

4TH QUARTER 2021 MANAGEMENT ACCOUNT

For The Period Ended 31st December 2021

Universal Insurance Plc

RC 2460

UNIVERSAL INSURANCE PLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

COMPANY

	NOTES	31-Dec-21	31-Dec-20
Assets		N'000	N'000
Cash and Cash Equivalents	6	409,669	250,867
Financial Assets	7	2,097,403	2,045,454
Trade Receivable	8	67,509	39,638
Reinsurance Assets	9	410,536	410,194
Deferred Acquisition cost	10	143,692	109,061
Deferred tax assets	23.a	403,685	403,685
Other Receivable	11	431,402	316,060
Investment in Subsidiaries	12	2,449,516	2,449,516
Investment Properties	13	1,891,000	1,891,000
Intangible Asset	14	68,684	62,229
Property, Plant and Equipment	15	2,595,634	2,672,512
Statutory Deposits	16	335,000	335,000
Total Assets		11,303,730	10,985,217
Liabilities			
Insurance Contract Liabilities	17	1,423,991	1,418,798
Borrowings	18	-	-
Trade payable	19	152,712	194,355
Other payable	20	64,295	91,867
Employee benefit liability	21	-	-
Income Tax liabilities	22	11,645	6,075
Deferred tax liabilities	23	296,875	296,875
Total Liabilities		1,949,517	2,007,970
Equity			
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	685,098	609,704
Fair value reserve	24. 4	6,460	6,460
Non Current assets revaluation reserve	24. 5	768,329	768,329
Retained earnings	24. 6	(930,692)	(1,232,264)
Shareholders funds		9,354,212	8,977,247
Other equity instruments		-	-
Non - controlling interests			
TOTAL EQUITY & LIABILITIES		11,303,729	10,985,217

Signed on behalf of the Board of Directors on 27 January, 2022



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



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

The accounting policies and the accompanying notes form an integral part of

Universal Insurance Plc

Statements of Comprehensive Income

For the PERIOD ENDED 31 December 2021

	Notes	COMPANY			
		01/10/2021		1/10/2020 to	
		To		31/12/2020	
		31-Dec-21	31/12/2021	31-Dec-20	31/12/2020
		N'000		N'000	N'000
Gross Premium written	25	3,701,938	2,858,318	3,396,005	1,879,756
Decrease/(increase) in unearned premium		(295,134)	(659,204)	(74,190)	57,644
Gross Premium Earned		3,406,804	2,199,113	3,321,815	1,937,400
Reinsurance Premium Expense	26	(653,545)	(464,175)	(707,504)	(235,503)
Net Insurance Premium Income		2,753,259	1,734,938	2,614,311	1,701,897
Fees and Commission Income	27	92,352	86,839	133,874	79,947
Total Underwriting Income		2,845,611	1,821,777	2,748,185	1,781,844
<i>Insurance benefits</i>					
Claims expenses	28	(351,959)	(301,475)	(675,401)	(94,198)
Claims Expense Recovery from reinsurance	28	45,831	36,144	(137,055)	6,299
Change in contract liabilities	28	-	-	113,784	-
Net insurance benefit and claims		(306,128)	(265,331)	(698,672)	(87,899)
Underwriting Expenses					
Acquisition expenses	29	(553,081)	(359,155)	(53,848)	(311,064)
Maintenance expenses	29	(574,326)	(459,259)	(752,349)	(300,886)
Total Underwriting Expenses		(1,127,407)	(818,414)	(1,291,198)	(611,950)
Underwriting Profit/(Loss)		1,412,076	738,032	758,315	1,081,996
Investment income	30	102,642	215,082	212,151	105,387
Other operating income		-	-	-	-
Total investment income		102,642	215,082	212,151	105,387
Net Income		1,514,718	953,114	970,467	1,187,383
Unrealised fair value loss		51,949	246,859	675,461	-
Net realised gains/(loss) on financial assets	31 (i)	-	-	-	-
Deferred tax derecognised on reclassification of financial assets	23	-	-	(1,501)	-
Net fair value gain/(loss) on investment properties		-	-	500	-
Other operating and administrative expenses	32	(1,175,623)	(774,878)	(1,012,291)	(999,276)
Total Expenses		(1,123,674)	(528,019)	(333,331)	(999,276)
Result of operating activities		391,043	425,095	637,135	188,107
Interest expense	33	-	-	-	-
Profit or (Loss) before Taxation		391,043	425,095	637,135	188,017
Income Tax Expense/ (Credit)	22.1a	(14,078)	(17,854)	(12,488)	(31,038)
Profit or Loss after Taxation		376,966	407,241	624,647	157,069
Profit/(Loss) to Equity holder		376,966	407,241	624,647	157,069
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		376,966	407,241	624,647	157,069
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		376,966	407,241	624,647	157,069
Other Comprehensive income					
<i>Items within OCI that may be reclassified to the profit or loss;</i>					
Fair value changes in AFS financial assets		-	-	-	-
Deferred tax impact of changes in AFS financial assets		-	-	-	-
<i>Items within OCI that will not be reclassified to the profit or loss;</i>					
2020 impairment gain/loss on Financial Assets	31 (ii)	-	-	-	-
PPE revaluation gains		-	-	-	-
Deferred tax impact of revaluation gains		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		376,966	407,241	624,647	157,069
Total comprehensive income attributable to:					
Equity holders of the company		376,966	407,241	624,647	157,069
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		376,966	407,241	624,647	157,069
Earnings per share-(basic and diluted)(Kobo)	34	2.36	2.55	3.90	0.98

Universal Insurance Plc
Statements of Changes in Equity (COMPANY)
for the period ended 31 Dec 2021

In thousands 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 2021	8,000,000	825,018	768,329	609,704	6,460	(1,232,264)	8,977,247
							-
	8,000,000	825,018	768,329	609,704	6,460	(1,232,264)	8,977,247
Total comprehensive income							
Profit and loss	-	-	-	-	-	376,966	376,966
Other comprehensive income							-
Gain on the revaluation of land and buildings			-				-
Foreign currency translation difference							-
Fair value reserve (available-for-sale) financial assets							-
Net change in fair value							-
Net amount transferred to profit or loss						-	-
Gain on the revaluation of land and buildings							-
Net Fair value changes in AFS financial assets							-
Net gain/loss on previous AFS reclassified to FVTPL						-	-
Fair value reserve derecognised on disposal							-
Transfer to contingency reserve				75,393		(75,393)	-
Other comprehensive income	-	-	-	75,393	-	(75,393)	-
Total comprehensive income for the period	-	-	-	75,393	-	301,573	376,966
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 Dec. 2021	8,000,000	825,018	768,329	685,098	6,460	(930,692)	9,354,212
Balance at 1 January 2020	8,000,000	825,018	2,524,040	484,775	6,459	(2,654,885)	9,185,407
IFRS 9 Transition						-	-
Total comprehensive income for the period							-
Profit or loss						624,647	624,647
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						39,751	39,751
Transfer to contingency reserve	-	-	-	124,929	-	(124,929)	-
	-	-	-		-		-
Other comprehensive income for the period	-	-		124,929		(85,178)	39,751
Total comprehensive income for the period	-	-		124,929	-	539,469	664,398
Balance at 31 Dec. 2020	8,000,000	825,018	2,524,040	609,704	6,459	(2,115,416)	9,849,805

