)	102,237	3,772,162	3,874,399	3,933,064
Investment Properties (note 4)	80,000	854,118	934,118	1,654,118
Statutory Deposit (note 8)	-	335,000	335,000	-
	182,237	5,025,013	5,207,250	5,642,951
Insurance funds (note 14)	182,237			166,605
16 Share Capital				
Authorised:				
16,000,000,000 ordinary shares of 50 kobo each	8,000,000	8,000,000	8,000,000	8,000,000
Issued and fully paid:				
16,000,000,000 ordinary shares of 50 kobo each	8,000,000	8,000,000	8,000,000	8,000,000

	GROUP		COMPANY	
	2011	2010	2011	2010
17 Contingency Reserve				
At 1 January	210,137	201,085	210,137	201,085
Transfer from Profit and Loss Account	10,475	9,052	10,475	9,052
At 31 December	220,612	210,137	220,612	210,137
18 General Reserve				
At 1 January	(2,334,127)	(2,156,747)	(1,602,489)	(1,478,391)
Arising on consolidation	-	25,017	-	-
Transferred from Profit and Loss Account	(672,366)	(202,397)	(673,906)	(124,098)
At 31 December	(3,006,493)	(2,334,127)	(2,276,395)	(1,602,489)
19 Fixed asset revaluation reserve				
At 1 January,	1,628,262	1,628,262	103,968	103,968
Arising on consolidation	613,811	-	-	-
	2,242,073	1,628,262	103,968	103,968
20 Gross premium written				
Direct Premium:				
Motor	81,259	94,935	81,259	94,935
Fire	36,092	72,256	36,092	72,256
General Accident	77,526	62,830	77,526	62,830
Marine	113,995	38,570	113,995	38,570
	308,872	268,591	308,872	268,591
Inward Reinsurance Premium:				
Motor	12,819	59	12,819	59
Fire	7,253	(6,292)	7,253	(6,292)
General Accident	18,322	(5,785)	18,322	(5,785)
Marine	1,906	(3,230)	1,906	(3,230)
	40,300	(15,248)	40,300	(15,248)
	349,172	253,343	349,172	253,343
21 Reinsurance costs				
Motor	-	-	-	-
Fire	5,647	15,019	5,647	15,019
General Accident	5,256	21,512	5,256	21,512
Marine	2,501	7,759	2,501	7,759
	13,403	44,290	13,403	44,290
22 Net claims incurred				
Direct claims paid during the year	26,434	31,050	26,434	31,050
Changes in outstanding claims	5,632	(2,021)	15,632	(2,021)
Gross claims incurred	42,066	29,029	42,066	29,029
Reinsurers' claims recovery	(3,783)	(10,204)	(3,783)	(10,204)
	38,283	18,825	38,283	47,854
23 Gross profit/(loss) from hotel business				
Turnover:				
Rooms and accommodation	150,364	85,070	-	-
Cost of sales:				
Purchases	34,686	33,595	-	-
Closing stock	(20,053)	(590)	-	-
	14,633	33,005	-	-
Gross profit/(loss)	135,731	52,065	-	-



