

# **UNIVERSAL INSURANCE PLC 2018 FINANCIAL STATEMENTS**

**For The Period Ended 31 December 2018**

## **Universal Insurance Plc**

**RC 2460**

---



# UNIVERSAL INSURANCE PLC.

RC 2460

8, Gbagada Expressway, Anthony, Lagos, Nigeria ☎ 01-2934645

Website: www.universalinsuranceplc.com E-mail: info@universalinsuranceplc.com

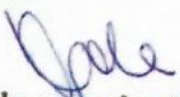
## **Report of Statutory Audit Committee**

### **To the Shareholders of Universal Insurance Plc**

In accordance with Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004 we the Members of the Audit Committee of Universal Insurance Plc., have reviewed the audited financial statements of the Company for the year ended December 31, 2018 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 and found them adequate.
- b. We have reviewed the financial statements and are satisfied with the explanations obtained.
- c. We deliberated upon the Management Control Report of the External Auditors and the Management responses provided thereto and are satisfied that appropriate steps are being taken to address the issues raised.
- d. The External Auditors confirmed having received full co-operation from management in course of their statutory audit.

We are of the opinion that the accounting and reporting policies of the Company for the year ended December 31, 2018 are in accordance with the legal requirements and agreed ethical standards.

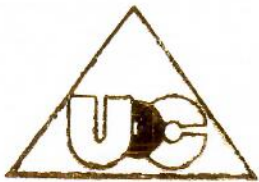
  
**Mr. Chukwuemeka Ogoke**  
FRC/2013/ICAN/0000003289  
For: CHAIRMAN STATUTORY AUDIT COMMITTEE

### **Members of the Audit Committee:**

- |                             |          |
|-----------------------------|----------|
| 1. Mr. C.A.C. Opara         | Chairman |
| 2. Mr. Oluwaseun B. Olukoya | Member   |
| 3. Mr. Angus Amiolemeh      | Member   |
| 4. Mr. Reginald Anyanwu     | Member   |
| 5. Mr. Tony Okocha          | Member   |
| 6. Mr. Chukwuemeka Ogoke    | Member   |







UNIVERSAL INSURANCE PLC  
2018 ANNUAL REPORT & ACCOUNTS

# UKWUEGBU, OGBELEJE & CO.

(CHARTERED ACCOUNTANTS)

RC. LAZ 029096

23, Rasaki Shittu Street, Isheri-Osun; P. O. Box 53830. Falomo; Lagos.  
75, Area A, World Bank, Opposite Rossidkid Nursery School, Owerri, Imo State  
Telephone: 08033006646, 08033047135. E-mail: consultants@uocng.net, Website: www.uocng.net

Partners: Ifechukwu C. Ukwuegbu, B.Sc, ACA, MNCS, Eva C. Ogbeleje, MPA, ACA, ACIT

## INDEPENDENT AUDITOR'S REPORT

To the members of Universal Insurance Plc

*Report on the audit of the financial statements of Universal Insurance Plc.*

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated and separate financial position of Universal Insurance Plc (the company) and its subsidiary (together "the group") as at 31 December 2018, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year the ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act Cap C20 LFN 2004, the Nigerian Insurance Act 117 LFN 2003 circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

### What we have audited:

*We have audited the accompanying consolidated and separate financial statements of Universal Insurance Plc (the company) and its subsidiary (together 'the group')*

Universal Insurance Plc's consolidated and separate financial statements comprise:

- The consolidated and separate statements of financial position as at 31 December 2018;
- The consolidated and separate statements of comprehensive income for the year then ended;
- The consolidated and separate statements of changes in equity for the year then ended;
- The consolidated and separate statements of cash flows for the year then ended; and
- The notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independent requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirement applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) (Parts A and B).



### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our opinion on the financial statements.

### Key Audit Matters identified:

#### Valuation of Insurance contract liabilities.

The company has material insurance liabilities. The measurement of insurance contract liabilities involves judgement over uncertain future outcomes, mainly the ultimate total settlement value of long-term liabilities, including any guarantees provided to policyholders.

Note 17 to the financial statements describe the elements that make up the insurance contract liabilities balance.

#### How our audit addressed the matter.

We focused on this balance because of the complexity involved in the estimation process, and the significant judgements that management and the directors make in determining the balance.

The valuation of the Group's gross and reinsurance incurred but not yet reported claims ("IBNR") reserve is determined in line with the provisions of the Nigerian Insurance Act to the extent that they do not conflict with the requirements of the International Financial Reporting Standards (IFRS). It is dependent on a number of subjective assumptions about future experience.

The economic and non-economic actuarial assumptions applied in estimating amounts for claims incurred at reporting date but not reported to the Group require judgement. Such assumptions include the loss ratio (the total losses paid by an insurance company in the form of claims and adjustment expenses as a proportion of total earned premiums) and recovery rate percentage (derived based on historical recovery to gross claim ratios). These would be determined for previous years based on the claims experience to date where claims and recovery data were available. For classes of business where no claims data is available, the average loss ratio experienced in the industry is used.

This estimate relies on the quality of the underlying data and involves complex and subjective judgements about future events, both internal and external to the business, for which minor changes in assumptions can result in material impacts to the estimate

The valuations are carried out by third party valuers. The valuers are engaged by the Group, and perform their work in accordance with the International Valuation Standards. The valuers used by the Group are from a well known firm, with experience in the markets in which the Group operates.

#### Classification and measurement of financial assets based on IFRS 9 adoption.

The Group had significant financial assets of N2.858 billion (2017: N2.856 billion). The Group adopted IFRS 9, effective January 1, 2018 which necessitated the development of new accounting policies and disclosures as well as significant judgements in determining the measurement category based on the



business model and the cashflow characteristics of the financial assets. In addition, judgement was also exercised in the decision to adopt IFRS 9 based on the requirements of IFRS 4, Insurance contracts (Revised).

The adoption of the new standard resulted in significant changes to accounting policies, classification and measurement of financial instruments as well as the impact of the transition adjustment on the reserves previously recognised in the financial statements.

The significant judgement involved in the adoption of IFRS 9 and classification and measurement of the Group's financial assets make it a matter of significance to the audit.

#### How we addressed the matter.

Our audit procedures included the following:

- We evaluated the appropriateness of the accounting policies adopted based on the requirements of IFRS 9, and our understanding of the Group's businesses.
- We gained an understanding of management's processes and the controls implemented to ensure the completeness and accuracy of the transition adjustments.
- We identified and tested relevant controls implemented in the classification and measurement of existing and new financial instruments.
- We evaluated the reasonableness of management's key assumptions/judgements over classification and measurement decisions as well as key judgements and estimates made in calculating the transition adjustments.
- We assessed the completeness, accuracy and relevance of data used in preparing the transition adjustments and disclosures required by IFRS 9 in the Group financial statements.

The Group's accounting policy on the classification and measurement of financial assets and related disclosures are shown notes 2.6, 2.11.2 and 2.11.3 (accounting policies), note 5 (transition disclosures) and note 7 (financial assets).

