

1ST QUARTER 2021 MANAGEMENT ACCOUNT

For The Period Ended 31ST MARCH 2021

Universal Insurance Plc

RC 2460

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

	NOTES	COMPANY		
		31-Mar-21	31-Mar-20	31-Dec-20
Assets		N'000	N'000	N'000
Cash and Cash Equivalents	6	441,212	430,586	335,143
Financial Assets	7	1,953,738	1,329,993	2,005,454
Trade Receivable	8	330,386	457,069	39,638
Reinsurance Assets	9	416,585	525,188	410,193
Deferred Acquisition cost	10	201,536	191,781	109,061
Deferred tax assets	23.a	403,685	403,685	403,685
Other Receivable	11	348,773	186,619	316,059
Investment in Subsidiaries	12	2,451,016	2,450,251	2,449,516
Investment Properties	13	1,891,000	1,875,000	1,891,000
Intangible Asset	14	71,436	55,242	62,229
Property, Plant and Equipment	15	2,651,781	2,739,440	2,672,512
Statutory Deposits	16	335,000	335,000	335,000
Total Assets		11,496,148	10,576,168	11,029,491
Liabilities				
Insurance Contract Liabilities	17	1,747,348	1,604,621	1,416,627
Borrowings	18	-	-	-
Trade payable	19	181,234	102,107	194,355
Other payable	20	69,269	109,430	91,867
Employee benefit liability	21	-	-	-
Income Tax liabilities	22	10,406	34,473	7,042
Deferred tax liabilities	23	296,875	296,875	296,875
Total Liabilities		2,305,131	2,147,506	2,006,766
Equity				
Issued and paid Share capital	24. 1	8,000,000	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018	825,018
Contingency Reserves	24. 3	653,034	525,034	619,376
Fair value reserve	24. 4	6,460	6,459	6,460
Non Current assets revaluation reserve	24. 5	768,329	757,329	768,329
Retained earnings	24. 6	(1,061,824)	(1,685,178)	(1,196,456)
Shareholders funds		9,191,016	8,428,662	9,022,727
Other equity instruments		-	-	-
Non - controlling interests				
TOTAL EQUITY & LIABILITIES		11,496,147	10,576,168	11,029,493

Signed on behalf of the Board of Directors on 19 March, 2021



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 these financial

Universal Insurance Plc

Statements of Comprehensive Income

For the PERIOD ENDED 31 MARCH 2021

	Notes	COMPANY	
		31-Mar-21 N'000	31-Mar-20 N'000
Gross Premium written	25	1,581,232	1,341,992
Decrease/(increase) in unearned premium		(539,356)	(554,081)
Gross Premium Earned		1,041,875	787,911
Reinsurance Premium Expense	26	(182,956)	(22,765)
Net Insurance Premium Income		858,919	765,147
Fees and Commission income	27	8,860	19,543
Total Underwriting Income		867,779	784,689
<i>Insurance benefits</i>			
Claims expenses	28	55,391	(11,646)
Claims Expense Recovery from reinsurance	28	1,462	-
Change in contract liabilities	28	-	-
Net insurance benefit and claims		56,853	(11,646)
Underwriting Expenses			
Acquisition expenses	29	(161,941)	(132,940)
Maintenance expenses	29	(231,246)	(74,223)
Total Underwriting Expenses		(393,187)	(207,164)
Underwriting Profit/(Loss)		531,444	565,879
Investment income	30	548	24,471
Other operating income		-	-
Total investment income		548	24,471
Net Income		531,993	590,350
Unrealised fair value loss		(51,716)	-
Net realised gains/(loss) on financial assets	31 (i)	-	-
Deferred tax derecognised on reclassification of financial assets	23	-	-
Net fair value gain/(loss) on investment properties		-	-
Other operating and administrative expenses	32	(308,623)	(204,173)
Total Expenses		(360,339)	(204,173)
Result of operating activities		171,654	386,178
Interest expense	33	-	-
Profit or (Loss) before Taxation		171,654	386,178
Income Tax Expense/ (Credit)	22.1a	(3,364)	(16,606)
Profit or Loss after Taxation		168,290	369,572
Profit/(Loss) to Equity holder		168,290	369,572
Other comprehensive income /(loss)		-	-
Revaluation surplus on PPE		-	-
Total other comprehensive income		-	-
Total comprehensive income / (loss) for the year		168,290	369,572
Profit attributable to:			
Equity holders of the Company		168,290	369,572
Non-controlling interest		-	-
Profit/(loss) for the period		168,290	369,572
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		168,290	369,572
Total comprehensive income attributable to:			
Equity holders of the company		168,290	369,572
Non-controlling interests		-	-
Total comprehensive income for the period		168,290	369,572
Earnings per share-(basic and diluted)(Kobo)	34	1.05	2.31