Universal Insurance Plc
Statement Of Cash Flows

For the year ended 31 Dec. 2021	COMPANY	
	31-Dec-21	31-Dec-20
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders,Brokers & Agents,Cedants	4,003,376	3,365,102
Commission received	92,352	133,874
Reinsurance receipts in respect of claims	(295,952)	297,047
Reinsurance premium paid	(653,545)	(707,504)
Prepaid Minimum and Deposit on Oil & Gas	(57,130)	(56,788)
Other operating cash payments	(1,170,727)	(1,221,396)
Insurance benefits and Claims paid	(641,901)	(492,138)
Payments to intermediaries to acquire insurance contracts	(587,712)	(558,742)
Maintenance expenses	(574,326)	(752,349)
Interest Received	4,561	45,823
Dividend Income Received	97,392	155,222
Cash generated from operations	216,387	208,151
Company Income Tax paid	(8,508)	(25,315)
Net cash provided by operating activities	207,879	182,836
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(25,740)	(32,025)
Purchase of Intangible Assets	(25,394)	(23,060)
Purchase of Listed Equities	-	-
Investment income and other receipts	689	11,106
Unlisted AFS Disposed	-	-
Net Cash provided by investing activities	(50,445)	(43,978)
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	252,235	113,377
Net increase/decrease in cash and cash equivalents	157,434	138,858
Cash and Cash equivalent at the end of period	409,669	252,235

UNIVERSAL INSURANCE PLC COMPUTATION OF SOLVENCY MARGIN

AS AT 31 Dec. 2021

		TOTAL	Inadmissible	Admissible
		N'000	N'000	N'000
¹ ASSETS				
Cash and bank balances		409,669		409,669
Financial Assets - Quoted		2,057,403		2,057,403
Financial Assets - Unquoted		40,000	-	40,000
Trade Receivable		67,509		67,509
Reinsurance Assets		410,536		410,536
Deferred Acquisition cost		143,692		143,692
Deferred tax assets		403,685	403,685	0
Other Receivable		431,402	162,091	269,311
Investment in Subsidiaries		2,449,516	778,937	1,670,579
Investment Properties		1,891,000	816,000	1,075,000
Intangible Asset		68,684	68,684	-
Property, Plant and Equipment		2,595,634	2,587,216	8,418
Statutory Deposits		335,000		335,000
	A	11,303,730	4,412,928	6,487,116
LIABILITIES				
Insurance Contract Liabilities		1,423,991		1,423,991
Trade payable		152,712		152,712
Other payable		64,295		64,295
Employee benefit liability		-		-
Income Tax liabilities		11,645		11,645
Deferred tax liabilities		296,875	296,875	0
	B	1,949,517	296,875	1,652,642
Excess of total admissible assets over admissible liabilities (A - B)				4,834,474
Higher of:				
Gross premium written				3,406,804
Less: Reinsurance expenses				(653,545)
Net Premium				2,753,259
15% of Net Premium	C			412,989
Solvency Margin	D			4,834,474
Minimum Paid up Capital	E			3,000,000
Excess of solvency margin over minimum capital base				1,834,474

Universal Insurance Plc
Notes to the financial statements
For the period ended 31 Dec. 2021

- 1 General Information:
The financial statements of the Company for the period ended 31 Dec 2021 were authorised for issue in accordance with a resolution of the Directors.
The Company is a public limited company incorporated and domiciled in Nigeria. The corporate head office is located at 8, Gbagada Expressway, Anthony, Lagos.
The Company is principally engaged in the business of providing risk underwriting, related financial services and hospitality services to its customers.
- 2 Summary of significant accounting policies:
The principal accounting policies applied in the preparation of these financial statements are disclosed .
- 3 Critical accounting estimates and judgements:
The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the period. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances
3. (i) Fair value of financial assets:
Financial assets are deemed to be impaired when there has been a significant or prolonged decline in the fair value below its cost.
This determination of what is significant or prolonged requires judgement. In making this judgement, group evaluates the normal volatility in share price, the financial health of the investee industry and sector performance, technological changes and cash flow 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.
3. (ii) Liabilities arising from insurance contract:
Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claim reported.
Claims incurred but not reported (IBNR) are determined using statistical analyses. The group believes that the reserves are adequate for the period.
- 4 Insurance and Financial risks management
The Company issues contracts that transfer insurance risk or financial risk or both.
- 4.1 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.
- 4.2 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
- 4.2.1 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.

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.
- 4.2.2 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.
- 4.2.3 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 and reserve borrowing facilities by continuously monitoring forecast and actual cash flows 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. The Company's assets contain marketable securities which could be converted into cash when required.
- 4.3 Impairment assessment (Policy applicable from 1 January 2021)
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 unlikely 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.

4.4 Impairment assessment (Policy applicable from 1 January 2021)

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 related 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

4.4.1 Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.11.4 Summary of significant accounting policies and in Note 2.5 Significant accounting judgements, estimates and assumptions.

To ensure completeness and accuracy, the company obtains the data used from third party sources (Central Bank of Nigeria, Trading Economics e.L.C.). The following tables set out the key drivers of expected loss and the assumptions used for the company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2020 and 30 September 2021.

