

**MANAGEMENT ACCOUNT**  
**For The Period Ended 30 September 2015**

**Universal Insurance Plc**

RC 2460

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**Universal Insurance Plc**  
**Statements of Changes in Equity (COMPANY)**  
*for the period ended 30 September 2015*

Company In millions of Nigerian naira	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Fair value reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2015	8,000,000	825,018	757,329	389,590	568,117	(1,328,733)	9,211,321
Total comprehensive income							
Profit and loss	-	-	-	-	-	78,036	78,036
Other comprehensive income							-
Gain on the revaluation of land and buildings						-	-
Net Fair value changes in AFS financial assets						-	-
Fair value reserve derecognised on disposal						-	-
Transfer to contingency reserve				18,317		(18,317)	-
Other comprehensive income	-	-	-	18,317	-	(18,317)	-
Total comprehensive income for the period	-	-	-	18,317	-	59,719	78,036
<b>Balance at 30 September 2015</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>407,907</b>	<b>568,117</b>	<b>(1,269,013)</b>	<b>9,289,357</b>
Balance at 1 January 2014	8,000,000	825,018	540,268	293,879	979,308	(1,769,817)	8,868,656
Total comprehensive income for the period							-
Profit or loss						478,555	478,555
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	217,061	-	-	(65,118)	151,943
Net Fair value changes in AFS financial assets	-	-	-	-	69,288	(20,786)	48,502
Fair value reserve derecognised on disposal					(480,479)	144,144	(336,335)
Transfer to contingency reserve	-	-	-	95,711		(95,711)	-
Other comprehensive income for the period	-	-	217,061	95,711	(411,191)	(37,471)	(135,890)
Total comprehensive income for the period	-	-	217,061	95,711	(411,191)	441,084	342,665
<b>Balance at 31 December 2014</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>389,590</b>	<b>568,117</b>	<b>(1,328,733)</b>	<b>9,211,321</b>

**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at 30 September 2015

	NOTES	30-Sep-15	30-Sep-14
Assets		N'000	N'000
Cash and Cash Equivalents	6	1,155,103	413,193
Financial Assets	7	1,851,060	2,913,007
Trade Receivable	8	35,512	26,271
Reinsurance Assets	9	116,180	106,757
Deferred Acquisition cost	10	40,610	59,546
Other Receivable	11	1,725,142	126,329
Investment in Subsidiaries	12	2,576,144	2,561,666
Investment Properties	13	1,250,560	934,118
Intangible Asset	14	10,368	8,204
Property, Plant and Equipment	15	2,854,071	2,444,761
Statutory Deposits	16	335,000	335,000
<b>Total Assets</b>		<b>11,949,749</b>	<b>9,928,852</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	17	475,005	491,415
Borrowings	18	-	-
Trade payable	19	2,828	13,888
Other payable	20	1,640,108	155,681
Employee benefit liability	21	11,000	2,520
Income Tax liabilities	22	133,722	108,854
Deferred tax liabilities	23	397,730	455,970
<b>Total Liabilities</b>		<b>2,660,393</b>	<b>1,228,328</b>
<b>Equity</b>			
Issued and paid Share capital	24. 1	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018
Contingency Reserves	24. 3	407,907	283,283
Fair value reserve	24. 4	568,117	979,308
Fixed asset revaluation reserve	24. 5	757,329	540,268
Retained earnings	24. 6	(1,269,013)	(1,927,353)
<b>Shareholders funds</b>		<b>9,289,357</b>	<b>8,700,524</b>
Other equity instruments		-	-
<b>Non - controlling interests</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>11,949,750</b>	<b>9,928,852</b>



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



SAMUEL U. NDUBUISI  
CHIEF FINANCE OFFICER  
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# Universal Insurance Plc