THE UNIVERSAL INSURANCE PLC

UNDERWRITING REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2021

	MOTOR	FIRE	GENERAL ACCIDENT	BOND	ENGINEERING	OIL & GAS	AVIATION	MARINE	Mar-21
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct Premium Written	131,817	244,950	151,225	28,307	73,912	418,196	121,880	46,672	1,216,959
Reinsurance Accepted	10,422	31,221	11,896	-	16,308	230,867	-	63,559	364,273
Gross Premium Written	142,239	276,171	163,120	28,307	90,220	649,063	121,880	110,231	1,581,232
Changes in Reserve for Unexpired Risk (*)	23,512	(77,754)	(40,953)	12,939	(5,816)	(499,725)	24,549	23,892	(539,356)
Gross Premium Earned	165,751	198,417	122,167	41,246	84,404	149,338	146,429	134,123	1,041,875
Net Reinsurance Recovery (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-
Reinsurance cost	(4,528)	(10,935)	(8,514)	-	(3,575)	(143,512)	-	(11,892)	(182,956)
Net Premium Written	161,222	187,482	113,653	41,246	80,829	5,826	146,429	122,231	858,919
Commission Received	842	3,407	1,935	-	-	-	-	2,676	8,860
Net Income	162,064	190,888	115,589	41,246	80,829	5,826	146,429	124,907	867,779
Claims Incurred:									
Direct Claims Paid	38,870	53,538	14,298	9,297	11,802	22,815	-	2,625	153,245
Provision for Outstanding claims (IBNR)	(17,620)	(151,456)	(14,196)	(14,642)	(11,361)	(45,311)	(10,454)	(14,183)	(279,224)
Additional charge to claims reserve per act	-	-	-	-	-	-	-	-	-
Changes in Provision for Outstanding Claims (**)	(14,850)	89,649	(4,722)	(2,297)	(2,535)	(2,500)	-	7,844	70,588
Gross Claims Incurred	6,399	(8,269)	(4,620)	(7,642)	(2,094)	(24,996)	(10,454)	(3,714)	(55,391)
Reinsurance Claims Recovery per actuarial									
Reinsurance Recovery (IBNR) per actuarial	-	-	-	-	-	-	-	-	-
Reinsurance Claims Recovery	(1,462)	-	-	-	-	-	-	-	(1,462)
Net Claims Incurred	4,937	(8,269)	(4,620)	(7,642)	(2,094)	(24,996)	(10,454)	(3,714)	(56,853)
Underwriting Expenses:	-								
Commission Paid	15,493	59,657	32,982	4,406	17,670	89,586	-	34,621	254,415
Changes in deferred commission	94	(16,664)	(7,895)	4,232	(3,680)	(66,532)	(8,750)	6,721	(92,474)
Additional (DCA) per actuarial valuation report	-	-	-	-	-	-	-	-	-
Maintenance expenses	29,173	29,141	29,141	28,663	29,141	28,663	28,663	28,663	231,246
Total Underwriting Expenses	44,760	72,134	54,228	37,301	43,131	51,717	19,913	70,005	393,187
Total Expenses	49,697	63,865	49,607	29,659	41,037	26,720	9,459	66,291	336,335
Underwriting Result	112,367	127,023	65,981	11,588	39,792	(20,894)	136,971	58,616	531,444
Provision for Unexpired Risk- 1 JANUARY 2020	133,910	123,437	76,441	31,939	52,886	39,589	126,134	100,834	685,170
Provision for Unexpired Risk- 31 Dec 2020	110,399	201,191	117,395	19,000	58,702	539,314	101,584	76,943	1,224,527
Additional charge (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-
Provision for Unexpired Risk- 31 Dec 2020	110,399	201,191	117,395	19,000	58,702	539,314	101,584	76,943	1,224,527
* Changes in reserve for unexpired Risk	23,512	(77,754)	(40,953)	12,939	(5,816)	(499,725)	24,549	23,892	(539,356)
Gross Claims Outstanding									
Provision for Outstanding Claims- 1 JANUARY 2020	50,286	101,980	83,324	88,393	3,673	44,987	5,987	26,074	404,704
Provision for Outstanding Claims- 31 Dec 2020	35,435	191,629	78,602	86,096	1,138	42,487	5,987	33,918	475,292
** Changes in provision for outstanding claims	(14,850)	89,649	(4,722)	(2,297)	(2,535)	(2,500)	-	7,844	70,588