4.4.2 Analysis of inputs to the ECL model under multiple economic scenarios-continued

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers	ECL scenario	Assigned probability	2021	2022	2023	2024	2025
31-Dec-21							
Inflation Rate	Upturn	10%	14.1	14.1	14.1	14.0	15.0
	Base-case	79%	14.9	14.9	14.9	14.8	15.8
	Downturn	11%	15.9	15.9	15.9	15.8	16.8
Unemployment Rate	Upturn	10%	13.1	13.1	13.1	15.4	13.1
	Base-case	79%	15.0	15.0	15.0	17.3	15.6
	Downturn	11%	16.9	16.9	16.9	19.2	16.9
Crude oil Price (USD per barrel)	Upturn	10%	56.9	56.9	56.9	54.5	56.1
	Base-case	79%	54.3	54.3	54.3	51.9	53.1
	Downturn	11%	52.0	52.0	52.0	49.6	51.2
1-Jan-21							
	ECL scenario	Assigned probability	2020	2021	2022	2023	2024
Inflation Rate	Upturn	10%	15.0	14.1	14.1	13.2	14.0
	Base-case	78%	15.6	14.9	14.9	14.0	14.8
	Downturn	12%	16.8	15.9	15.9	15.0	15.8
Unemployment Rate	Upturn	10%	13.1	13.1	13.1	16.9	15.4
	Base-case	78%	15.6	15.0	15.0	18.8	17.3
	Downturn	12%	16.9	16.9	16.9	20.7	19.2
Crude oil Price (USD per barrel)	Upturn	10%	56.1	56.9	56.9	52.7	54.5
	Base-case	78%	53.1	54.3	54.3	50.1	51.9
	Downturn	12%	51.2	52.0	52.0	47.8	49.6

The following tables outline the impact of multiple scenarios on the allowance:

31 Dec 2021 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposit	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances (for subsidiary)
Upside	362,283	8,827	14,539	63,863	63,869	6,914,781	-
Base	2,443,211	71,354	117,524	516,225	62,073	55,894,470	-
Downside	327,440	9,563	15,751	69,185	44,824	7,491,007	-
Total	3,072,904	89,744	147,814	649,273	160,456	70,300,258	-

1 January 2021 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposit	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances (for subsidiary)
Upside	1,220,725	-	14,276	9,327	43,618	1,220,726	-
Base	9,867,533	-	115,396	75,389	35,736	9,867,533	-
Downside	1,322,452	-	15,466	10,104	30,761	1,322,452	-
Total	12,410,710	-	145,138	94,820	110,115	12,410,711	-

4.4.3 Exposure to credit risk

The tables below show the maximum exposure to credit risk by class of financial asset.

In thousand of Nigerian Naira	Maximum Exposure	Associated ECL(2020)
For the year period 30 September 2021	Note	N'000
Current account balances	-	272
Placements with Banks	-	90
Staff loans	-	649
Statutory deposit	-	148
Other receivables (For Subsidiary)	2,449,516	70,300
Bank balances (for subsidiary)	1,152	-
Other receivables from related parties	-	3,073
Total financial asset at amortized cost	2,450,668	74,532

In thousand of Nigerian Naira	Maximum Exposure	Associated ECL(2019)
For the year period ended 30 September 2021	Note	N'000
Current account balances	110,184	110
Placements with Banks	9	-
Staff loans	4,148	530
Statutory deposit	335,000	145
Other receivables (For Subsidiary)	225,746	69,985
Bank balances (for subsidiary)	1,537	-
Other receivables from related parties	35,460	1,950
Other receivables (rent receivables)	-	-
Total loans and receivables	712,184	72,720

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.

4.4.4 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 Dec 2020 was N3,059,173 million (2019: N712,185 million).

4.4.5 Analysis of risk Concentration

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

Industry analysis	Individuals	Financial services	Government	Others	Total
31-Dec-21					
In thousand of Nigerian Naira					
Cash and Cash Equivalent	-	1,152	-	-	1,152
Other Receivables	-	-	-	-	-
Trade receivable- Receivable from sub	-	-	-	2,449,516	2,449,516
	-	1,152	-	2,449,516	2,450,668
31-Dec-21					
In thousand of Nigerian Naira					
Cash and Cash Equivalent	-	446,830	-	-	446,830
Other Receivables	4,148	-	-	35,460	39,608
Trade receivable- Receivable from sub	-	-	-	225,746	225,746
	4,148	446,830	-	261,206	712,184

5 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

	COMPANY	
	30-Dec-21	30-Dec-20
This comprises of:	N'000	N'000
Cash In Hand	41,066	3,476

Current Account Balances	295,862	238,074
Placement with banks	73,251	9,828
	410,179	251,377
Allowance for Impairment Losses	(510)	(510)
	409,669	250,867

6.1 Impairment Allowance For Current Account (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>	individual	Stage 2 individual	Stage 3	N'000
Gross carrying amount as at 1 January 2020	110,184	-	-	110,184
New assets originated or purchased	-	-	-	-
Payments and assets derecognized or repaid	(110,184)	-	-	(110,184)
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 30 December 2021	-	-	-	-

6.1.1 Impairment allowance for current account balances - continued

<i>In thousands of Nigerian Naira</i>	individual	Stage 2 individual	Stage 3	N'000
ECL allowance as at 1 January 2020 under IFRS 9	760	-	-	760
New assets originated or purchased	272	-	-	272
Payment and assets derecognized or repaid (excluding write offs)	(522)	-	-	(522)
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 transferred	-	-	-	-
Changes to models used for ECL calculations	-	-	-	-
Changes to estimates and assumptions used for ECL	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 December 2021	510	-	-	510

6.1.2 Analysis of changes in the gross carrying of Placements with bank during the year

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	Stage 2 individual	Stage 3	N'000
Gross carrying amount as at 1 January 2021	9	-	-	9
New assets originated or purchased	-	-	-	-
Payments and assets derecognized or repaid	(9)	-	-	(9)
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 30 December 2021	-	-	-	-

6.1.3 Impairment allowance for placements with bank

<i>In thousands of Nigerian Naira</i>	individual	Stage 2 individual	Stage 3	N'000
ECL allowance as at 1 January 2021 under IFRS 9	570	-	-	570
New assets originated or purchased	90	-	-	90
Payment and assets derecognized or repaid (excluding write offs)	(570)	-	-	(570)
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 transferred	-	-	-	-
Changes to models used for ECL calculations	-	-	-	-
Changes to estimates and assumptions used for ECL	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 December 2021	90	-	-	90

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	Stage 2 individual	Stage 3	N'000
Gross carrying amount as at 1 January 2021	108,547	-	-	108,547
New assets originated or purchased	295,862	-	-	295,862
Payments and assets derecognized or repaid	(108,547)	-	-	(108,547)
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 30 December 2021	295,862	-	-	295,862

6.2.1 Impairment allowance for current account balances - continued

<i>In thousands of Nigerian Naira</i>	Individual	Stage 2 individual	Stage 3	N'000
ECL allowance as at 1 January 2021 under IFRS 9	760	-	-	760
New assets originated or purchased	272	-	-	272
Payment and assets derecognized or repaid (excluding write offs)	(522)	-	-	(522)
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 transferred	-	-	-	-
Changes to models used for ECL calculations	-	-	-	-
Changes to estimates and assumptions used for ECL	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 December 2021	510	-	-	510