	GROUP		COMPANY	
	2011	2010	2011	2010
24 Investment and other income				
Dividend income	214	166,801	214	166,801
Rental income	-	-	-	-
Interest on call deposit	14,435	-	14,435	-
Exchange gain/(loss)	1,634	-	1,634	-
Others	224,956	-	224,956	-
	<u>241,240</u>	<u>166,801</u>	<u>241,240</u>	<u>166,801</u>
25 Provision for bad & doubtful balances				
Cash and bank (Note 2)	3,610	3,610	3,610	3,610
Unquoted investments (Note 3.3)	436,475	436,475	436,475	436,475
Investment properties (Note 4)	895,369	175,369	895,369	175,369
Premium debtors (Note 5.1)	673,670	627,436	673,670	627,436
Other debtors (Note 6)	1,235	1,235	1,235	1,235
	<u>2,010,359</u>	<u>1,244,125</u>	<u>2,010,359</u>	<u>1,244,125</u>
26 Management Expenses				
Staff cost	91,398	98,243	82,664	92,188
Bank charges	3,198	2,363	2,708	1,902
Other expenses & charges	832,899	58,717	824,899	52,808
Depreciation	164,625	155,585	69,680	73,535
General maintenance	148,700	55,692	129,612	20,085
Insurance supervision fund	2,815	-	2,815	-
Legal & professional fees	16,092	9,139	14,019	9,089
	<u>1,259,727</u>	<u>379,739</u>	<u>1,126,397</u>	<u>249,607</u>
27 Profit/(loss) before taxation is stated after charging:				
Directors' remuneration	4,200	1,639	4,200	1,639
Provision for bad and doubtful debts	46,234	632,281	46,234	228,074
Provision for doubtful investment	720,000	-	720,000	228,074
Exchange difference	(1,634)	-	(1,634)	-
Auditor's remuneration	3,450	11,000	3,000	11,000
Depreciation of fixed assets	164,625	155,586	69,680	73,535
28 Reconciliation of profit/(loss) after tax to net cash provided by operating activities:				
Profit/(loss) after tax	(661,891)	(186,574)	(663,431)	(108,275)
Adjustment to reconcile non-cash items to net cash provided by operating activities				
Depreciation	164,625	155,586	69,680	73,535
Provision for bad and doubtful balances	46,234	632,281	46,234	228,074
Provision for diminution in value of shares	58,665	(17,713)	58,665	(17,713)
Provision for doubtful investments	720,000	-	720,000	-
Finance charges	-	9,502	-	9,502
Investment income	(241,240)	(166,801)	(241,240)	(166,801)
(Decrease)/increase in tax payable	17,819	82,224	17,819	82,224
Provision for deferred taxation	-	-	-	-
Changes in operating assets and liabilities:				
Increase/(decrease in insurance funds	15,632	(59,574)	15,632	(59,574)
Increase/(decrease in balance with related parties	(192,841)	80,735	(192,841)	80,735
Increase/(decrease in deferred acquisition costs	(1,650)	24,678	(1,650)	24,678
Increase/(decrease) in creditors	3,333	129,588	17,819	14,980
Increase in premium debtors	(57,592)	(656,859)	(57,592)	(131,767)
Statutory deposit	-	-	-	-
Provision w/offs	-	(283,968)	-	(283,968)
(Increase)/decrease in other debtors	(35,005)	211,669	(40,976)	211,669
Cash provided by operating activities	<u>(163,910)</u>	<u>(45,226)</u>	<u>(251,880)</u>	<u>(42,701)</u>

29 Cash and cash equivalents
Bank and cash balances
Short term deposits

Bank overdraft

	GROUP		COMPANY	
	2011	2010	2011	2010
Bank and cash balances	67,912	63,531	63,732	46,775
Short term deposits	-	-	-	-
	<u>67,912</u>	<u>63,531</u>	<u>63,732</u>	<u>46,775</u>
Bank overdraft	(3,429)	(79)	-	-
	<u>64,483</u>	<u>63,452</u>	<u>63,732</u>	<u>46,775</u>

30 Segment information:
.1 By business segment:

Income:

Gross income
Investment income

	Insurance N'000	Hotel and Catering N'000	2011 Total N'000
Gross income	351,001	150,364	501,365
Investment income	241,240	-	241,240
	<u>592,242</u>	<u>150,364</u>	<u>742,606</u>

Expenses:

Underwriting expenses:
Commission paid
Cost of sales
Management expenses
Claims incurred
Provision for doubtful debts
Finance charges
Diminution in value of investments

	Insurance N'000	Hotel and Catering N'000	2011 Total N'000
Underwriting expenses:			
Commission paid	60,388	-	60,388
Cost of sales	-	14,633	14,633
Management expenses	301,498	133,330	434,828
Claims incurred	51,068	-	51,068
Provision for doubtful debts	46,234	-	46,234
Finance charges	-	861	861
Diminution in value of investments	39,129	-	39,129
	<u>498,317</u>	<u>148,824</u>	<u>647,141</u>

Profit/(Loss) after exceptional item before taxation

Total assets employed
Depreciation
Gross profit margin

	Insurance N'000	Hotel and Catering N'000	2011 Total N'000
Total assets employed	8,919,449	3,996,484	12,915,933
Depreciation	69,680	94,945	164,625

31 (Loss)/Earnings per share

Profit/(loss) attributable to shareholders
Number of ordinary shares in issue as at year end
(Loss)/Earnings per share (kobo)

	GROUP		COMPANY	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
Profit/(loss) attributable to shareholders	(661,891)	(193,344)	(663,431)	(115,045)
Number of ordinary shares in issue as at year end	16,000,000	16,000,000	16,000,000	16,000,000
(Loss)/Earnings per share (kobo)	(4.14)	(1.21)	(4.15)	(0.72)

(Loss)/Earnings per share is calculated by dividing the net profit/(loss) attributable to shareholders by the average number of ordinary shares in issue during the year.