Universal Insurance Plc
Statements of Changes in Equity (COMPANY)
for the period ended 31 MARCH 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 2020	8,000,000	825,018	768,329	619,376	6,460	(1,196,456)	9,022,727
							-
	8,000,000	825,018	768,329	619,376	6,460	(1,196,456)	9,022,727
Total comprehensive income							
Profit and loss	-	-	-	-	-	168,290	168,290
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				33,658		(33,658)	-
Other comprehensive income	-	-	-	33,658	-	(33,658)	-
Total comprehensive income for the period	-	-	-	33,658	-	134,632	168,290
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 Dec 2020	8,000,000	825,018	768,329	653,034	6,460	(1,061,824)	9,191,016
Balance at 1 January 2019	8,000,000	825,018	757,329	428,667	1,583,838	(2,144,427)	9,450,425
IFRS 9 Transition						(173,058)	(173,058)
Total comprehensive income for the period							-
Profit or loss							-
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	-	-	-	36,492	-	36,492	-
	-	-	-	36,492	-	36,492	-
Other comprehensive income for the period	-	-	-				-
Total comprehensive income for the period	-	-		36,492	-	(209,550)	(173,058)
Balance at 31 Dec 2019	8,000,000	825,018	757,329	465,159	1,583,838	(2,353,977)	9,277,367

Universal Insurance Plc
Statement Of Cash Flows

For the year ended 31 MARCH 2021	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	1,259,581	499,462
Commission received	8,860	19,543
Reinsurance receipts in respect of claims	(295,952)	-
Reinsurance premium paid	(182,956)	(22,765)
Prepaid Minimum and Deposit on Oil & Gas	(63,179)	
Other operating cash payments	(62,342)	11,369
Insurance benefits and Claims paid	(153,245)	(11,646)
Payments to intermediaries to acquire insurance contracts	(254,415)	(235,553)
Maintenance expenses	(231,246)	(74,223)
Interest Received	0	24,471
Dividend Income Received	-	-
Cash generated from operations	25,104	210,657
Company Income Tax paid	-	(1,315)
Net cash provided by operating activities	25,104	209,342
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,801)	(9,415)
Purchase of Intangible Assets	(13,225)	-
Purchase of Listed Equities	-	-
Investment income and other receipts	548	0
Unlisted AFS Disposed	-	-
Net Cash provided by investing activities	(14,477)	(9,415)
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	430,586	230,658
Net increase/decrease in cash and cash equivalents	10,627	199,928
Cash and Cash equivalent at the end of period	441,213	430,586

**UNIVERSAL INSURANCE PLC
COMPUTATION OF SOLVENCY MARGIN**

AS AT 31 MARCH 2021

	TOTAL	Inadmissible	Admissible
	N'000	N'000	N'000
1 ASSETS			
Cash and bank balances	441,212		441,212
Financial Assets - Quoted	1,953,738		1,953,738
Financial Assets - Unquoted	-	-	-
Trade Receivable	330,386		330,386
Reinsurance Assets	416,585		416,585
Deferred Acquisition cost	201,536		201,536
Deferred tax assets	403,685	403,685	0
Other Receivable	348,773	162,091	186,682
Investment in Subsidiaries	2,451,016	778,937	1,672,079
Investment Properties	1,891,000	816,000	1,075,000
Intangible Asset	71,436	71,436	-
Property, Plant and Equipment	2,651,781	2,587,216	64,565
Statutory Deposits	335,000		335,000
	A		
	11,496,148	4,415,680	6,676,782
LIABILITIES			
Insurance Contract Liabilities	1,747,348		1,747,348
Trade payable	181,234		181,234
Other payable	69,269		69,269
Employee benefit liability	-		-
Income Tax liabilities	10,406		10,406
Deferred tax liabilities	296,875	296,875	0
	B		
	2,305,131	296,875	2,008,256
Excess of total admissible assets over admissible liabilities (A - B)			4,668,526
Higher of:			
Gross premium written			1,041,875
Less: Reinsurance expenses			(182,956)
Net Premium			858,919
15% of Net Premium	C		128,838
Solvency Margin	D		4,668,526
Minimum Paid up Capital	E		3,000,000
Excess of solvency margin over minimum capital base			1,668,526