## Statements of Comprehensive Income

For the PERIOD ended 30 September 2015

	Notes	30-Sep-15	30-Sep-14
		N'000	N'000
Gross Premium written	25	610,560	585,653
Decrease/(increase) in unearned premium		(108,430)	(143,303)
Gross Premium Earned		502,129	442,350
Reinsurance Premium Expense	26	(15,001)	(15,075)
Net Insurance Premium Income		487,129	427,275
Fees and Commission income	27	14,611	4,143
Total Underwriting Income		501,740	431,418
<i>Insurance benefits</i>			
Claims expenses	28	(67,750)	(99,782)
Claims Expense Recovery from reinsurance	28	4,307	637
Change in contract liabilities	28	-	-
Net insurance benefit and claims		(63,443)	(99,145)
Underwriting Expenses			
Acquisition expenses	29	(24,963)	(14,739)
Maintenance expenses		(65,070)	(78,104)
		(90,033)	(92,843)
Underwriting Profit/(Loss)		348,265	239,430
Investment income	30	67,852	157,971
Other operating income		-	-
Total investment income		67,852	157,971
Net Income		416,117	397,401
Impairment charges	31 (i)	-	-
Net realised gains/(loss) on financial assets	31 (ii)	-	-
Net fair value gain/(loss) on investment properties	31 (ii)	-	-
Other operating and administrative expenses	32	(333,974)	(423,404)
Total Expenses		(333,974)	(423,404)
Result of operating activities		82,143	(26,003)
Interest expense	33	-	-
Profit or (Loss) before Taxation		82,143	(26,003)
Income Tax Expense/ (Credit)		(4,107)	(1,300)
Profit or Loss after Taxation		78,036	(27,303)
Profit attributable to:			
Equity holders of the Company		78,036	(27,303)
Non-controlling interest		-	-
Profit/(loss) for the period		78,036	(27,303)
Other Comprehensive income			
<i>Items within OCI that may be reclassified to the profit or loss;</i>			
Fair value changes in AFS financial assets	24. 4	-	-
Deferred tax impact of changes in AFS financial assets	23	-	-
<i>Items within OCI that will not be reclassified to the profit or loss;</i>			
PPE revaluation gains	24. 5	-	-
Deferred tax impact of revaluation gains	23	-	-
Other comprehensive income for the period		-	-
Total comprehensive income		78,036	(27,303)
Total comprehensive income attributable to:			
Equity holders of the company		78,036	(27,303)
Non-controlling interests		-	-
Total comprehensive income for the period		78,036	(27,303)
Earnings per share-(basic and diluted)	34	0.49	(0.17)

Universal Insurance Plc

Statement Of Cash Flows

For the year ended 30 September 2015

	<b>30-Sep-15</b>	31-12-2014
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	502,129	722,228
Commission received	14,611	12,720
Reinsurance receipts in respect of claims	4,307	(5,121)
Reinsurance premium paid	(15,001)	(75,743)
Other operating cash payments	(274,839)	(593,064)
Insurance benefits and Claims paid	(67,750)	(88,064)
Payments to intermediaries to acquire insurance contracts	(90,033)	(144,058)
Interest Received	67,852	274,978
Dividend Income Received	-	524
Cash generated from operations	141,278	104,400
Company Income Tax paid	(15,000)	(74,000)
Net cash provided by operating activities	126,278	30,400
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(908)	(259,564)
Investment income and other receipts	-	927,411
Net Cash provided by investing activities	(908)	667,847
Cash Flows from Financing Activities		
Proceeds from borrowings	-	-
Net cash provided by financing activities	-	-
Net Increase/(decrease) in cash and cash equiv.		
Cash and Cash equivalent at the beginning	1,029,733	331,487
Net increase/decrease in cash and cash equivalents	125,370	698,247
Cash and Cash equivalent at the end of period	1,155,103	1,029,734

34 Earnings per share		
	30-09-2015	30-09-2014
	N'000	N'000
Profit attributable to equity holders	<u>78,036</u>	<u>(27,303)</u>
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000
Basic earnings per share (kobo per share)	0.49	(0.17)

The calculation of basic earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares

35 Related parties

35.1 Conau Limited

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

35.2 African Alliance Insurance Plc

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

35.3 Molit Hotels Limited

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

35.4 Universal Hotels Limited

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

35.5 Related party transactions

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

a. Employees

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

	30-09-2015	30-09-2014
	Number	Number
Executive directors	4	4
Management	6	6
Non-management	<u>63</u>	<u>65</u>
	<u>73</u>	<u>75</u>

**UNIVERSAL INSURANCE PLC**

**COMPUTATION OF SOLVENCY MARGIN  
AS AT September, 2015**

		<b>September 2015 N'000</b>
<b>1 ADMISSIBLE ASSETS</b>		
Cash and bank balances		1,155,103
Financial Assets		1,851,060
Trade Receivable		35,512
Reinsurance Assets		116,180
Other Receivable		1,725,142
Investment in Subsidiaries		2,576,144
Deferred Acquisition cost		40,610
Investment Properties		1,250,560
Intangible Asset		10,368
Property, Plant and Equipment		2,854,071
Statutory Deposits		<u>335,000</u>
		<b>11,949,749</b>
Less: Non Admissible Assets:		
Financial Assets (3 1/2% War Stock UK)		-
Revaluation surplus		<u>(757,329)</u>
		<b>(757,329)</b>
	<b>A</b>	<u><u><b>11,192,421</b></u></u>
<b>2 ADMISSIBLE LIABILITIES</b>		
Insurance Contract Liabilities		475,005
Trade payable		2,828
Other payable		1,640,108
Employee benefit liability		11,000
Income Tax liabilities		133,722
Deferred tax liabilities		<u>397,730</u>
		<b>2,660,393</b>
Less Non Admissible Liabilities:		
Due to other insurance and reinsurance companies		<u>(2,828)</u>
	<b>B</b>	<u><u><b>2,657,565</b></u></u>
<b>Solvency Margin (A-B)</b>	<b>C</b>	<b>8,534,856</b>
15% of Net Premium (385,759 *15%)	<b>D</b>	<b>73,069</b>
Minimum required paid up capital	<b>E</b>	<b>3,000,000</b>

**Basis for conclusion:**

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

**Conclusion:**

The company is solvent since its solvency margin of N8.008 billion is higher than the minimum paid up capital of N3.00 billion.