32 Information regarding directors and employees

Directors' emoluments comprises:

i) Fees
ii) Sitting allowance
iii) Directors including the chairman whose gross emoluments were within the following range were:

N
120,000 - 130,000
130,000 - 150,000
150,000 - and above

Number	Number	Number	Number
4,200	-	4,200	-
3,400	1,639	3,400	1,639
-	-	-	-
-	-	-	-
<u>8</u>	<u>5</u>	<u>8</u>	<u>5</u>



NOTES TO THE FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER, 2011

40

iv) Employees

Average number of persons (including directors) employed by the company during the year was:

	2011	2010	2009	2008
Management	12	17	8	12
Staff	83	107	64	83
Total	95	124	72	95

v) Employees' costs during the year

Wages, salaries and other benefits
Pension costs

	2011	2010	2009	2008
Wages, salaries and other benefits	91,398	86,594	82,664	80,539
Pension costs	5,005	11,649	5,005	11,649
Total	96,403	98,243	87,669	92,188

33 Contingent liability

There were no contingent liabilities at 31 December 2011 (2010: Nil)

34 Related parties

34.1 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.

34.2 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.

34.3 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.

34.4 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 Capital commitments

There was no capital commitment at 31 December, 2011 (2010 0 Nil).

36 Subsequent event review

There are no post balance sheet events which could have had material effect on the state of affairs of the company as at 31 December and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statements.

37 Contraventions

During the year, the company contravened Sections 26(1) of the Insurance Act CAP 117 LFN 2004 and Sections 1.1 of the NAICOM Operational Guideline - submissions of audited financial statements for the year ended 31 December 2010. A penalty of N600,000 was paid in this regard.



GROUP STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER, 2011

41

	2011 N'000	%	2010 N'000	%
Premium earned	351,001		277,880	
Sales	150,364		85,070	
	501,365		362,950	
Investment income	241,240		166,801	
Cost of materials - local	(14,633)		(33,005)	
Claims, reinsurance, commissions - local	(260,609)		(66,806)	
Other services - local	(26,911)		(125,911)	
	440,452		304,029	
Diminution in value of quoted investments	(58,665)		17,713	
Provision for doubtful investments	(720,000)			
Provision for bad and doubtful balances	(46,234)		(228,074)	
Value consumed	(384,447)	100	93,668	100
Applied as follows:	0			
In payment of employees:				
- Salaries, wages, and other benefits	94,138	(24.5)	98,243	105.0
In payment to Government				
- Taxation	17,819	(4.6)	16,680	18.0
In payment to Providers of Capital				
- Finance charges	861	(0.2)	9,734	10.0
Consumed for future replacement of assets and expansion of business:				
- Depreciation	164,625	(42.8)	155,585	166.0
- Deferred tax				
- Contingent reserve	10,475	(2.7)	9,053	10.0
- Profit/(Loss) for the year	(672,366)	174.9	(195,627)	(209.0)
	(384,447)	100	93,668	100

Value consumed represents the additional wealth the Company has been able to consume by its own and employees' efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.



COMPANY STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER, 2011

42

	2011 N'000	%	2010 N'000	%
Premium earned	351,001		277,880	
Claims, reinsurance, commissions and other services - local	(260,609)		(126,960)	
	90,392		150,920	
Investment income	241,240		166,801	
Diminution in value of quoted investments	(58,665)		17,713	
Provision for doubtful investments	(720,000)		-	
Provision for doubtful accounts	(46,234)		(228,074)	
Value consumed	(493,267)	100	107,360	100
Applied as follows:				
In payment of employees:				
- Salaries, wages, and other benefits	82,664	(17)	92,188	(86)
In payment to Government				
- Taxation	17,819	-	40,410	(38)
In payment to Providers of Capital				
- Finance charges	-	-	9,502	(9)
Consumed for future replacement of assets and expansion of business:				
- Depreciation	69,680	(14)	73,535	(68)
- Deferred tax	-	-	-	-
- Contingent reserve	10,475	(2)	9,053	(8)
- Profit/(Loss) for the year	(673,906)	137	(117,328)	109
	(493,267)	104	107,360	(100)

Value (consumed)/added, represents the additional wealth the Company has been able to (consume)/create by its own and employees' effort. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.



FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER, 2011

43

	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
ASSETS					
Cash and bank balances	67,912	59,921	14,915	128,927	267,657
Short Term Investments	-	-	-	157,381	4,892,008
Long term investments	1,312,733	1,371,398	4,073,521	5,330,848	1,334,844
Investment properties	934,118	1,654,118	1,654,118	1,829,487	1,100,559
Premium Debtors	40,781	29,423	44,937	181,443	194,661
Debtors	1,701,205	33,042	5,728	250,084	287,648
Deferred acquisition cost	12,293	13,943	38,621	33,934	9,642
statutory deposit	335,000	335,000	335,000	335,000	335,000
Fixed assets	5,960,448	5,494,229	2,153,941	2,227,391	2,212,346
	10,364,491	8,991,074	8,320,781	10,474,495	10,634,365
LIABILITIES					
Bank overdraft	3,429	79	139,837	-	-
Due to related company	1,684,667	277,387	179,192	418,388	-
Creditors and accruals	98,044	120,050	33,003	2,694	840,951
Taxation	99,465	82,224	82,222	50,381	138,911
Deferred taxation	15,438	15,438	15,438	12,493	18,394
Insurance funds	182,237	166,605	219,409	268,191	132,856
	2,083,280	661,783	669,101	752,147	1,131,112
SHAREHOLDERS' FUNDS					
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
contingent reserve	220,612	210,137	201,085	143,189	68,792
General reserve	(3,006,493)	(2,334,127)	(1,478,391)	650,173	505,475
Fixed asset revaluation reserve	2,242,073	1,628,262	103,968	103,968	103,968
	8,281,210	8,329,290	7,651,680	9,722,348	9,503,253
	10,364,491	8,991,073	8,320,781	10,474,495	10,634,365
PROFIT AND LOSS ACCOUNT					
Gross premium earned	351,001	310,895	578,953	743,976	428,569
Profit/(Loss) before exceptional item and taxation	134,593	(109,308)	(1,048,292)	529,729	275,201
Exceptional item	(720,000)	17,713	(979,022)	(252,500)	-
Taxation	(17,819)	(16,680)	(43,355)	(70,569)	(65,763)
Profit/(Loss) after taxation	(603,226)	(108,275)	(2,070,669)	206,660	209,438
Per share (kobo):					
Earnings/(loss) per share (basic)	(3.77)	(0.68)	(12.94)	1.29	1.31
Net assets per share	0.52	47.15	47.82	60.76	59.40

Profit/(loss)\Basic Earnings per share are calculated on the basis of profit/(loss) after tax and the number of ordinary shares in issue as at 31 December of every year. Net assets per share are based on the number of ordinary shares in issue at 31 December of every year.



Date _____

The Registrars
Mainstreet Bank Registrars Limited
No 2A, Gbagada Expressway,
Anthony Village, Lagos.

Dear Sir,

Mandate Form for E-Bonus and E-Dividend

I/we hereby mandate you to include my/our shareholding in The Universal Insurance Plc among the e-bonus beneficiaries for future bonus issues. My/our Shareholding particulars are:

Surname _____

Other Name _____

Address _____

Signature _____

Telephone _____

CSCS Clearing House No. _____

Account number _____

Note: please ensure that names are identical with those on you Share Certificates.

I/We will also like to receive my/our future dividends directly into my/our bank account electronically through e-dividend. My/Our bank account details are as stated below:

Bank _____

Branch _____

Account Number _____

Bank Sort Code _____

Yours faithfully,

Signature (s) of the Shareholder(s)



Please Admit

Shareholder's full name _____

To be completed in advance by Shareholder or his duly appointed proxy to the Annual General Meeting of THE UNIVERSAL INSURANCE PLC. which will be held at the
.....

1. The admission card must be produced by the Shareholder or his proxy to obtain entrance to the meeting.
2. Shareholders or proxies are requested to sign the admission card before the meeting.

Number of shares held _____
[To be completed by the Company's Officials]

G.N. MBANEFO (MRS.)
[Company Secretary]