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

1 General Information:

The financial statements of the Company for the period ended 31 March 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 unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

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

Quantitative elements

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

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

Qualitative elements

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

Backstop indicators

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

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

Expected credit losses

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

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 Economies e.t.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 2019 and 31 December 2020.

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-20 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-20 Inflation Rate	ECL scenario	Assigned probability	2020	2021	2022	2023	2024
	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
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 2020 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	302,253	8,827	14,539	63,863	63,559	6,914,781	-
Base	2,443,211	71,354	117,524	516,225	52,073	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	-
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1 January 2020 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 For the year ended 31 Dec 2020	Note	Maximum Exposure #’000	Associated ECL(2020)
Current account balances		-	272
Placements with Banks		-	90
Staff loans		-	649
Statutory deposit		-	148
Other receivables (For Subsidiary)		2,451,016	70,300
Bank balances (for subsidiary)		1,152	-
Other receivables from related parties		-	3,073
Total financial asset at amortized cost		2,452,168	74,532

In thousand of Nigerian Naira For the year ended 31 Dec 2019	Note	Maximum Exposure #’000	Associated ECL(2019)
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)		1,637	-
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

31-Dec-20 In thousand of Nigerian Naira	Individuals	Financial services	Government	Others	Total
Cash and Cash Equivalent	-	1,152	-	-	1,152
Other Receivables	-	-	-	-	-
Trade receivable- Receivable from sub	-	-	-	2,451,016	2,451,016
	-	1,152	-	2,451,016	2,452,168

31-Dec-19 In thousand of Nigerian Naira	Individuals	Financial services	Government	Others	Total
--------------------------------------------	-------------	--------------------	------------	--------	-------

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

This comprises of:

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
Cash In Hand	261,686	88,476
Current Account Balances	133,259	347,772
Placement with banks	46,777	(4,332)
	441,722	431,916
Allowance for Impairment Losses	(510)	(1,330)
	441,212	430,586

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 31 December 2020	-	-	-	-

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 31 December 2020	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
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Gross carrying amount as at 1 January 2020	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 31 December 2020	-	-	-	-

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 2020 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 31 December 2020	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 2020	108,547	-	-	108,547
New assets originated or purchased	133,259	-	-	133,259
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 31 December 2020	133,259	-	-	133,259

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 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 31 December 2020	510	-	-	510

6.2.2 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	₦'000
Gross carrying amount as at 1 January 2020	9	-	-	9
New assets originated or purchased	46,777	-	-	46,777
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 31 December 2020	46,777	-	-	46,777

6.2.3 Impairment allowance for placements with bank

<i>In thousands of Nigerian Naira</i>	individual	Stage 2 individual	Stage 3	₦'000
ECL allowance as at 1 January 2020 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 31 December 2020	90	-	-	90

6.3 Reconciliation of ECL Impairment allowance

	COMPANY	
	31-Dec-20	31-Dec-19
	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 Dec 31	510	255

7 Financial asset

Equity instrument at fair value through profit or loss

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
-Mandatorily measured at FVPL	1,953,738	1,329,993
Equity instrument at fair value through OCI	-	-

Total Equity instruments	1,953,738	1,329,993
Current	-	612,182
Non-current	1,953,738	717,811
(a) Financial assets at fair value through profit or loss	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
<i>Listed Equity securities</i>		
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)	(51,716)	-
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at Dec 31	1,953,738	1,329,993

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.