#### Other information

The directors are responsible for the other information. The other information comprises: *Directors' report, Corporate governance report, Management discussion and analysis, Statement of director's responsibilities, Report of the audit committee, Hypothecation, Statement of value added and Five year financial summary* but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and: *Business and financial highlights report, Chairman's statement, Chief Executive's review, Report of external consultants, Technical, operations and product report, Investment report, Risk management report, Non-dealing period policy* which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



When we read the complete annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of the directors and those charged with governance for the financial statements**

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and the Nigerian Insurance Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate



financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 and Section 28, Insurance Act, we expressly state 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) The company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us.
- iii) The company's statements of financial position and comprehensive income are in agreement with the books of account and returns.

#### Contraventions

The company did not contravene in any of the requirements of National Insurance Commission, or the Insurance Act. The area of contravention is on the listing requirement. This is stated in Note 36 of the notes to the financial statements.



Ukwuegbu, Ogbeleje & Co.  
(Chartered Accountants)  
Lagos, Nigeria

Engagement Partner: Ifechukwu C. Ukwuegbu  
FRC/2014/ICAN/00000010453

May 7, 2019



**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at 31 DECEMBER 2018

	NOTES	GROUP		COMPANY	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		N'000	N'000	N'000	N'000
<b>Assets</b>					
Cash and Cash Equivalents	6	421,033	298,868	419,296	271,230
Financial Assets	7	2,858,153	2,856,058	2,858,153	2,856,058
Trade Receivable	8	57,064	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	1,734,940	1,743,243	1,744,652	1,753,153
Investment in Subsidiaries	12	-	-	2,449,516	2,449,516
Investment Properties	13	5,224,697	5,203,697	1,875,000	1,854,000
Intangible Asset	14	42,914	20,550	42,914	20,550
Property, Plant and Equipment	15	2,874,540	2,854,211	2,822,622	2,808,784
Statutory Deposits	16	335,000	335,000	335,000	335,000
<b>Total Assets</b>		<b>13,881,998</b>	<b>13,815,316</b>	<b>12,891,741</b>	<b>12,761,657</b>
<b>Liabilities</b>					
Insurance Contract Liabilities	17	1,018,179	787,276	1,018,179	787,275
Borrowings	18	-	-	-	-
Trade payable	19	40,907	33,423	21,287	22,900
Other payable	20	1,698,568	1,720,622	1,666,578	1,687,537
Employee benefit liability	21	2,178	2,178	2,178	2,178
Income Tax liabilities	22	35,566	67,931	31,176	64,056
Deferred tax liabilities	23	791,120	791,120	700,560	700,560
<b>Total Liabilities</b>		<b>3,586,517</b>	<b>3,402,550</b>	<b>3,439,957</b>	<b>3,264,506</b>
<b>Equity</b>					
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 rese	24. 5	2,513,040	2,513,040	757,329	757,329
Retained earnings	24. 6	(3,055,083)	(2,880,007)	(2,143,069)	(2,039,913)
<b>Shareholders funds</b>		<b>10,295,481</b>	<b>10,412,768</b>	<b>9,451,784</b>	<b>9,497,151</b>
<b>Other equiti instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non - controlling interests</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>13,881,998</b>	<b>13,815,318</b>	<b>12,891,741</b>	<b>12,761,657</b>
		- 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 13/11M/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	(226,615)	(147,106)	(226,615)	(147,106)
Net Insurance Premium Income		1,152,992	583,741	1,152,992	583,743
Fees and Commission income	27	49,810	34,008	49,810	34,008
Total Underwriting Income		1,202,802	617,749	1,202,802	617,751
<i>Insurance benefits</i>					
Claims expenses	28	(262,704)	(462,731)	(262,704)	(462,731)
Claims Expense Recovery from reinsurance	28	185,252	23,866	185,252	23,866
Change in contract liabilities	28	(145,655)	278,679	(145,655)	278,679
Net insurance benefit and claims		(223,107)	(160,186)	(223,107)	(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)		527,246	623,773	527,246	291,355
Investment income	30	88,607	128,029	88,607	128,029
Other operating income		48,637	56,910	-	-
Total investment income		137,244	184,939	88,607	128,029
Net Income		664,489	808,712	615,852	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)	21,000	58,000	21,000	58,000
Other operating and administrative expenses	32	(718,399)	(739,034)	(671,372)	(683,320)
Total Expenses		(702,432)	192,052	(655,405)	246,824
Result of operating activities		(37,943)	668,345	(39,553)	666,208
Interest expense	33	-	-	-	-
Profit or (Loss) before Taxation		(37,943)	668,345	(39,553)	666,208
Income Tax Expense/ (Credit)		(7,635)	(32,407)	(7,120)	(32,024)
Profit or Loss after Taxation		(45,577)	635,938	(46,672)	634,184
Profit or Loss for the period		(45,577)	635,938	(46,672)	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		(45,577)	635,938	(46,672)	634,184
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		(45,577)	635,938	(46,672)	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	11,162	7,128	11,162
Deferred tax impact of changes in AFS financial assets	23	-	4,116	-	(3,349)
<i>Items within OCI that will not be reclassified to the profit or loss;</i>					
2018 impairment gain/loss on Financia Assets		(2,789)	0	6,147	-
PPE revaluation gains	24. 5	-	1,755,711	-	-
Deferred tax impact of revaluation gains	23	-	-	-	-
Other comprehensive income for the period		4,339	1,770,989	13,275	7,813
Total comprehensive income		(41,238)	2,406,927	(33,397)	641,997
Total comprehensive income attributable to:					
Equity holders of the company		(41,238)	2,406,927	(33,397)	641,997
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		(41,238)	2,406,927	(33,397)	641,997
Earnings per share-(basic and diluted)	34	(0.28)	3.97	(0.29)	3.96