6.2.2 Analysis of changes in the gross carrying of Placements with bank during the year

<i>An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to placements with banks is as follows:</i>	Individual	Stage 2 individual	Stage 3	N'000
<i>In thousands of Nigerian Naira</i>				
Gross carrying amount as at 1 January 2021	9	-	-	9
New assets originated or purchased	73,251	-	-	73,251
Payments and assets derecognized or repaid	(9)	-	-	(9)
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 30 December 2021	73,251	-	-	73,251

6.2.3 Impairment allowance for placements with bank

<i>In thousands of Nigerian Naira</i>	Individual	Stage 2 individual	Stage 3	N'000
ECL allowance as at 1 January 2021 under IFRS 9	570	-	-	570
New assets originated or purchased	90	-	-	90
Payment and assets derecognized or repaid (excluding write offs)	(570)	-	-	(570)
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 transferred	-	-	-	-
Changes to models used for ECL calculations	-	-	-	-
Changes to estimates and assumptions used for ECL	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 December 2021	90	-	-	90

6.3 Reconciliation of ECL Impairment allowance

	COMPANY	
	30-Dec-21	30-Dec-20
	N'000	N'000
Opening balance as at January 1	255	1,330
Increase/(decrease) during the year (Note 31 (ii))	255	(1,075)
Closing balance as at Sept 30	510	255

7 Financial asset

Equity instrument at fair value through profit or loss	COMPANY	
	30-Dec-21	30-Dec-20
	N'000	N'000
-Mandatorily measured at FVPL	2,057,403	2,005,454
Equity instrument at fair value through OCI	40,000	40,000
Total Equity instruments	2,097,403	2,045,454
Current	-	-
Non-current	2,097,403	2,045,454

(a) Financial assets at fair value through profit or loss

<i>Listed Equity securities</i>	COMPANY	
	31-Dec-21	31-Dec-20
	N'000	N'000
Balance as at January 1	2,005,454	1,329,993
Addition during the year	-	-
Reclassification from FVOCI (MTN shares- Note 7(b))	-	-
Disposal during the year	-	-
Fair value gain/(loss)	51,949	675,461
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at Sep 30	2,057,403	2,005,454

Previous fair value gain reserve of N418,156m related to the sum of N1 ,086,750 reclassified to FVTPL. This amount has been subsequently reclassified to profit or loss.

(b) (FVOCI) Financial Assets

<i>Unlisted Equity securities</i>	COMPANY	
	31-Dec-21	31-Dec-20
	N'000	N'000
Balance as at January 1	40,000	-
Addition during the year	-	-
Reclassification to FVTPL (MTN shares- Note 7(a))	-	-
Disposal during the year	-	-
Fair value gain/(loss)	-	-
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at Sep 30	40,000	-

Investment in MTN was converted to Quoted Investment in 2019. Fair value gain/(loss) is posted to the Account

(b.1) Returns on MTN shares

	=N=
2020	155,093
2019	16,740
2018	20,890

8 Trade Receivables

	COMPANY	
	31-Dec-21	31-Dec-20
	N'000	N'000
Insurance receivables	67,509	368,946
Other receivables (From subsidiary)	-	-
Impairment on Subsidiary	-	-
	67,509	368,946

8.1 Age Analysis of Trade receivables

	67,509	368,946
Within 30 days	-	-
Above 30 days	-	-
	67,509	368,946

8.2 Premium receivable from agents, brokers and intermediaries

Due from agents	-	-
Due from brokers	35,462	(5,140)
Due from insurance companies	32,046	374,086
	67,509	368,946
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	-	-
Amount written off during the year as uncollectible	-	-
At end of year (Sep 30, 2021)	-	-
9 Reinsurance Assets		
	31-Dec-21	31-Dec-20
	N'000	N'000
Reinsurance Share of UPR	232,169	182,586
Reinsurance Share of Outstanding Claims	33,548	258,292
Reinsurance Share of IBNR	87,689	-
Total Reinsurance Assets	353,406	440,878
Prepaid Minimum and Deposit (M&D) on Oil & Gas	57,130	46,197
	410,536	487,075
9.1 Movements in Reinsurance share of UPR		
At the beginning of the year	182,586	65,560
Increase/(Decrease) during the year	(6,204)	109,890
Balance at the end of the year	176,382	175,450
9.2 Movement in Reinsurance Share of outstanding Claims		
Balance at the beginning of the year	133,878	131,624
Increase/(Decrease) during the year	(19,687)	2,254
Balance at the end of the year	114,191	133,878
9.3 Movement in Reinsurance Share of IBNR		
Balance at the beginning of the year	124,414	20,117
Increase/(Decrease) during the year	(124,414)	104,297
Allowance for impairment	-	-
Balance at the end of the year	-	124,414
9.4 Movement in Reinsurance Share of Prepaid (M&D)		
Balance at the beginning of the year	12,465	19,764
Increase/(Decrease) during the year	35,483	(7,299)
Balance at the end of the year	47,948	12,465
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-Dec-21	31-Dec-20
	N'000	N'000
Motor	22,734	16,667
Fire	17,482	100,931
General accident	41,122	26,737
Bond	-	138
Engineering	18,295	7,356
Oil & Gas	28,777	29,353
Aviation	7,402	10,658
Marine	7,812	19,184
Agric Insurance	69	-
Additional (DCA) per actuarial Valuation Report	-	-
	143,692	211,023
10.1 Movement in deferred acquisition cost		
At beginning of year	211,023	282,724
Changes during the year	(67,331)	(71,701)
At end of year	143,692	211,023
Due within 12 months	143,692	211,023
Due after more than 12 months	-	-
11 Other Receivables, Prepayments		
The balance is analysed as follow:	31-Dec-21	31-Dec-20
	N'000	N'000
Prepayments	350,971	271,064
Due from Related Parties	51,120	49,620
Staff Debtors	45,274	13,268
Staff Share Loan	-	-
Deposit for properties (reclassified from inv.	720,000	720,000
Other receivables	4,454	3,725
	1,171,819	1,057,677
Impairment of due from related parties	(3,073)	(1,950)
Impairment Charges on Staff loan	(649)	(525)
Impairment of other loans and receivables	(736,695)	(738,695)
	431,402	316,507
Current	431,402	316,507
Non-current	-	-
Movement in staff share loan		
	31-Dec-21	31-Dec-20
	N'000	N'000
Balance as at January 1	-	-
Addition during the year	-	-
Prepayment during the year	-	-
Reclassified due to African	-	-
Alliance Insurance Plc (Note 20.1(a))	-	-
Accrued Interest on staff share loan	-	-
Impairment loss	-	-
Balance as at 30 Sep	-	-
11.1 Inventories		
Stock of raw materials	-	-
	431,402	316,507
11.2 Prepayments		
Other Receivables	32,072	87,752
Prepaid Rent	45,735	89,948
Recapitalization Expenses	209,000	97,000
Dividend/Interest Payables(Lease)	39,800	32,387
FIRS WTH A/C	26,445	441
	353,053	307,528
11.2.a Other Receivables		
Other Receivable	29,217	-

