

**MANAGEMENT ACCOUNT**  
**For The Period Ended 30 SEPTEMBER 2016**

**Universal Insurance Plc**

RC 2460

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**Universal Insurance Plc**  
**Statements of Changes in Equity (COMPANY)**  
for the period ended 30 SEPTEMBER 2016

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 2016	8,000,000	825,018	757,329	412,749	776,965	(2,466,479)	8,305,581
Total comprehensive income	-	-	-	-	-	(91,907)	(91,907)
Profit and loss	-	-	-	-	-	(91,907)	(91,907)
Other comprehensive income							-
Gain on the revaluation of land and buildings						-	-
Net Fair value changes in AFS financial assets					837,935	(251,381)	586,554
Fair value reserve derecognised on disposal						-	-
Transfer to contingency reserve				10,876		(10,876)	-
Other comprehensive income	-	-	-	10,876	837,935	(262,257)	586,554
Total comprehensive income for the period	-	-	-	10,876	837,935	(354,164)	494,647
<b>Balance at 30 September 2016</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>423,625</b>	<b>1,614,900</b>	<b>(2,820,644)</b>	<b>8,800,228</b>
Balance at 1 January 2015	8,000,000	825,018	757,329	389,590	568,117	(2,320,334)	8,219,720
Total comprehensive income for the period							-
Profit or loss						(59,235)	(59,235)
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Net Fair value changes in AFS financial assets	-	-	-	-	208,848	(63,752)	145,096
Fair value reserve derecognised on disposal							-
Transfer to contingency reserve	-	-	-	23,159		(23,159)	-
Other comprehensive income for the period	-	-	-	23,159	208,848	(86,911)	-
Total comprehensive income for the period	-	-	-	23,159	208,848	(86,911)	-
<b>Balance at 31 December 2015</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>412,749</b>	<b>776,965</b>	<b>(2,466,480)</b>	<b>8,305,581</b>

**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*As at 30 SEPTEMBER 2016*

	NOTES	30-Sep-16	30-Sep-15
Assets		N'000	N'000
Cash and Cash Equivalents	6	761,637	1,155,103
Financial Assets	7	2,895,869	1,851,060
Trade Receivable	8	25,377	35,512
Reinsurance Assets	9	109,038	116,180
Deferred Acquisition cost	10	26,914	40,610
Other Receivable	11	1,760,486	1,725,142
Investment in Subsidiaries	12	1,581,525	2,576,144
Investment Properties	13	1,263,060	1,250,560
Intangible Asset	14	18,375	10,368
Property, Plant and Equipment	15	2,976,605	2,854,072
Statutory Deposits	16	335,000	335,000
<b>Total Assets</b>		<b>11,753,887</b>	<b>11,949,751</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	17	366,038	475,005
Borrowings	18	-	-
Trade payable	19	1,620	2,828
Other payable	20	1,807,049	1,640,108
Employee benefit liability	21	9,337	11,000
Income Tax liabilities	22	56,752	133,722
Deferred tax liabilities	23	712,863	397,730
<b>Total Liabilities</b>		<b>2,953,659</b>	<b>2,660,393</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	423,625	407,907
Fair value reserve	24. 4	1,614,900	568,117
Fixed asset revaluation reserve	24. 5	757,329	757,329
Retained earnings	24. 6	(2,820,644)	(1,269,013)
<b>Shareholders funds</b>		<b>8,800,228</b>	<b>9,289,358</b>
Other equitiy instruments		-	-
<b>Non - controlling interests</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>11,753,887</b>	<b>11,949,751</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 2016