## 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	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)	(1,746)	(4,174)	4,478	(6,590)	(1,145)	(986)	(6,677)	(17,260)	-
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	562,952	98,577	132,783	1,260	140,334	26,680	18,924	1,118,473	575,384
Commission Received	27,801	3,542	7,994	2,916	3,745	-	-	3,813	49,810	34,008
Net Income	164,763	566,494	106,571	135,699	5,005	140,334	26,680	22,737	1,168,283	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
<b>Additional charge to claims reserve per actuarial valuation</b>									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	(2,948)	(131,901)	(45,405)	(1,500)	(116)	-	-	(3,381)	(185,252)	(23,866)
Net Claims Incurred	40,398	(75,746)	35,602	(29,061)	14,130	48,197	23,529	20,405	223,107	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)
<b>Additional (DCA) per actuarial valuation report</b>										-
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	82,743	71,714	89,971	20,568	42,449	111,058	50,052	61,347	675,556	326,396
Underwriting Result	82,020	494,780	16,600	115,131	(37,444)	29,276	(23,372)	(38,610)	492,727	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										
* 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 Claims Outstanding										
Provision for Outstanding 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 Outstanding 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 (Note 24)	8,000,000	825,018	757,329	378,007	1,576,710	(2,039,913)	9,497,151
IFRS9 Transition Adjustment (Note 5(ii).b)						(11,970)	(11,970)
	8,000,000	825,018	757,329	378,007	1,576,710	(2,051,883)	9,485,181
<b>Total comprehensive income</b>							
Profit and loss	-	-	-	-	-	(46,672)	(46,672)
<b>Other comprehensive income</b>							
Gain on the revaluation of land and buildings							-
Foreign currency translation difference							-
<b>Fair value reserve (available-for-sale) financial assets</b>							
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	-	7,128
Net gain/loss on Financia Assets						6,147	6,147
Fair value reserve derecognised on disposal						-	-
Transfer to contingency reserve				50,660		(50,660)	-
Other comprehensive income	-	-	-	50,660	7,128	(44,513)	13,275
Total comprehensive income for the period	-	-	-	50,660	7,128	(91,186)	(33,397)
<b>Transfer during the year</b>							
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>428,667</b>	<b>1,583,838</b>	<b>(2,143,069)</b>	<b>9,451,784</b>
Balance at 1 January 2017	8,000,000	825,018	757,329	355,415	1,566,217	(2,648,825)	8,855,154
<b>Total comprehensive income for the period</b>							
Profit or loss						634,184	634,184
<b>Other comprehensive income</b>							
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
<b>Balance at 31 December 2017</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>378,007</b>	<b>1,577,379</b>	<b>(2,039,913)</b>	<b>9,497,151</b>



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	185,252	23,866	185,252	23,866
Reinsurance premium paid	(226,615)	(150,950)	(226,615)	(150,950)
Other operating cash payments	(652,270)	(626,265)	(396,712)	(648,376)
Insurance benefits and Claims paid	(223,107)	(194,975)	(223,107)	(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	66,383	(230,158)	321,941	(234,556)
Company Income Tax paid	(40,000)	(27,282)	(40,000)	(27,282)
Net cash provided by operating activities	26,383	(257,440)	281,941	(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	2,795	1,603	2,795	1,603
Unlisted AFS Disposed	-	-	-	-
Net Cash provided by investing activities	95,785	(25,206)	(133,875)	(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	122,168	(282,646)	148,066	(282,306)
Cash and Cash equivalent at the end of period	421,034	298,866	419,296	271,230

# UNIVERSAL INSURANCE PLC

## COMPUTATION OF SOLVENCY MARGIN

AS AT 31 December 2018

	<b>TOTAL</b>	Inadmissible	Admissible
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b><sup>1</sup> ADMISSIBLE ASSETS</b>			
Cash and bank balances	419,296		419,296
Financial Assets - Quoted	612,182		612,182
Financial Assets - Unquoted	2,245,971	319,427	1,926,544
Trade Receivable	10,931		10,931
Reinsurance Assets	237,065		237,065
Deferred Acquisition cost	96,592		96,592
Other Receivable	1,744,652	1,737,060	7,592
Investment in Subsidiaries	2,449,516	672,714	1,776,802
Investment Properties	1,875,000	620,455	1,254,545
Intangible Asset	42,914	-	42,914
Property, Plant and Equipment	2,822,622	2,649,279	173,343
Statutory Deposits	335,000		335,000
<b>A</b>	<b>12,891,741</b>		<b>6,892,806</b>
Insurance Contract Liabilities	1,018,179		1,018,179
Trade payable	21,287		21,287
Other payable	1,666,578		1,666,578



Employee benefit liability  
Income Tax liabilities  
Deferred tax liabilities

Less Non Admissible Liabilities:  
Due to other insurance and reinsurance companies

2,178		2,178
32,534		32,534
700,560	700,560	-
3,441,316		2,740,756
		-
<b>3,441,316</b>		<b>2,740,756</b>

**B**

**SolverC** 4,152,050  
MinimumD 3,000,000  
MinimumE 1,152,050

**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 solvency is lower than the minimum paid up capital.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018

5. (iii) **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.*
5. (iv) **Summary of significant accounting policies:**  
The principal accounting policies applied in the preparation of these financial statements are disclosed .
5. (v) **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
5. (v.).a **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 This determination of what is significant or prolonged requires judgement. In making this judgement, group evaluates the normal volatility in share price, the financial health of the investee industry and sector performance, technological changes and cashflow among other factors. valuation techniques. The fair value of financial instruments where no active market exists or where quoted prices are not available are determined by using
- In these cases, the fair values are estimated from observable data derived for that instrument and valued in the case of the group, by applying the ruling exchange rate at close of business.
5. (v.).b **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
- 5 (vi) **Insurance and Financial risks management**  
The Company issues contracts that transfer insurance risk or financial risk or both.
- 5 (vi).1 **Financial Risk Management**  
The company monitors and manages the financial risks relating to the operations of the company through internal risk reports magnitude of risks.
- These risks include:
- Market risk
  - Credit risk
  - Liquidity risk
- 5 (vi).1a **Market Risk**  
Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes.
- Market risks arises due to fluctuations in both value of assets and liabilities. The company has established policies and procedures in order to manage market risks.
- 5 (vi).1b **Interest rate risk management**
- Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The company is exposed to interest rate risk as the company invest in short term investments at fixed interest rates. Interest rate risk company also exists in products sold by the company.
- The company manages this risk by adopting close asset/liability matching criteria, to minimise the impact of mismatches between asset and liability values arising from interest rate movements.
- 5 (vi).1c **Credit risk**  
Credit risk is the risk that one party to a financial instrument will fail to honour its obligations and cause the Company to incur a financial loss.
- The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.
- The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.
- Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.
- 5 (vi).1d **Liquidity risk**  
Liquidity risk is the risk that the company cannot meet its obligations associated with financial liabilities as they fall due. The company has adopted an appropriate liquidity risk management framework for the management of the company's liquidity requirements. The company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cashflows and matching the maturity profiles of assets and liabilities. The company is exposed to liquidity risk arising from clients on its insurance contracts. In respect of catastrophic events, there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers.
- Liquidity management ensures that the company has sufficient access to funds necessary to cover insurance claims, and maturing liabilities. marketable securities which could be converted into cash when required.



5 (vi).2 Impairment assessment (Policy applicable from 1 January 2018)

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

Significant increase in credit risk, default and cure

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

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

**Quantitative elements**

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

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

**Qualitative elements**

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

**Backstop indicators**

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

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

**Expected credit losses**

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

5 (vi).3 Financial Risk Management

5 (vi).3a Impairment assessment (Policy applicable from 1 January 2018)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

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

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

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

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

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

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

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

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

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

**Modified financial assets**

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

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

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

**Definition of default**

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

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

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

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

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

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

5 (vi).4c Analysis of risk Concentration

The company's concentrations of risk are managed by client/counterparty, and industry sector. The maximum credit exposure to any client or counterparty as of 31 December 2018 was N1.035 billion (2017: N879 million).