Advance Debtors	10	-
Other Prepayments	2,845	-
	<u>32,072</u>	
11.2.b Recapitalization Expenses		
Prepaid Merger Expenses	50,000	-
Recapitalization Expenses	159,000	-
	<u>209,000</u>	<u>-</u>

11.3 Staff Debtors		
Prepaid Staff Peronal Loan	45,274	4,148

11.3.1 Movement in staff Debtors	31-Dec-21	31-Dec-20
	N'000	N'000
Balance as at January 1	4,148	7,592
Addition in the year	41,126	7,321
Interest earned during the year		204
Repayments during the year		(10,969)
Balance as at 30 Dec	<u>45,274</u>	<u>4,148</u>

In June 2008, 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	COMPANY	
This comprises of investment in:	31-Dec-21	31-Dec-20
	N'000	N'000
Universal Hotels Limited (Note 12(ii))	2,449,516	2,449,516
Impairment charge on Universal Hotel	-	-
Investment in subsidiaries	<u>2,449,516</u>	<u>2,449,516</u>

- 12 (i) 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	31-Dec-21	31-Dec-20
	N'000	N'000
Oyigbo Garden Avenue estate	532,000	530,000
Rumudumu For Model Estate	816,000	816,000
UHE Complex	-	-
Others (Nigeria Cement company; Progress Bank Ltd; Nigeria Tobacco Ltd;	-	-
Ferdinand Oil Ltd)	-	-
Molit Mall	543,000	540,000
	<u>1,891,000</u>	<u>1,886,000</u>
Impairment loss on investment properties	-	-
	<u>1,891,000</u>	<u>1,886,000</u>

The properties of the Company at Oyigbo Garden Estate and Rumudumu For Model Estate were revalued on December 31,2020 by A.C.Otegbulu & Partners, Estate Surveyors & Valuers (FRC/2013/NIESV/00000001582) to ascertain

the open market value of the Investment Properties. The fair value gain/(loss) on the investment properties were recognised in the Statement of Comprehensive Income for the period.

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

	Balance as at Jan 1	Addition	Disposal	Reclassi- fication	Transfer	Revalua- tion Gain	Balance as at 31 December	Status in Title
13.a Movement of Assets								
1 Oylgbo Garden Avenue Estate	540,000	-	-	-	-	3,000	543,000	Yes
2 Rumudumu For Model Estate	816,000	-	-	-	-	-	816,000	NO
3 Mollit Mall	530,000	-	-	-	-	2,000	532,000	Yes
Total	1,886,000	-	-	-	-	5,000	1,891,000	

13.b Assets In The Name of Conau Limited:

	31-Dec-21 N'000	31-Dec-20 N'000
Rumudumu Model Estate Portharcourt	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 (2021)

COMPANY

	30-Dec-21 N'000	30-Dec-20 N'000
Cost		
Balance, beginning of period	115,319	92,259
Additions	25,394	18,063
Transferred from PPE (Computer)	-	-
Balance, end of period	140,713	110,322
Accumulated amortisation		
Balance, beginning of period	53,089	37,016
Amortisation expense/impairment charge	18,939	16,216
Transferred from PPE (computer)	-	-
Balance, end of period	72,028	53,233
Net book amount		
End of period	68,684	57,089

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.

PROPERTY PLANTS AND EQUIPMENTS

15.c(i) COMPANY (2021)

	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	3,103,175	37,077	135,019	360,451	29,820	3,923,040
Additions during the year	-	-	1,514	3,691	15,000	5,535	25,740
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,103,175	38,591	138,710	375,451	35,355	3,948,780
Accumulated depreciation							
Balance, beginning of period	-	835,550	17,301	87,102	297,882	12,693	1,250,529
Charge for the year	-	62,064	3,230	7,238	26,974	3,112	102,618
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	897,613	20,532	94,340	324,856	15,805	1,353,146
Netbook value as at 30 Sep 2021	257,500	2,205,561	18,059	44,369	50,595	19,549	2,595,634
Netbook value as at 1 JANUARY 2021	257,500	2,267,625	19,775	47,916	62,569	17,126	2,672,512

15.c(ii) Movement in Land & Building (Company)

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at 31 Dec
Property at Ridgeway Station Road Enugu	380,806	-	-	-	-	-	10,114	370,692
Property at New Owerri Road Behind CBN, Owerri	990,756	-	-	-	-	-	25,956	964,800
Property at no 2 Emole Street Enugu	75,275	-	-	-	-	-	2,010	73,265
49A,50A,51A,52A and 53A city Layout Enugu	607,405	-	-	-	-	-	16,100	591,305
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	276,244	-	-	-	-	-	7,114	269,130
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Total	2,587,986	-	-	-	-	-	61,294	2,526,692

16	STATUTORY DEPOSIT	30-Dec-21 N'000	30-Dec-20 N'000
	Statutory deposit	335,000	335,000
	Total	<u>335,000</u>	<u>335,000</u>
	Non-current		

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 10 (3) of the Insurance Act 2003.

17	Insurance Contract Liabilities	COMPANY	
	Aggregate Insurance Contract Liabilities	30-Dec-21 N'000	30-Dec-20 N'000
	Unearned Premium	982,476	687,341
	Outstanding Claims	401,378	404,704
	IBNR	40,138	326,753
	Total	<u>1,423,991</u>	<u>1,418,798</u>

17.(i)	Insurance Contract Liabilities	30-Dec-21 N'000	30-Dec-20 N'000
	Movement in Unearned Premium (UPR)		
	Balance as at January 1	687,341	613,151
	Increase/(Decrease) during the year	295,134	74,190
	Balance as at 30 Sep	<u>982,475</u>	<u>687,341</u>
	Movement in Outstanding Claims		
	Balance as at January 1	404,704	309,427
	Increase/(Decrease) during the year	(3,327)	95,277
	Balance as at 30 Sep	<u>401,377</u>	<u>404,704</u>
	Movement in IBNR		
	Balance as at January 1	326,753	238,769
	Increase/(Decrease) during the year	(286,615)	87,985
	Balance as at 30 Sep	<u>40,138</u>	<u>326,753</u>

The latest valuation of the fund was as at 30 March 2021 by Ernest & Young. At that date, the gross book value of the fund was stated above for each of the years.
Provision for claims was determined using the inflation adjusted chain ladder method and claims development from 2011 to 2020.