	Notes	30-Sep-16	30-Sep-15
		N'000	N'000
Gross Premium written	25	362,542	610,560
Decrease/(increase) in unearned premium		11,452	(108,430)
Gross Premium Earned		373,995	502,130
Reinsurance Premium Expense	26	(6,076)	(15,001)
Net Insurance Premium Income		367,919	487,129
Fees and Commission income	27	1,356	14,611
Total Underwriting Income		369,275	501,740
<i>Insurance benefits</i>			
Claims expenses	28	(93,392)	(67,750)
Claims Expense Recovery from reinsurance	28	24,021	4,307
Change in contract liabilities	28	-	-
Net insurance benefit and claims		(69,371)	(63,443)
<b>Underwriting Expenses</b>			
Acquisition expenses	29	(24,963)	(24,963)
Maintenance expenses		(35,915)	(65,070)
		(60,878)	(90,033)
<b>Underwriting Profit/(Loss)</b>		239,026	348,264
Investment income	30	57,308	67,852
Other operating income		-	-
Total investment income		57,308	67,852
Net Income		296,334	416,116
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	(383,865)	(333,974)
Total Expenses		(383,865)	(333,974)
Result of operating activities		(87,531)	82,142
Interest expense	33	-	-
Profit or (Loss) before Taxation		(87,531)	82,142
Income Tax Expense/ (Credit)		(4,377)	(4,107)
Profit or Loss after Taxation		(91,907)	78,035
Profit attributable to:			
Equity holders of the Company		(91,907)	78,035
Non-controlling interest		-	-
Profit/(loss) for the period		(91,907)	78,035
<b>Other Comprehensive income</b>			
<i>Items within OCI that may be reclassified to the profit or loss;</i>			
Fair value changes in AFS financial assets	24. 4	837,935	-
Deferred tax impact of changes in AFS financial assets	23	(251,381)	-
<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	-	-
<i>Other comprehensive income for the period</i>		586,554	-
Total comprehensive income		494,647	78,035
Total comprehensive income attributable to:			
Equity holders of the company		494,647	78,035
Non-controlling interests		-	-
Total comprehensive income for the period		494,647	78,035
Earnings per share-(basic and diluted)	34	(0.57)	0.49

Universal Insurance Plc

Statement Of Cash Flows

For the year ended 30 SEPTEMBER 2016

	<b>30-Sep-16</b>	31-12-2015
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	373,995	502,129
Commission received	1,356	14,611
Reinsurance receipts in respect of claims	24,021	4,307
Reinsurance premium paid	(6,076)	(15,001)
Other operating cash payments	(288,041)	(274,839)
Insurance benefits and Claims paid	(93,392)	(67,750)
Payments to intermediaries to acquire insurance contracts	(60,878)	(90,033)
Interest Received	56,657	67,852
Dividend Income Received	160	
Cash generated from operations	7,803	141,276
Company Income Tax paid	(44,121)	(15,000)
Net cash provided by operating activities	(36,318)	126,276
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(175,153)	(908)
Investment income and other receipts	-	-
Net Cash provided by investing activities	(175,153)	(908)
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	973,109	1,029,733
Net increase/decrease in cash and cash equivalents	(211,472)	125,370
Cash and Cash equivalent at the end of period	761,637	1,155,103

Earnings per share	30-9-2016	30-9-2015
	N'000	N'000
Profit attributable to equity holders	(91,907)	78,035
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000
Basic earnings per share (kobo per share)	(0.57)	0.49

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:

	30-9-2016	30-9-2015
	Number	Number
Executive directors	3	4
Management	7	6
Non-management	64	63
	74	73