5 (vi).5 Financial Risk Management

5 (vi).5a Analysis of risk Concentration

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

5 (vi).5b Industry analysis

31 December 2018 <i>In thousand of Nigerian Naira</i>	Individuals	Financial service: Government	Others	Total
Cash and Cash Equivalent	-	756,272	-	756,272
Other Receivables	7,592	-	35,960	43,552
Trade receivable- Receivable from sub	-	-	235,531	235,531
	7,592	756,272	271,491	1,035,355

31 December 2017 <i>In thousand of Nigerian Naira</i>	Individuals	Financial service: Government	Others	Total
Cash and Cash Equivalent	-	633,255	-	633,255
Other Receivables	5,081	-	34,040	39,121
Trade receivable- Receivable from sub	-	-	206,706	206,706
	5,081	633,255	240,746	879,082

5 (vi).6 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 (vi).6a Capital Management

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

6 Cash and Cash Equivalent

	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
Placement with banks	26,795	181,227	26,795	181,227
	422,363	298,868	420,626	271,231
Allowance for Impairment Losses	(1,330)	-	(1,330)	-
	421,033	298,868	419,296	271,231

6.1 (GROUP)

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

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	Stage 2 individual	Stage 3	Total N'000
Gross carrying amount as at 1 January 2018	117,095	-	-	117,095
New assets originated or purchased	392,946	-	-	392,946
Payments and assets derecognized or	(117,095)	-	-	(117,095)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	392,946	-	-	392,946

6.1.1 Impairment allowance for current account balances- continued

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2018 under IFRS 9	194	-	-	194
New assets originated or purchased	579	-	-	579
Payment and assets derecognized or repaid (excluding write offs)	(194)	-	-	(194)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	579	-	-	579



6.1.2 Impairment allowance for Placements with bank

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

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	₦'000
Gross carrying amount as at 1 January 2018	181,227	-	-	181,227
New assets originated or purchased	26,795	-	-	26,795
Payments and assets derecognized or	(181,227)	-	-	(181,227)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	26,795	-	-	26,795

6.1.3 Impairment allowance for placements with bank

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

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	₦'000
ECL allowance as at 1 January 2018 under IFRS 9	7,863	-	-	7,863
New assets originated or purchased	570	-	-	570
Payment and assets derecognized or repaid (excluding write offs)	(7,863)	-	-	(7,863)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	570	-	-	570

6.2 (COMPANY)

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

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	₦'000
Gross carrying amount as at 1 January 2018	89,458	-	-	89,458
New assets originated or purchased	391,209	-	-	391,209
Payments and assets derecognized or	(89,458)	-	-	(89,458)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	391,209	-	-	391,209

Impairment allowance for current account balances - continued

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	₦'000
ECL allowance as at 1 January 2018 under IFRS 9	153	-	-	153
New assets originated or purchased	576	-	-	576
Payment and assets derecognized or repaid (excluding write offs)	(153)	-	-	(153)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	576	-	-	576

6.3 Impairment allowance for Placements with bank

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

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	₦'000
Gross carrying amount as at 1 January 2018	181,227	-	-	181,227
New assets originated or purchased	26,795	-	-	26,795
Payments and assets derecognized or	(181,227)	-	-	(181,227)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	26,795	-	-	26,795

Impairment allowance for placements with bank

<i>In thousands of Nigerian Naira</i>	individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2018 under IFRS 9	7,863	-	-	7,863
New assets originated or purchased	570	-	-	570
Payment and assets derecognized or repaid (excluding write offs)	(7,863)	-	-	(7,863)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2018</b>	<b>570</b>	<b>-</b>	<b>-</b>	<b>570</b>

7 Financial asset	GROUP		COMPANY	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Equity instrument at fair value through profit or loss	612,182	617,245	612,182	617,245
-Mandatorily measured at FVPL	2,245,971	2,238,813	2,245,971	2,238,813
Equity instrument at fair value through OCI	2,858,153	2,856,058	2,858,153	2,856,058
Total Equity instruments	612,182	617,245	612,182	617,245
Current	2,245,971	2,238,813	2,245,971	2,238,813
Non-current	-	-	-	-
(a) Financial assets at fair value through profit or loss				
Listed Equity securities				
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) Income (FVOCI) Financial Assets				
Unlisted Equity securities				
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	-	-
Impairment on Subsidiary	(73,015)	-	-	-
	57,064	97,096	10,931	6,773

8.1 Age Analysis of Trade receivables	31-12-2018		31-12-2017	
	N'000	N'000	N'000	N'000
Within 30 days	10,931	6,773	10,931	6,773
Above 30 days	46,133	90,323	-	-
	57,064	97,096	10,931	6,773

8.2 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	-	-	-	-
	10,931	6,773	10,931	6,773

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

At beginning of year JANUARY 1	-	-	-	-
Provision for impairment	(73,015)	-	-	-
Amount written off during the year as uncollectible	-	-	-	-
At end of year (31 December 2018)	(73,015)	-	-	-

9 Reinsurance Assets	31-12-2018		31-12-2017	
	N'000	N'000	N'000	N'000
Reinsurance Share of UPR	65,561	46,165	65,561	46,165
Reinsurance Share of Outstanding Claims	131,624	232,030	131,624	232,030
Reinsurance Share of IBNR	20,117	75,408	20,117	75,408
Total Reinsurance Assets	217,301	353,603	217,301	353,603
Prepaid Minimum and Deposit (M&D) on Oil & Gas	19,764	21,900	19,764	21,900
	237,065	375,503	237,065	375,503



<b>9.1 Movements in Reinsurance share of UPR</b>				
At the beginning of the year	46,165	37,806	46,165	37,806
Increase/(Decrease) during the year	19,395	8,359	19,395	8,359
Balance at the end of the year	<u>65,560</u>	<u>46,165</u>	<u>65,560</u>	<u>46,165</u>
<b>9.2 Movement in Reinsurance Share of outstanding Claims</b>				
Balance at the beginning of the year	232,030	22,453	232,030	22,453
Increase/(Decrease) during the year	(100,406)	209,577	(100,406)	209,577
Balance at the end of the year	<u>131,624</u>	<u>232,030</u>	<u>131,624</u>	<u>232,030</u>
<b>9.3 Movement in Reinsurance Share of IBNR</b>				
Balance at the beginning of the year	75,408	6,305	75,408	6,305
Increase/(Decrease) during the year	(55,291)	69,103	(55,291)	69,103
Allowance for impairment	-	-	-	-
Balance at the end of the year	<u>20,117</u>	<u>75,408</u>	<u>20,117</u>	<u>75,408</u>
<b>9.4 Movement in Reinsurance Share of Prepaid (M&amp;D)</b>				
Balance at the beginning of the year	21,900	9,816	21,900	9,816
Increase/(Decrease) during the year	(2,136)	12,084	(2,136)	12,084
Balance at the end of the year	<u>19,764</u>	<u>21,900</u>	<u>19,764</u>	<u>21,900</u>

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

**10 Deferred acquisition**

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

	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	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	-	-	-	-
	<u>96,592</u>	<u>31,090</u>	<u>96,592</u>	<u>31,090</u>