17 b.	Hypothetication of investment/assets	30-Dec-21 Total Funds N'000	30-Dec-21 Policy Holder's Funds N'000	30-Dec-21 Shareholder's Funds N'000	30-Dec-20 Total Funds N'000	30-Dec-20 Policy Holder's Funds N'000	30-Dec-20 Shareholder's Funds N'000
	Cash and Cash Equivalents	409,669	95,000	314,669	250,867	95,000	155,867
	Financial Assets: Quoted	2,057,403	680,806	1,376,597	2,005,454	633,354	1,372,100
	Financial Assets: UnQuoted	40,000		40,000	40,000		40,000
	Trade Receivable	67,509		67,509	39,638		39,638
	Reinsurance Assets	410,536	258,355	152,181	410,194	260,526	149,668
	Deferred Acquisition cost	143,692		143,692	109,061		109,061
	Other Receivable	431,402		431,402	316,060		316,060
	Investment in Subsidiaries	2,449,516		2,449,516	2,449,516		2,449,516
	Investment Properties	1,891,000	521,475	1,369,525	1,891,000	429,918	1,461,082
	Intangible Asset	68,684		68,684	62,229		62,229
	Property, Plant and Equipment	2,595,634		2,595,634	2,672,512		2,672,512
	Statutory Deposits	335,000		335,000	335,000		335,000
	Total Assets	<u>10,900,044</u>	<u>1,555,636</u>	<u>9,344,408</u>	<u>10,581,531</u>	<u>1,418,798</u>	<u>9,162,733</u>
	Insurance Contract Liabilities		<u>1,423,991</u>			<u>1,418,798</u>	

18	BORROWINGS	-	-
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19	Trade payables	COMPANY	
	Trade payables represent liabilities to agents, brokers and re-insurers on insurance contracts during the year	30-Dec-21	30-Dec-20
	Reinsurance payable	152,712	194,355
	Insurance payable	-	-
	Other trade creditors	-	-
	Balance at year end	<u>152,712</u>	<u>194,355</u>
	Current	152,712	194,355

19.(i)	Other trade creditors	-	-
	Due to Suppliers	-	-

20	Other payables	30-Dec-21 N'000	30-Dec-20 N'000
	This is analysed as follow:		
	Due to related parties	14,328	14,328
	Provisions and accruals	46,310	74,602
	Rent Received in Advance	3,657	2,937
		<u>64,295</u>	<u>91,867</u>
	Current	64,295	91,867
	Non-current		-

20.1	Due to related companies	-	-
	Conau Limited	-	-
	African Alliance Insurance Pic	-	-
	Due to other related parties	14,328	14,328
		<u>14,328</u>	<u>14,328</u>

20.1(a)	Due to related parties-African Alliance Insurance Pic	COMPANY	
		30-Dec-21 N'000	30-Dec-20 N'000
	Balance as at January 1	-	-
	Addition during the year	-	-
	Prepayment during the year	-	-
	Reclassification from Staff Share Loan (note 11(b))	-	-
	Gain on cancellation of payables	-	-
	Balance as at Sep 30	<u>-</u>	<u>-</u>

20.1(b) African Alliance Insurance Pic:
This is a sister company having common directorship with Universal Insurance Pic. Universal Insurance Pic is not indebted to African Alliance Pic 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 Pic shares warehoused for Universal Insurance Pic staff. However Universal Insurance Pic
Staff did not take up the shares. Universal Insurance Pic has written African Alliance to cancel the shares, which African Alliance Pic has accepted.
Securities and Exchange Commission (SEC) has approved cancellation based on their letter of "NO OBJECTION" to Vetiva Capital Management Ltd
on African Alliance Pic Corporate restructuring of November 18, 2019

COMPANY	
30-Dec-21	30-Dec-20

20.1c	Provisions and accruals	N'000	N'000
	Lease Rentals	-	-
	Accrued Expenses	33,413	94,933
	Payable to Associate	4,569	4,569
		<u>37,982</u>	<u>99,502</u>
20.1d	Rent Received in Advance		
	Rent from Mollit Mall in Advance	3,657	2,937
		<u>3,657</u>	<u>2,937</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 NIL(2020) and NIL(2019).		
		COMPANY	
		30-Dec-21	30-Dec-20
		N'000	N'000
	Staff pension scheme	-	-
	Current	-	-
	Balance as per January 1	-	-
	Current Service Cost	-	-
	Payment during the year	-	-
	Interest Expense	-	-
	Actuarial Re-Measurement	-	-
	Balance as per 30 Sep	<u>-</u>	<u>-</u>
22	Income tax payable	30-Dec-21	30-Dec-20
		N'000	N'000
22.1	Per Profit and Loss Account		
	Income Tax	11,731	9,557
	Education Tax	1,955	2,549
	Provision for NITDA Tax	391	382
		<u>14,078</u>	<u>12,488</u>
	Deferred Taxation	-	-
	Profit and Loss Account	<u>14,078</u>	<u>12,488</u>
22.2	Per Balance Sheet		
	Taxation		
	At beginning of year	6,075	18,902
	Charge for the Year	14,078	12,488
	Payment during the Year	(8,508)	(25,319)
	At year end	<u>11,645</u>	<u>6,075</u>
23	Deferred Tax Liability		
	At beginning of year	296,875	296,875
	Derecognised on Reclassification of AFS FA	-	-
	Charged to profit and loss	-	-
	At year end	<u>296,875</u>	<u>296,875</u>
	To be recovered after more than 12 months	296,875	296,875
	To be recovered in 12 months	-	-
23.a	Deferred Tax Assets		
	Deferred Tax derecognized from the conversion of MTN from unquoted to quoted	403,685	403,685
		<u>403,685</u>	<u>403,685</u>
24	EQUITY		
24.1.	Share capital		
	The share capital comprises:	30-Dec-21	30-Dec-20
		N'000	N'000
	Authorised -		
	30,000,000 Ordinary shares of 50k each	<u>15,000,000</u>	<u>15,000,000</u>
	Issued and fully paid -		
	16,000,000 Ordinary shares of N0.50k each	8,000,000	8,000,000
24.2.	Share premium		
	Share premium is made up of payments in excess of par value of paid-in capital. This reserve is not ordinarily available for distribution.		
24.3.	Contingency Reserve		
	Balance, beginning of period	609,704	484,775
	Transfer from profit and loss	111,058	124,929
	Balance, end of period	<u>720,763</u>	<u>609,704</u>
	Gross Written Premium	3,701,938	3,396,005
	Percentage Rate for transfer	3%	3%
	Increase in Contingency	111,058	101,880
	20% of Profit after tax	75,393	124,929
	In accordance with the Insurance act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of total profits after tax. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.		
24.4.	Fair Value Reserve		
	This is the net accumulated change in the fair value of available for sale asset until the investment is derecognised or impaired.		
	Balance, beginning of period	6,460	6,460
	unquoted equity	-	-
	Net Fair Value derecognised at reclassification	-	-
	Balance as at period end	<u>6,460</u>	<u>6,460</u>
	Previous fair value gain reserve of N418.156m related to the sum of N1,086,750 reclassified to FVTPL. This amount has been subsequently reclassified to profit or loss.		
24.5.	Revaluation Reserve	30-Dec-21	30-Dec-20
		N'000	N'000
	Balance, beginning of period	768,329	768,329
	Revaluation Surplus	-	-
	Balance as at period end	<u>768,329</u>	<u>768,329</u>
24.6.	Retained earnings		
	The retained earnings represents the amount available for dividend distribution to the equity holders of the company. See statement of changes in equities for movement in retained earnings.		
24.7	Contingencies and Commitments		
	The Company operates in the Insurance industry and is subject to legal proceedings in the normal course of business. There were 12 (2019 = 12) outstanding legal proceedings against the Company as at 31 December 2020 with claims totalling N (2019 = N718,910,000). While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, professional legal advice showed that there will be no contingent liabilities resulting from the various litigations involving the Company.		