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
(b) (FVOCI) Financial Assets		
<i>Unlisted Equity securities</i>		
Balance as at January 1	-	2,245,971
Addition during the year	-	-
Reclassification to FVTPL (MTN shares- Note 7(a))	-	(1,086,750)
Disposal during the year	-	-
Fair value gain/(loss)	-	(1,159,221)
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at Dec 31	-	-

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

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
8 Trade Receivables		
Insurance receivables	330,386	8,735
Other receivables (From subsidiary)	-	-
Impairment on Subsidiary	-	-
	330,386	8,735

8.1 Age Analysis of Trade receivables		
Within 30 days	330,386	8,735
Above 30 days	-	-
	330,386	8,735

8.2 Premium receivable from agents, brokers and intermediaries		
Due from agents	-	-
Due from brokers	51,481	5,169
Due from insurance companies	278,905	3,566
	330,386	8,735

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	-	-
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Provision for impairment	-	-
Amount written off during the year as uncollectible	-	-
At end of year (Dec 31, 2020)	-	-

	COMPANY	
	31-Mar-21 N'000	31-Mar-20 N'000
9 Reinsurance Assets		
Reinsurance Share of UPR	232,169	175,452
Reinsurance Share of Outstanding Claims	33,548	238,175
Reinsurance Share of IBNR	87,689	20,117
Total Reinsurance Assets	353,405	433,743
Prepaid Minimum and Deposit (M&D) on Oil & Gas	63,179	91,444
	416,585	525,188
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)	109,892
Balance at the end of the year	176,382	175,452
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	(19,697)	106,551
Balance at the end of the year	114,181	238,175
9.3 Movement in Reinsurance Share of IBNR		
Balance at the beginning of the year	124,414	75,408
Increase/(Decrease) during the year	(124,414)	(55,291)
Allowance for impairment	-	-
Balance at the end of the year	-	20,117
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	49,669
Balance at the end of the year	47,948	69,433

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:

	COMPANY	
	31-Mar-21 N'000	31-Mar-20 N'000
Motor	11,798	10,023
Fire	43,330	10,591
General accident	23,720	15,757
Bond	3,157	5,512
Engineering	10,540	6,984
Oil & Gas	82,380	15,553
Aviation	14,287	13,185
Marine	12,323	11,563
Additional (DCA) per actuarial Valuation Report	-	-
	201,536	89,168

10.1 Movement in deferred acquisition cost

At beginning of year	89,172	96,592
Changes during the year	112,370	(7,420)

At end of year	201,542	89,172
Due within 12 months	201,542	89,172
Due after more than 12 months	-	-

11 Other Receivables, Prepayments	31-Mar-21	31-Mar-20
The balance is analysed as follow:	N'000	N'000
Prepayments	283,572	154,832
Due from Related Parties	46,547	42,685
Staff Debtors	34,268	8,565
Staff Share Loan	-	-
Deposit for properties (reclassified from inv.	720,000	720,000
Other receivables	3,729	3,725
	1,088,117	929,807
Impairment of due from related parties	-	(2,765)
Impairment Charges on Staff loan	(649)	(1,728)
Impairment of other loans and receivables	(738,695)	(738,695)
	348,773	186,619

Current	348,773	(1,412,323)
Non-current	-	1,598,942

Movement in staff share loan

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
Balance as at January 1	-	1,598,942
Addition during the year	-	-
Prepayment during the year	-	-
Reclassified due to African Alliance Insurance Plc (Note 20.1(a))	-	(1,598,942)
Accrued Interest on staff share loan	-	-
Impairment loss	-	-
Balance as at 30 Dec	-	-

11.1 Inventories		
Stock of raw materials	-	-
	-	-

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-Mar-21	31-Mar-20
	N'000	N'000
Universal Hotels Limited (Note 12(i))	2,451,016	2,450,251
Impairment charge on Universal Hotel	-	-
Investment in subsidiaries	2,451,016	2,450,251

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.