**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	<u>96,592</u>	<u>31,090</u>	<u>96,592</u>	<u>31,090</u>
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**

The balance is analysed as follow:

Prepayment	122,127	130,232	122,122	130,232
Due from Related Parties	35,960	33,960	35,960	33,960
Staff Debtors	7,592	5,511	7,592	5,511
Staff Share Loan	1,598,942	1,598,942	1,598,942	1,598,942
Deposit for properties (reclassified)	720,000	720,000	720,000	720,000
Other receivables	3,223	3,203	3,223	3,203
	<u>2,487,845</u>	<u>2,491,848</u>	<u>2,487,840</u>	<u>2,491,848</u>
Impairment of due from related	(2,765)	-	(2,765)	-
Impairment Charges on Staff loan	(1,728)	-	(1,728)	-
Impairment of other loans and	(749,307)	(749,307)	(738,695)	(738,695)
	<u>1,734,045</u>	<u>1,742,541</u>	<u>1,744,652</u>	<u>1,753,153</u>

Current	135,103	144,301	145,710	154,211
Non-current	1,598,942	1,598,942	1,598,942	1,598,942

**11.1 Inventories**

Stock of raw materials	895	702	-	-
	<u>895</u>	<u>702</u>	<u>-</u>	<u>-</u>
	<u>1,734,940</u>	<u>1,743,243</u>	<u>1,744,652</u>	<u>1,753,153</u>

**11.2 Impairment allowance for other loans and receivables - staff loans**

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

	individual	individual	Stage 3	Total
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2018	3,483	-	2,028	5,511
New assets originated or purchased	6,234	-	-	6,234
Payments and assets derecognized or repaid (excluding write offs)	(3,561)	-	(592)	(4,153)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(1,668)	-	1,668	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	<u>4,488</u>	<u>-</u>	<u>3,104</u>	<u>7,592</u>

	individual	individual	Stage 3	Total
	N'000		N'000	N'000
ECL allowance as at 1 January 2018 under IFRS 9	17	-	978	995
New assets originated or purchased	41	-	-	41
Payments and assets derecognized or repaid (excluding write offs)	(17)	-	(4)	(21)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(20)	-	20	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	90	90
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	622	622
Unwind of discount	-	-	1	1
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	21	-	1,707	1,728

11.3 Impairment allowance for Other receivables

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

	individual	individual	Stage 3	Total
			N'000	N'000
Gross carrying amount as at 1 January 2018	-	-	80	80
New assets originated or purchased	-	-	-	-
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	(80)	(80)
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	-	-	-	-

	Stage 1	Stage 2	Stage 3	Total
	individual	individual	N'000	N'000
ECL allowance as at 1 January 2018 under IFRS 9	-	-	80	80
New assets originated or purchased	-	-	-	-
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	(80)	(80)
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	-	-	-	-

11.4 Impairment allowance for other loans and receivables from related parties

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

	individual	individual	Stage 3	Total
	N'000			N'000
Gross carrying amount as at 1 January 2018	33,960	-	-	33,960
New assets originated or purchased	2,000	-	-	2,000
Payment and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	35,960	-	-	35,960

	individual	individual	Stage 3	Total
	N'000			N'000
ECL allowance as at 1 January 2018 under IFRS 9	-	-	-	-
New assets originated or purchased	76	-	-	76
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	-	-
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	76	-	-	76

11.5 Trade Receivables (GROUP) In thousands of Nigerian Naira	Dec	Dec
	2018	2017
	N'000	N'000
Insurance receivables	10,931	6,773
Other receivables (For subsidiary)	-	-
	10,931	6,773
Less: Allowance for ECL/impairment losses	(73,015)	-
	(62,084)	6,773

Other receivables (For subsidiary)

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

	individual	individual	Stage 3	Total
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2018	-	-	206,706	206,706
New assets originated or purchased	28,825	-	-	28,825
Payment and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(28,825)	-	28,825	-
Changes to contractual cash flows due to	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	-	-	235,531	235,531

	individual	individual	Stage 3	Total
	N'000	N'000	N'000	N'000
ECL allowance as at 1 January 2018 under IFRS 9	-	-	64,079	64,079
New assets originated or purchased	6,543	-	-	6,543
Payments and assets derecognized or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(6,543)	-	6,543	-
Changes to contractual cash flows due to	-	-	-	-
Impact on year end ECL of exposures	-	-	2,393	2,393
Changes to models used for ECL	-	-	-	-
Changes to estimates and assumptions	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2018	-	-	73,015	73,015

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

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

11.8 Movement in staff Debtors	31-12-2018	31-12-2017		31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000	N'000
Balance as at January 1	5,511	1,773	-	5,511	1,773
Addition in the year	7,036	5,675	-	7,036	5,675
Interest earned during the year	255	127	-	255	127
Repayments during the year	(5,210)	(2,064)	-	(5,210)	(2,064)
Balance as at December 31	7,592	5,511	-	7,592	5,511

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.

12 Investment in subsidiaries This comprises of investment in:	31-12-2018	31-12-2017		31-12-2018	31-12-2017
	N'000	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	30-12-2018	30-12-2017		30-12-2018	30-12-2017
	N'000	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	524,000	513,000	524,000	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
Molit Mall	535,000	525,000	535,000	525,000
	5,224,697	5,379,066	1,875,000	2,029,369
Impairment loss on investment properties	-	(175,369)	-	(175,369)
	5,224,697	5,203,697	1,875,000	1,854,000

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

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

13.b 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	23,969	16,439	23,969	16,439
Net book amount				
End of period	42,914	20,550	42,914	20,550

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	36,989	28,259	36,989	28,259
Accumulated amortisation				
Balance, beginning of period	10,891	6,652	10,891	6,652
Amortisation expense/impairment charge	5,548	4,239	5,548	4,239
Transferred from PPE (computer)	-	-	-	-
Balance, end of period	16,439	10,891	16,439	10,891
Net book amount				
End of period	20,550	17,368	20,550	17,368

15 PROPERTIES, PLANT AND EQUIPMENT

15.a(i) GROUP(2018)

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Computer Hardware N'000	Total N'000
Cost/Revalued amount							
Balance, beginning of period	257,500	3,139,539	39,583	151,242	284,631	11,993	3,884,488
Additions during the year	-	-	24,937	22,919	64,762	10,266	122,884
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,139,539	64,520	174,161	349,393	22,259	4,007,372
Accumulated depreciation							
Balance, beginning of period	-	651,514	24,590	126,248	207,034	5,442	1,014,828
Charge for the year	-	62,791	10,212	3,762	39,371	1,868	118,004
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	714,305	34,802	130,010	246,405	7,310	1,132,832
Netbook value as at 31 DECEMBER 2018	257,500	2,425,234	29,718	44,151	102,988	14,949	2,874,540
Netbook value as at 1 JANUARY 2018	257,500	2,472,574	14,993	24,994	77,597	6,551	2,854,210