THE UNIVERSAL INSURANCE PLC

UNDERWRITING REVENUE ACCOUNT  
FOR THE PERIOD ENDED 30 September 2015

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	MOTOR N'000	FIRE N'000	GENERAL ACCIDENT N'000	BOND	ENGINEERING	OIL & GAS	AVIATION	MARINE N'000	2015 N'000	2014 N'000
Direct Premium Written	44,381	16,928	111,152	18,618	947	25,165	86,090	20,983	324,264	311,257
Reinsurance Accepted	6,260	41,797	7,997	4,222	37,682	184,298	136	3,904	286,295	274,397
Gross Premium Written	50,641	58,725	119,149	22,840	38,628	209,463	86,226	24,887	610,560	585,654
Changes in Reserve for Unexpired Risk (*)	13,477	(6,914)	(8,262)	(10,849)	(11,986)	(56,808)	(18,768)	(8,320)	(108,430)	(143,305)
Gross Premium Earned	64,118	51,811	110,888	11,991	26,642	152,655	67,458	16,566	502,129	442,349
Net Reinsurance Recovery (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-	-
Reinsurance cost	(1,027)	(701)	(12,946)	(327)	-	-	-	400	(14,601)	(15,075)
Net Premium Written	63,091	51,111	97,942	11,664	26,642	152,655	67,458	16,966	487,529	427,274
Commission Received	11,720	18	2,776	98	-	-	-	-	14,611	4,143
Net Income	74,810	51,129	100,718	11,762	26,642	152,655	67,458	16,966	502,140	431,417
Claims Incurred:										
Direct Claims Paid	8,398	31,411	55,691	100	389	-	-	12,358	108,347	73,912
Provision for Outstanding claims (IBNR)	(103)	(1,199)	406	(59)	928	(1,835)	(1,164)	(664)	(3,691)	(12,223)
Changes in Provision for Outstanding Claims (**)	(1,030)	(11,992)	4,058	(591)	9,281	(18,351)	(11,644)	(6,638)	(36,906)	38,092
Gross Claims Incurred	7,265	18,220	60,155	(550)	10,598	(20,186)	(12,808)	5,056	67,750	99,781
Reinsurance Claims Recovery	-	-	(2,246)	-	-	-	-	(2,061)	(4,307)	(637)
Net Claims Incurred	7,265	18,220	57,909	(550)	10,598	(20,186)	(12,808)	2,995	63,443	99,144
Underwriting Expenses:										
Commission Paid	7,043	15,978	20,245	4,654	8,476	20,340	16,962	4,811	98,508	125,294
Changes in deferred commission	1,562	(2,415)	(48)	(2,204)	(2,482)	2,216	(3,647)	(1,456)	(8,476)	(32,451)
Total Underwriting Expenses	8,605	13,563	20,197	2,450	5,994	22,555	13,315	3,354	90,033	92,843
Total Expenses	15,870	31,783	78,106	1,899	16,592	2,369	507	6,349	153,475	191,987
Underwriting Result	58,940	19,346	22,612	9,863	10,050	150,286	66,951	10,617	348,665	239,430
Provision for Unexpired Risk- 31 DECEMBER 2014	44,533	18,970	49,509	4	5,093	46,096	-	2,412	166,617	143,444
Provision for Unexpired Risk- 30 September 2015	31,057	25,883	57,770	10,852	17,080	102,903	18,768	10,733	275,047	286,749
* Changes in reserve for unexpired Risk	13,477	(6,914)	(8,262)	(10,849)	(11,986)	(56,808)	(18,768)	(8,320)	(108,430)	(143,305)
Gross Claims Outstanding										
Provision for Outstanding Claims- 31 DECEMBER 2014	8,621	26,801	52,067	591	53,948	54,272	13,266	9,120	218,686	147,968
Provision for Outstanding Claims- 30 September 2015	7,591	14,809	56,125	-	63,229	35,921	1,622	2,482	181,780	186,060
** Changes in provision for outstanding claims	(1,030)	(11,992)	4,058	(591)	9,281	(18,351)	(11,644)	(6,638)	(36,906)	38,092