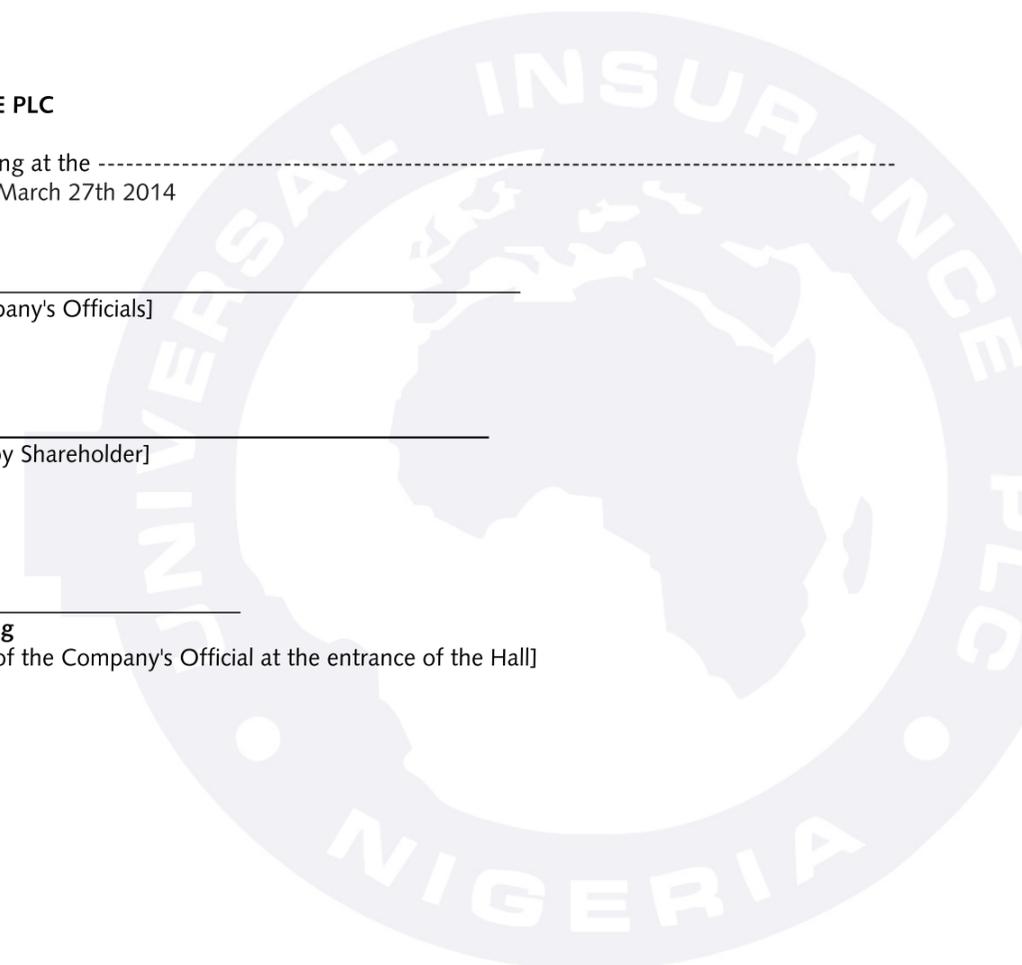
THE UNIVERSAL INSURANCE PLC

Annual General Meeting holding at the -----
-----March 27th 2014

Number of Shares held _____
[To be completed by the Company's Officials]

Shareholder's full name _____
[To be completed in advance by Shareholder]

Signature of person attending
[To be signed in the presence of the Company's Official at the entrance of the Hall]





Annual General Meeting of THE UNIVERSAL INSURANCE PLC

To be held at 9.00 am on Thursday March 27th, 2014 at the Universal Hotel Ltd. Plot 3 Aguleri Street Independent Layout, Enugu.

I/WE.....
.....
.....

Being a member/members of THE UNIVERSAL INSURANCE PLC hereby appoint.
.....
.....

Or failing him **HRM. Igwe Nnaemeka Achebe CFR [Chairman]** as my/our proxy to attend and vote for me/us at the Annual General Meeting of the Company to be held on Thursday March 27th, 2014

Dated this Day of..... 2014

RESOLUTION	FOR	AGAINST
1. To receive the Report of Directors, Audited Financial Statements & Auditors report.		
2. To receive the Report of the Audit Committee.		
3. To retire Directors		
4. To authorize the Directors to fix the remuneration of the Auditors.		
5. To elect/re-elect members of the Audit Committee.		

Please indicate with an **X** in the appropriate square how you wish to cast your vote on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion

NOTES:

1. A member [Shareholder] who is unable to attend an Annual General Meeting is allowed to vote by proxy. The above proxy form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.
2. Provision has been made on this form for the Chairman of the meeting to act as proxy, but if you wish, you may insert in the blank spaces on the form the name of any person, whether a member of the company or not who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
3. Please sign the proxy form if you are not attending the meeting and post it so as to reach The Registrars Mainstreet Bank Registrars Limited No 2A, Gbagada Expressway, Lagos. not later than 48 hours before the time of holding the meeting. If executed by a corporation, the proxy form should be sealed with the common seal.
4. It is a legal requirement that all instruments of proxy must bear appropriate stamp duty from the Duties Office and not adhesive postage stamps.

THE REGISTRAR
MAINSTREET BANK REGISTRARS
2A GBAGADA EXPRESSWAY,
ANTHONY VILLAGE,
LAGOS.