15.a(ii) Movement in Land & Building (Group)	Balance as at			Reclassific ation	Transfer	Revaluation Gain	Depreciatio n	Balance as at Dec 31
	Jan 1	Addition	Disposal					
Property at Ridgeway Station Road Enugu	401,034	-	-	-	-	-	10,114	390,920
Property at New Owerri Road Behind CBN, Owerri	1,043,438	-	-	-	-	-	26,726	1,016,712
Property at no 2 Emole Street Enugu	79,295	-	-	-	-	-	2,010	77,285
49A,50A,51A,52A and 53A city Layout Enugu	639,608	-	-	-	-	-	16,100	623,508
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	290,472	-	-	-	-	-	7,114	283,358
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Hotel Building at Aguleri Rd, Enugu	34,181	-	-	-	-	-	727	33,454
<b>Total</b>	<b>2,745,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,791</b>	<b>2,682,737</b>

15.b(i) GROUP(2017)

	Land & Building N'000	Plant & Machinery N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Computer Hardware N'000	Total N'000
<b>Cost/Revalued amount</b>						
Balance, beginning of period	3,397,039	37,406	144,485	278,568	8,975	3,866,473
Additions during the year	-	2,177	6,757	6,063	3,018	18,015
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
<b>Balance, end of period</b>	<b>3,397,039</b>	<b>39,583</b>	<b>151,242</b>	<b>284,631</b>	<b>11,993</b>	<b>3,884,488</b>
<b>Accumulated depreciation</b>						
Balance, beginning of period	599,023	18,509	121,287	171,067	4,320	914,206
Charge for the year	67,941	6,081	4,961	35,967	1,122	116,072
On Disposal	-	-	-	-	-	-
<b>Balance, end of period</b>	<b>666,964</b>	<b>24,590</b>	<b>126,248</b>	<b>207,034</b>	<b>5,442</b>	<b>1,030,278</b>
<b>Netbook value as at 31 DECEMBER 2017</b>	<b>2,730,075</b>	<b>14,993</b>	<b>24,994</b>	<b>77,597</b>	<b>6,551</b>	<b>2,854,210</b>
<b>Netbook value as at 1 JANUARY 2017</b>	<b>2,798,016</b>	<b>18,897</b>	<b>23,198</b>	<b>107,501</b>	<b>4,655</b>	<b>2,952,267</b>

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

PROPERTY PLANTS AND EQUIPMENTS

15.c(i) COMPANY (2018)

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Computer Hardware N'000	Total N'000
<b>Cost/Revalued amount</b>							
Balance, beginning of period	257,500	3,103,175	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	-	-	-	-	-	-	-
<b>Balance, end of period</b>	<b>257,500</b>	<b>3,103,175</b>	<b>25,888</b>	<b>115,586</b>	<b>-</b>	<b>336,151</b>	<b>3,860,560</b>
<b>Accumulated depreciation</b>							
Balance, beginning of period	-	664,782	8,443	72,542	-	193,792	945,000
Accumulated depreciation: Land	-	(15,476)	-	-	-	-	(15,476)
Charge for the year	-	62,090	2,486	2,599	39,371	1,868	108,414
On Disposal	-	-	-	-	-	-	-
<b>Balance, end of period</b>	<b>-</b>	<b>711,396</b>	<b>10,929</b>	<b>75,141</b>	<b>233,163</b>	<b>7,309</b>	<b>1,037,938</b>
<b>Netbook value as at 31 December 2018</b>	<b>257,500</b>	<b>2,391,779</b>	<b>14,960</b>	<b>40,445</b>	<b>102,988</b>	<b>14,950</b>	<b>2,822,622</b>
<b>Netbook value as at 1 JANUARY 2018</b>	<b>257,500</b>	<b>2,438,393</b>	<b>7,539</b>	<b>21,204</b>	<b>-</b>	<b>6,552</b>	<b>2,808,784</b>

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





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

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

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

17 b. Hypothecation of investment/assets	31-12-2018	31-12-2018	31-12-2018	31-12-2017	31-12-2017	31-12-2017
	Total Funds N'000	Policy Funds N'000	Shareholder's Funds N'000	Total Funds N'000	Policy Holder's Funds N'000	Shareholder's Funds N'000
Cash and Cash Equivalents	419,296	293,227	126,069	271,230	90,539	180,691
Financial Assets: Quoted	612,182	371,871	240,311	617,245	154,463	462,782
Financial Assets: UnQuoted	2,245,971	100,000	2,145,971	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	1,744,652	-	1,744,652	1,753,153	-	1,753,153
Investment in Subsidiaries	2,449,516	-	2,449,516	2,449,516	-	2,449,516
Investment Properties	1,875,000	253,081	1,621,919	1,854,000	196,819	1,657,181
Intangible Asset	42,914	-	42,914	20,550	-	20,550
Property, Plant and Equipment	2,822,622	-	2,822,622	2,808,784	-	2,808,784
Statutory Deposits	335,000	-	335,000	335,000	-	335,000
	<u>12,891,741</u>	<u>1,018,179</u>	<u>11,873,562</u>	<u>12,761,657</u>	<u>787,276</u>	<u>11,968,807</u>
Insurance Contract Liabilities		<u>1,018,179</u>			<u>787,276</u>	

18 BORROWINGS

- - - -

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	21,287	22,900	21,287	22,900
Insurance payable	-	-	-	-
Other trade creditors	19,620	10,523	-	-
Balance at year end	<u>40,907</u>	<u>33,423</u>	<u>21,287</u>	<u>22,900</u>

Current

40,907 33,423 21,287 22,900

pg12

19.(i) Other trade creditors

Due to Suppliers

19,620 10,523

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
Rent Received in Advance	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  
Due to other related parties

- - -  
1,599,667 1,599,667 1,599,667 1,599,667  
14,328 14,328 14,328 14,328  
1,613,995 1,613,995 1,613,995 1,613,995

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

20.1b Provisions and accruals

Lease Rentals	21,813	61,331	21,813	61,331
Accrued Expenses	49,275	2,605	17,285	2,605
Payable to Associate	11,517	9,606	11,517	9,606
	<u>82,605</u>	<u>73,542</u>	<u>50,615</u>	<u>73,542</u>

20.1c Rent Received in Advance

Rent from Molit Mall in Advance	1,969	25,800	1,969	-
	<u>1,969</u>	<u>25,800</u>	<u>1,969</u>	<u>-</u>

21 Employee benefit liabilities

Defined contributory scheme

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

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Staff pension scheme	2,178	2,178	2,178	2,178
Current	2,178	2,178	2,178	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	-	-	-	-
Actuarial 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( 2019 based on min. Tax)	6,416	26,185	5,933	25,826
Education Tax	823	4,156	791	4,132
Provision for NITDA Tax	396	2,066	396	2,066
	<u>7,635</u>	<u>32,407</u>	<u>7,120</u>	<u>32,024</u>
Deferred Taxation	-	-	-	-
Profit and Loss Account	<u>7,635</u>	<u>32,407</u>	<u>7,120</u>	<u>32,024</u>