**THE UNIVERSAL INSURANCE PLC**

**UNDERWRITING REVENUE ACCOUNT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

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	MOTOR N'000	FIRE N'000	GENERAL ACCIDENT N'000	BOND	ENGINEERING	OIL & GAS	AVIATION	MARINE N'000	2016 N'000	2015 N'000
Direct Premium Written	55,138	22,948	92,373	78,430	6,573	17,106	892	27,124	300,583	324,264
Reinsurance Accepted	3,191	33,183	7,415	4,635	4,288	5,440	-	3,808	61,959	286,295
Gross Premium Written	58,329	56,130	99,787	83,065	10,862	22,546	892	30,932	362,542	610,559
Changes in Reserve for Unexpired Risk (*)	(3,909)	(1,105)	11,863	(33,209)	6,981	44,640	(2,078)	(11,731)	11,452	(108,430)
Gross Premium Earned	54,420	55,026	111,650	49,856	17,842	67,186	(1,186)	19,201	373,995	502,129
Net Reinsurance Recovery (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-	-
Reinsurance cost	-	(181)	(3,631)	(1,993)	(271)	-	-	-	(6,076)	(14,601)
Net Premium Written	54,420	54,845	108,019	47,863	17,571	67,186	(1,186)	19,201	367,919	487,528
Commission Received	-	53	1,074	148	81	-	-	-	1,356	14,611
Net Income	54,420	54,897	109,093	48,011	17,653	67,186	(1,186)	19,201	369,275	502,139
Claims Incurred:										
Direct Claims Paid	22,921	1,215	30,800	-	-	-	-	35,823	90,759	108,347
Provision for Outstanding claims (IBNR)	807	329	902	2,463	(2,656)	(1,398)	46	(253)	239	(3,691)
Changes in Provision for Outstanding Claims (**)	8,075	3,290	9,020	24,626	(26,559)	(13,984)	455	(2,530)	2,393	(36,906)
Gross Claims Incurred	31,803	4,834	40,723	27,089	(29,215)	(15,383)	501	33,040	93,392	67,750
Reinsurance Claims Recovery per actuarial valuation	-	-	-	-	-	-	-	-	-	-
Reinsurance Claims Recovery	(5,582)	-	(871)	-	(17,718)	-	-	150	(24,021)	(4,307)
Net Claims Incurred	26,222	4,834	39,852	27,089	(46,933)	(15,383)	501	33,190	69,371	63,443
Underwriting Expenses:										
Commission Paid	7,669	13,247	17,121	16,456	1,659	1,410	63	4,652	62,276	98,508
Changes in deferred commission	(343)	(1,495)	2,109	(6,449)	1,669	5,294	(59)	(2,123)	(1,397)	(8,476)
Total Underwriting Expenses	7,326	11,752	19,230	10,007	3,328	6,703	4	2,529	60,878	90,032
Total Expenses	33,548	16,586	59,081	37,095	(43,605)	(8,679)	505	35,719	130,249	153,475
Underwriting Result	20,872	38,312	50,012	10,916	61,257	75,865	(1,690)	(16,518)	239,026	348,664
Provision for Unexpired Risk- 31 DECEMBER 2015	29,741	24,899	53,661	10	10,690	55,002	-	515	174,519	166,617
Provision for Unexpired Risk- 31 MARCH 2016	33,650	26,004	41,799	33,219	3,709	10,362	2,078	12,246	163,067	275,047
* Changes in reserve for unexpired Risk	(3,909)	(1,105)	11,863	(33,209)	6,981	44,640	(2,078)	(11,731)	11,452	(108,430)
Gross Claims Outstanding										
Provision for Outsanding Claims- 31 DECEMBER 2015	12,471	20,352	61,220	(591)	26,570	53,561	981	7,562	182,127	218,686
Provision for Outsanding Claims- 30 JUNE 2016	20,546	23,643	70,240	24,035	11	39,577	1,436	5,032	184,519	181,780
** Changes in provision for outstanding claims	8,075	3,290	9,020	24,626	(26,559)	(13,984)	455	(2,530)	2,393	(36,906)

**UNIVERSAL INSURANCE PLC**

**COMPUTATION OF SOLVENCY MARGIN  
AS AT 30 SEPTEMBER 2016**

		<b>SEPTEMBER 2016 N'000</b>
<b>1 ADMISSIBLE ASSETS</b>		
Cash and bank balances		761,637
Financial Assets		2,895,869
Trade Receivable		25,377
Reinsurance Assets		109,038
Other Receivable		1,760,486
Investment in Subsidiaries		1,581,525
Deferred Acquisition cost		26,914
Investment Properties		1,263,060
Intangible Asset		18,375
Property, Plant and Equipment		2,976,605
Statutory Deposits		<u>335,000</u>
		<b>11,753,887</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>		<b><u>10,996,558</u></b>
<b>2 ADMISSIBLE LIABILITIES</b>		
Insurance Contract Liabilities		366,038
Trade payable		1,620
Other payable		1,807,049
Employee benefit liability		9,337
Income Tax liabilities		56,752
Deferred tax liabilities		<u>712,863</u>
		<b>2,953,659</b>
Less Non Admissible Liabilities:		
Due to other insurance and reinsurance companies		<u>(1,620)</u>
<b>B</b>		<b><u>2,952,039</u></b>
<b>Solvency Margin (A-B)</b>	<b>C</b>	<b>8,044,519</b>
15% of Net Premium (385,759 *15%)	<b>D</b>	<b>55,188</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.