The Company is also subject to Insurance solvency regulations and has complied with all the solvency regulations.
There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

25	Gross Premium Income	30-Dec-21 N'000	30-Dec-20 N'000
	Gross premium written		
	Direct Premium:		
	Motor	483,439	367,904
	Fire	519,473	967,390
	General Accident	348,258	294,833
	Bond	111,568	87,989
	Engineering	244,775	115,749
	Oil & Gas	751,121	583,923
	Aviation	204,867	121,880
	Agric Insurance	10,442	-
	Marine	271,379	228,921
		<u>2,946,322</u>	<u>2,768,589</u>
	Inward Reinsurance Premium:		
	Motor	22,430	45,175
	Fire	128,306	283,983
	General Accident	167,605	38,073
	Bond	3,195	695
	Engineering	34,777	23,098
	Oil & Gas	259,347	183,837
	Aviation	-	-
	Agric Insurance	-	-
	Marine	139,957	52,555
		<u>755,617</u>	<u>627,416</u>
	Gross premium written	3,701,938	2,888,318
	Changes in unearned premium		
	Motor	(88,546)	(16,045)
	Fire	(58,174)	(61,825)
	General Accident	(95,597)	6,645
	Bond	31,939	5,109
	Engineering	(69,798)	(11,476)
	Oil & Gas	(160,226)	98,257
	Aviation	86,396	(48,393)
	Agric Insurance	(3,189)	-
	Marine	62,061	(46,462)
	Net change in unearned premium	(295,134)	(74,190)
	Change in UPR per Actuarial Valuation	-	-
	Net change in unearned premium	(295,134)	(74,190)
	Gross premium earned	<u>3,406,804</u>	<u>3,321,815</u>
	Reinsurance expenses	<u>(653,545)</u>	<u>(707,504)</u>
	Net insurance premium income	2,753,259	2,614,311
25(1)	Net Premium Income	COMPANY	
		30-Dec-21 N'000	30-Dec-20 N'000
	Gross Premium Written	3,701,938	3,396,005
	Changes in Unearned Premium	(295,134)	(74,190)
	Gross Premium Earned	<u>3,406,804</u>	<u>3,321,815</u>
	Reinsurance expenses	<u>(653,545)</u>	<u>(707,504)</u>
	Net Insurance Premium Income	2,753,259	2,614,311
26	Reinsurance expenses		
	Reinsurance costs		
	Motor	128,659	20,129
	Fire	62,231	314,725
	General Accident	53,848	77,408
	Bond	3,913	22,184
	Engineering	16,976	3,357
	Oil & Gas	318,289	192,276
	Aviation	-	-
	Agric Insurance	-	97,008
	Marine	69,829	(49,583)
	Movement in Reinsurance Share of UPR	-	-
		<u>653,545</u>	<u>707,504</u>
		<u>653,545</u>	<u>707,504</u>
27	Fees and Commission Income	30-Dec-21 N'000	30-Dec-20 N'000
	Motor	71,353	1,151
	Fire	8,994	76,328
	General Accident	8,259	17,771
	Bond	-	6,151
	Engineering	804	10,007
	OIL & GAS	-	3,308
	Agric Insurance	-	-
	Marine	2,941	19,158
		<u>92,352</u>	<u>133,874</u>
	Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.		
28	Claims expenses	COMPANY	
		30-Dec-21 N'000	30-Dec-20 N'000
	Direct claims paid during the year	641,901	492,138
	Changes in outstanding claims	(3,327)	95,277
	Additional charge to claims reserve per actuarial valuation (IBNR)	-	-
	Changes in Outstanding claims (IBNR)	(286,615)	(194,763)
	Gross claims incurred	<u>351,959</u>	<u>301,475</u>
	Reinsurance claims recoverable(Note 28(a))	<u>(45,831)</u>	<u>(36,144)</u>
	Reinsurance recovery per Actuarial Valuation	<u>-</u>	<u>-</u>
		<u>306,128</u>	<u>265,331</u>
28.a	REINSURANCE CLAIMS RECOVERY		
	Claims paid recovered from Reinsurance	(295,952)	-
	Changes in Outstanding claims and IBNR	(289,942)	-
	Total	<u>(585,894)</u>	<u>-</u>
29	Underwriting expenses		
	These include processing cost, preparation of statistics and reports, and other attributable incidental costs.		
	Gross commission paid	30-Dec-21 N'000	30-Dec-20 N'000
	Motor	51,281	40,859
	Fire	135,634	259,860
	General Accident	116,581	69,582