22.2 Per Balance Sheet

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
Taxation				
At beginning of year	67,931	62,807	64,056	59,314
Charge for the Year	7,635	32,406	7,120	32,024
Payment during the Year	(40,000)	(27,282)	(40,000)	(27,282)
At year end	<u>35,566</u>	<u>67,931</u>	<u>31,176</u>	<u>64,056</u>

23 Deferred Tax Liability

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
At beginning of year	791,120	787,004	700,560	697,211
Addition during the year	-	4,116	-	3,349
Charged to profit and loss	-	-	-	-
At year end	<u>791,120</u>	<u>791,120</u>	<u>700,560</u>	<u>700,560</u>
To be recovered after more than 12 months	791,120	791,120	700,560	700,560
To be recovered in 12 months	-	-	-	-

24 EQUITY

24.1. Share capital

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
The share capital comprises:				
Authorised -				
16,000,000,000 Ordinary shares of 50k each	8,000,000	8,000,000	8,000,000	8,000,000
Issued and fully paid -				
16,000,000,000 Ordinary shares of N0.50k each	8,000,000	8,000,000	8,000,000	8,000,000

pg 13

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

	31-12-2018 N'000	31-12-2017 N'000	31-12-2018 N'000	31-12-2017 N'000
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

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
sale unquoted equity	7,128	11,162	7,128	11,162
Net Fair Value decrecognised at disposal	-	-	-	-
<b>Balance as at period end</b>	<b>1,583,838</b>	<b>1,576,710</b>	<b>1,583,838</b>	<b>1,576,710</b>
<b>24. 5. Revaluation Reserve</b>	<b>31-12-2018</b>	<b>31-12-2017</b>	<b>31-12-2018</b>	<b>31-12-2017</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of period	2,513,040	757,329	757,329	757,329
Revaluation Surplus	-	1,755,711	-	-
<b>Balance as at period end</b>	<b>2,513,040</b>	<b>2,513,040</b>	<b>757,329</b>	<b>757,329</b>
<b>24. 6. Retained earnings</b>				
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.				
<b>24.7 Contingencies and Commitments</b>				
The company operates in the insurance industry and is subject to legal proceedings in the normal course of business. There were 11 (2017 (8)) outstanding legal proceedings against the company as at 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.				
<b>25 Gross Premium Income</b>	<b>31-12-2018</b>	<b>31-12-2017</b>	<b>31-12-2018</b>	<b>31-12-2017</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Gross premium written</b>				
<b>Direct Premium:</b>				
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
	<b>1,554,615</b>	<b>657,625</b>	<b>1,554,615</b>	<b>657,625</b>
<b>Inward Reinsurance Premium:</b>				
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
	<b>134,058</b>	<b>95,441</b>	<b>134,058</b>	<b>95,441</b>
<b>Gross premium written</b>	<b>1,688,673</b>	<b>753,066</b>	<b>1,688,673</b>	<b>753,066</b>
<b>Changes in unearned premium</b>				
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
<b>Net change in unearned premium</b>	<b>(309,067)</b>	<b>(22,219)</b>	<b>(309,067)</b>	<b>(22,219)</b>
<b>Change in UPR per Actuarial Valuation</b>				
<b>Net change in unearned premium</b>	<b>(309,067)</b>	<b>(22,219)</b>	<b>(309,067)</b>	<b>(22,219)</b>
<b>Gross premium earned</b>	<b>1,379,607</b>	<b>730,847</b>	<b>1,379,607</b>	<b>730,847</b>
<b>Reinsurance expenses</b>	<b>(243,874)</b>	<b>(155,465)</b>	<b>(243,874)</b>	<b>(155,465)</b>
<b>Net insurance premium income</b>	<b>1,135,733</b>	<b>575,382</b>	<b>1,135,733</b>	<b>575,382</b>
<b>26 Reinsurance expenses</b>				
<b>Reinsurance costs</b>				
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
	<b>243,874</b>	<b>155,465</b>	<b>243,874</b>	<b>155,465</b>
<b>Prepaid re-insurance cost</b>				
Movement in Reinsurance Share of UPR	(19,395)	(8,359)	(19,395)	(8,359)
Movement in Prepaid M & D	2,136	-	2,136	-
	<b>226,615</b>	<b>147,106</b>	<b>226,615</b>	<b>147,106</b>



	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
<b>27 Fees and Commission Income</b>				
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.				
<b>28 Claims expenses</b>				
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
Changes in Outstanding claims (IBNR)	32,559	(15,185)	32,559	(15,185)
Gross claims incurred	<u>262,704</u>	<u>462,731</u>	<u>262,704</u>	<u>462,731</u>
Reinsurance claims recovery	(185,252)	(23,866)	(185,252)	(23,866)
Reinsurance recovery per Actuarial Valuation	0	(278,679)	145,655	(278,679)
	<u>77,452</u>	<u>160,186</u>	<u>223,107</u>	<u>160,186</u>
<b>28.a REINSURANCE CLAIMS RECOVERY</b>				
Claims paid recovered from Reinsurance	(198,005)	(23,866)	(198,005)	(23,866)
Changes in Outstanding claims and IBNR	45,115	(278,679)	45,115	(278,679)
	<u>(152,890)</u>	<u>(302,545)</u>	<u>(152,890)</u>	<u>(302,545)</u>
<b>29 Underwriting expenses</b>				
incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other attributable incidental costs.				
	<u>GROUP</u>		<u>COMPANY</u>	
	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
Total Commission paid	<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	-	-	-	-
Changes in deferred commission	<u>(65,502)</u>	<u>(6,777)</u>	<u>(65,502)</u>	<u>(6,777)</u>
Acquisition expenses	237,729	90,661	237,729	90,661
Maintenance expenses	214,720	75,549	214,720	75,549
Underwriting expenses	<u>452,449</u>	<u>166,210</u>	<u>452,449</u>	<u>166,210</u>
<b>30 INVESTMENT INCOME</b>				
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
Rental income	2,451	3,291	2,451	3,291
Other income	4,407	-	4,407	-
	<u>82,673</u>	<u>92,476</u>	<u>82,673</u>	<u>92,476</u>
<b>30.a INVESTMENT INCOME</b>				
Investment Income				
Investment income attributable to policyholders	-	33,951	-	33,951
Investment income attributable to shareholders	88,607	94,078	88,607	94,078
	<u>88,607</u>	<u>128,029</u>	<u>88,607</u>	<u>128,029</u>
<b>30.b Investment income attributable to shareholders</b>				
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	2,451	3,291	2,451	3,291
Other income	11,952	-	11,952	-
	<u>88,607</u>	<u>94,079</u>	<u>88,607</u>	<u>94,079</u>
<b>30.c Other income :</b>				
Interest on Staff Loan	-	-	-	-
Rental	2,451	3,291	2,451	3,291
Bank Interest	59,075	66,571	59,075	66,571
Sundry Income	-	-	-	-
	<u>61,526</u>	<u>69,862</u>	<u>61,526</u>	<u>69,862</u>
<b>30.d Other operating income</b>				
Exchange gain/(loss)	-	-	-	-
Profit/(loss) on disposal of fixed assets	(1,612)	1,603	(1,612)	1,603
Rental Income	2,451	3,291	2,451	3,291
Other income	-	-	11,952	-
	<u>(1,612)</u>	<u>4,894</u>	<u>12,791</u>	<u>4,894</u>