Bond	21,061	16,515
Engineering	48,133	16,306
Oil & Gas	115,701	76,454
Aviation	-	-
Marine	95,686	79,165
Agric Insurance	3,636	-
Total Commission paid	587,712	558,742
Changes in deferred commission	-	-
Motor	(10,843)	(2,936)
Fire	9,185	(46,917)
General Accident	(25,296)	(26)
Bond	7,369	5,280
Engineering	(11,435)	(1,581)
Oil & Gas	(12,929)	(415)
Aviation	(1,865)	7,795
Marine	11,232	6,885
Additional (DCA) per actuarial Report	-	12,022
Changes in deferred commission	(34,562)	(19,893)
Acquisition expenses	553,081	538,848
Maintenance expenses	574,326	752,349
Underwriting expenses	1,127,407	1,291,198
30 INVESTMENT INCOME	COMPANY	
	30-Dec-21	30-Dec-20
	N'000	N'000
Dividend - Quoted and unquoted investments	97,392	155,222
Interest on call deposits	4,561	45,823
Profit/(loss) on disposal of non-current assets	10	75
Other income	679	11,031
	102,642	212,151
30.a ANALYSIS OF INVESTMENT INCOME		
Investment income attributable to policyholders	-	-
Investment income attributable to shareholders	102,642	212,151
	102,642	212,151
30.b Investment income attributable to shareholders		
Dividend - Quoted and unquoted investments	97,392	155,222
Interest on call deposits	4,561	45,823
Profit/(loss) on disposal of non-current assets	10	75
Other income	679	11,031
	102,642	212,151
30.c Investing Activities		
Dividend - Quoted and unquoted investments	97,392	155,222
Interest on call deposits	4,561	45,823
	101,953	201,045
30.d Operating Activities		
Other income	679	11,031
	11,031	11,031
32 Other operating and administrative expenses	COMPANY	
	30-Dec-21	30-Dec-20
	N'000	N'000
(i) <i>Employee benefits expense</i>		
Staff cost	193,772	254,823
Contributions to defined pension scheme	-	14,832
Other staff costs (Notes 32.(i.a))	292,096	295,824
	485,867	565,479
(i.a) <i>Other staff costs</i>		
Temporary Staff Salaries	69,319	44,223
Staff Training & Entertainment	7,460	3,665
Staff other benefits	169,460	197,040
Leave Allowance	38,492	39,230
Staff Gratuity	-	7,291
Nigeria Social Ins Trust Fund	2,803	-
Staff GPA Insurance	4,562	4,375
	292,096	295,824
(ii) <i>Management expenses comprise;</i>		
Bank charges	8,320	7,218
Other charges and expenses (Note 32.(iia))	332,604	167,892
General maintenance and running costs	73,577	81,411
Legal and professional fees	118,049	61,970
Audit fees	-	8,000
Insurance supervision fees	35,650	20,017
Depreciation	102,618	84,462
Amortisation of Intangible Assets	18,939	16,073
Impairment gain/(loss)	-	-
Interest on overdrafts	-	-
Cost of sales - Hotels	-	-
Other operating expenses	689,756	447,043
Other operating and administrative expenses	1,175,623	1,012,291
	COMPANY	
	30-Dec-21	30-Dec-20
	N'000	N'000
(ii.a) <i>Other charges and expenses</i>		
OTHER PROFESSIONAL CHARGES	-	-
TRANSPORT ALLOWANCE	4,832	529
TERMINAL PAY	10,043	-
HOTEL ACCOMMODATION	10,134	1,384
SECURITY EXPENSES	1,163	589
ENTERTAINMENT	20,651	13,665
BUSINESS PROMOTION	-	-
ADVERTISEMENT	45,312	8,014
NEWSPAPERS & PERIODICALS	205	77
TELEPHONE BILLS	2,805	2,438
INTERNET CONNECTIVITY	15,351	7,488
PRINTING COST	22,895	21,510
STATIONERY COST	12,709	1,103
LOCAL GOVT. LEVIES	1,067	756
VALUE ADDED TAX/STAMP DUTIES	4,570	742
LEVY/FEE/PENALTY	2,858	4,785
DIRECTORS EXPENSES	-	-
DIRECTORS SITTING ALLOWANCES	17,010	10,450
ASSETS INSURANCE EXPENSES	7,922	140
FILING FEE	550	250
DIRECTORS FEES	10,330	21,000
GIFTS	40,239	9,902
OFFICE CLEANING EXPENSES	3,763	829
CHRISTMAS GIFT/SUNDRY	17,898	7,526
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	4,008	6,058
MEDICAL EXPENSES	16,474	11,105
WATER BILL	834	194
ENTERTAINMENT ALLOWANCE	-	-
EXCHANGE VARIANCE A/C	-	(4,217)
POSTAGES & COURIER	1,896	1,811
INTEREST ON LOANS	-	-
OVERSEAS TRAVEL EXPENSES	40,957	19,927
SERVICE CHARGE - ABUJA	-	-

RENT & RATES	-	1,206
NIA LEVIES	-	3,147
INDUSTRIAL TRAINING FUND LEVY	-	3,820
ANNUAL GENERAL MEETING	14,142	9,040
TRAINING	-	-
REPAIRS AND MAINTENANCE TV SET + RADIO	185	10
SEVERANCE PACKAGE	2,000	2,000
REPAIRS AND MAINTENANCE TV SET + RADIO	-	360
RENT & RATES - ABAKALIKI	-	25
FUEL SUBSIDY	-	-
	<u>332,604</u>	<u>167,893</u>

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

Earnings per share

	30-Dec-21 N'000	30-Dec-20 N'000
Profit attributable to equity holders	<u>376,966</u>	<u>624,647</u>
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000

- 34 Basic earnings per share (kobo per share) 2.356 2.545

The calculation of basic earnings per share at 31 Dec 2020 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	51,120	49,620
Other payables	4,569	4,569
Due to Related Parties	<u>14,328</u>	<u>14,328</u>
	<u>70,017</u>	<u>68,517</u>

Other Loans And Receivables of N49,620,000.00 is due to related party-- Universal Hotels Limited

35.2 Related Party		
Conau Limited	-	-
Universal Hotels Limited	51,120	49,620
Frenchies Foods Nig. Ltd	4,569	4,569
Due to Related Parties	<u>14,328</u>	<u>14,328</u>
	<u>70,018</u>	<u>68,518</u>

- 36 Employees
The average number of persons employed by the Company during the year

	COMPANY	
	30-Dec-21 Number	30-Dec-20 Number
Executive directors	3	3
Management	24	24
Non-management	<u>70</u>	<u>70</u>
	<u>97</u>	<u>97</u>

37 Securities Trading Policy

Universal Insurance Plc. has adopted a Code of Conduct regarding securities transactions by its directors on terms which are no less exacting than the required standard set out in Rule 17.15, Rulebook of The Nigerian Stock Exchange, 2015 (Issuers' Rules) on Disclosure of Dealings in Issuers' Shares.

In relation to this Interim report (UFS Q4, 2019), we have made specific enquiry of all directors of the Company and we are satisfied that the directors have complied with the required standard set out in the listings rules and in our Company's Code of Conduct regarding securities transactions by directors.

38 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 2003 and certain circulars as issued by the NAICOM. Details of the contraventions and the related penalties are as follows.

	30-Dec-21 N'000	30-Dec-20 N'000
Penalty to Securities and Exchange Commission (SEC)(See (i) below)	-	-
Penalty to Financial Reporting Council of Nigeria (FRC)(See (ii) below)	-	<u>6,000</u>
	<u>-</u>	<u>6,000</u>