<b>31 ALLOWANCES AND FAIR VALUE GAINS/(LOSS)</b>				
<b>31 (i) Allowances for impairment;</b>				
On trade receivables	-	-	-	-
on other receivables	-	-	-	-
on stock of raw materials	-	-	-	-
Impairment Recovery on Molit Hotel	-	-	-	-
Impairment Gain on Universal Hotel	-	-	-	-
		<u>872,813</u>		<u>872,813</u>
<b>Net impairment recovery</b>		<u>- 872,813</u>		<u>- 872,813</u>
<b>31 (ii) Net Fair Value Gains/(Loss)</b>	-	58,000	-	58,000
On Investment properties	-	-	-	-
On Financial Assets	(5,033)	(699)	(5,033)	(699)
<b>NET Fair Value Gains/(Loss)</b>	<u>(5,033)</u>	<u>57,301</u>	<u>(5,033)</u>	<u>57,301</u>

**31 (iii) Credit loss expense (GROUP)**

The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:

Note	Stage 1 individual	Stage 2 Individual	Stage 3	Total
Cash and cash equivalents	(6,914)	-	-	(6,914)
Other loans and receivables	4	-	649	653
Other loans and receivables from related parties	76	-	-	76
Other receivables (For subsidiary)	-	-	8,936	8,936
<b>Total impairment loss</b>	<u>(6,834)</u>	<u>-</u>	<u>9,585</u>	<u>2,751</u>

**31 (iv) Credit loss expense (COMPANY)**

The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:

Note	Stage 1 individual	Stage 2 Individual	Stage 3	Total
Cash and cash equivalents	(6,875)	-	-	(6,875)
Other loans and receivables	4	-	649	653
Other loans and receivables from related parties	76	-	-	76
<b>Total impairment loss</b>	<u>(6,795)</u>	<u>-</u>	<u>649</u>	<u>(6,146)</u>

**32 Other operating and administrative expenses**

**(i) Employee benefits expense**

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 (Notes 32.(i.a))	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	112,541	105,941	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>164,189</u>	<u>177,017</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 (Notes 32.(ii.a))	108,233	109,555	99,493	101,721
General maintenance and running costs	86,595	82,296	68,553	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	118,031	116,071	108,414	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	-	-	-	-
<b>Other operating expenses</b>	<u>383,841</u>	<u>408,247</u>	<u>345,881</u>	<u>366,165</u>
<b>Other operating and administrative expenses</b>	<u>718,399</u>	<u>739,034</u>	<u>671,372</u>	<u>682,377</u>

(ii.a)	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
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	-
REPAIRS AND MAINTENANCE TV SET + RADIO	19	-	19	-
REPAIRS AND MAINTENANCE TV SET + RADIO	72	-	72	-
RENT & RATES - ABAKALIKI	15	-	15	-
FUEL SUBSIDY	-	-	-	-
	<u>108,233</u>	<u>109,555</u>	<u>99,493</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	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
Profit attributable to equity holders	(45,577)	635,938	(46,672)	634,184
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000	16,000,000	16,000,000
Basic earnings per share (kobo per share)	(0.285)	3.97	(0.292)	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 Related party transactions

Other Loans and Receivables	35,960	33,960	35,960	33,960
Other payables	1,599,667	1,613,995	1,599,667	1,599,667
	<u>1,635,627</u>	<u>1,647,955</u>	<u>1,635,627</u>	<u>1,633,627</u>

35.2 Related Party

Coniau Limited	-	-	-	-
Universal Hotels Limited	35,960	33,960	35,960	33,960
Frenchies Foods Nig. Ltd	4,569	4,569	4,569	4,569
African Alliance Insurance Plc	1,599,667	1,599,667	1,599,667	1,599,667
	<u>1,640,196</u>	<u>1,638,196</u>	<u>1,640,196</u>	<u>1,638,196</u>

35.3 Employees

The average number of persons employed by the Company

	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 AND PENALTIES

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

	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	N'000	N'000	N'000	N'000
Penalty to National Insurance Commission(NAICOM) (See (i) below)	-	1,179	-	1,179
Penalty on Listing fee (See (ii) below)	1,389	-	1,389	-
	<u>1,389</u>	<u>1,179</u>	<u>1,389</u>	<u>1,179</u>

(i) 2017 the company paid penalties to NAICOM in contravention on section S 26 of the Insurance Act 2003

(ii) 2018 the company paid penalty on Listing contravention to Security and Exchange Commission (SEC).



**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at 31 DECEMBER 2018

	NOTES	GROUP		COMPANY	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		N'000	N'000	N'000	N'000
<b>Assets</b>					
Cash and Cash Equivalents	6	421,033	298,868	419,296	271,230
Financial Assets	7	2,858,153	2,856,058	2,858,153	2,856,058
Trade Receivable	8	57,064	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	1,734,940	1,743,243	1,744,652	1,753,153
Investment in Subsidiaries	12	-	-	2,449,516	2,449,516
Investment Properties	13	5,224,697	5,203,697	1,875,000	1,854,000
Intangible Asset	14	42,914	20,550	42,914	20,550
Property, Plant and Equipment	15	2,874,540	2,854,211	2,822,622	2,808,784
Statutory Deposits	16	335,000	335,000	335,000	335,000
<b>Total Assets</b>		<b>13,881,998</b>	<b>13,815,316</b>	<b>12,891,741</b>	<b>12,761,657</b>
<b>Liabilities</b>					
Insurance Contract Liabilities	17	1,018,179	787,276	1,018,179	787,275
Borrowings	18	-	-	-	-
Trade payable	19	40,907	33,423	21,287	22,900
Other payable	20	1,698,568	1,720,622	1,666,578	1,687,537
Employee benefit liability	21	2,178	2,178	2,178	2,178
Income Tax liabilities	22	35,566	67,931	31,176	64,056
Deferred tax liabilities	23	791,120	791,120	700,560	700,560
<b>Total Liabilities</b>		<b>3,586,517</b>	<b>3,402,550</b>	<b>3,439,957</b>	<b>3,264,506</b>
<b>Equity</b>					
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 rese	24. 5	2,513,040	2,513,040	757,329	757,329
Retained earnings	24. 6	(3,055,083)	(2,880,007)	(2,143,069)	(2,039,913)
<b>Shareholders funds</b>		<b>10,295,481</b>	<b>10,412,768</b>	<b>9,451,784</b>	<b>9,497,151</b>
<b>Other equiti instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non - controlling interests</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>13,881,998</b>	<b>13,815,318</b>	<b>12,891,741</b>	<b>12,761,657</b>

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 13/11M/0000003245**



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