	31-Mar-21 N'000	31-Mar-20 N'000
13 Investment properties		
Oyigbo Garden Avenue estate	532,000	524,000
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	535,000
	<u>1,891,000</u>	<u>1,875,000</u>
Impairment loss on investment properties	-	-
	<u>1,891,000</u>	<u>1,875,000</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 wer 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 Oyigbo Garden Avenue Estate	540,000	-	-	-	-	3,000	543,000	Yes
2 Rumudumu For Model Estate	816,000	-	-	-	-	-	816,000	NO
3 Molit Mall	530,000	-	-	-	-	2,000	532,000	Yes
Total	<u>1,886,000</u>	-	-	-	-	<u>5,000</u>	<u>1,891,000</u>	

	31-Mar-21 N'000	31-Mar-20 N'000
13.b Assets In The Name of Conau Limited:		
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(2020)
14.a Intangible Assets(2020)

	COMPANY	
	31-Mar-21 N'000	31-Mar-20 N'000
Cost		
Balance, beginning of period	115,319	92,259
Additions	13,225	-
Transferred from PPE (Computer)	-	-
Balance, end of period	<u>128,544</u>	<u>92,259</u>
Accumulated amortisation		
Balance, beginning of period	53,089	37,016
Amortisation expense/impairment charge	4,018	-
Transferred from PPE (computer)	-	-
Balance, end of period	<u>57,107</u>	<u>37,016</u>
Net book amount		
End of period	<u>71,436</u>	<u>55,242</u>

The intangible assets of the Company comprised of computer software. The computer softwares are accounted for using the cost model of IAS 38 i.e. cost less accumulated amortization and less accumulated impairment. The amortization is charged to the income statement in line with the Company's policy.

14.b INTANGIBLE ASSETS(2019)

	COMPANY	
	31-Mar-21 N'000	31-Mar-20 N'000
Cost		
Balance, beginning of period	66,883	36,989
Additions	25,376	29,894
Transferred from PPE (Computer)	-	-
Balance, end of period	92,259	66,883
Accumulated amortisation		
Balance, beginning of period	23,969	16,439
Amortisation expense/impairment charge	13,047	7,530
Transferred from PPE (computer)	-	-
Balance, end of period	37,016	23,969
Net book amount		
End of period	55,243	42,914

PROPERTY PLANTS AND EQUIPMENTS

15.c(i) COMPANY (2020)

	Land	Building	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computer Hardware	Total
	N'000	N'000	N'000	N'000	N'000	N'000	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	-	-	98	-	-	1,703	1,801
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,103,175	37,175	135,019	360,451	31,522	3,924,841
Accumulated depreciation							
Balance, beginning of period	-	835,550	17,301	87,102	297,882	12,693	1,250,529
Charge for the year	-	15,556	1,849	2,004	2,479	644	22,532
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	851,105	19,150	89,107	300,361	13,338	1,273,060
Netbook value as at 31 March 2021	257,500	2,252,069	18,025	45,912	60,090	18,184	2,651,781
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		Reclassification		Transfer	Revaluation Gain		Balance as at 31 Dec
	1	Addition	Disposal	-	-	Depreciation	-	
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		31-Mar-21	31-Mar-20
		N'000	N'000
Statutory deposit		335,000	335,000
Total		335,000	335,000

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.

COMPANY			
17 Insurance Contract Liabilities		31-Mar-21	31-Mar-20
Aggregate Insurance Contract Liabilities		N'000	N'000
Unearned Premium		1,224,527	1,101,935
Outstanding Claims		475,292	456,988
IBNR		47,529	45,699
Total		1,747,348	1,604,621

17.(i) Insurance Contract Liabilities

31-Mar-21 31-Mar-20

17.a(i) Age Analysis of Outstanding Claims:

Outstanding Claims (Days)	0-90	91-180	181-270	271-360	Above 360	Total
Number of Claimants	19	28	37	46	55	185
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting Support Documents	73,745	11,760	1,809	47,136	102,096	236,545
Awaiting Settlement decision from Lead Assurers	44,247	-	4,264	28,282	61,256	138,049
Claims awaiting Payment	29,498	5,136	6,231	18,855	40,838	100,557
Total	147,489	16,896	12,304	94,272	204,190	475,151

17 b. Hypothetication of investment/assets

	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20	31-Mar-20
	Total Funds N'000	Policy Holder's Funds N'000	Shareholder's Funds N'000	Total Funds N'000	Policy Holder's Funds N'000	Shareholder's Funds N'000
Cash and Cash Equivalents	441,212	376,777	64,435	430,586	488,089	(57,503)
Financial Assets: Quoted	1,953,738	633,354	1,320,384	1,329,993	688,210	641,783
Financial Assets: UnQuoted	-	-	-	-	175,241	(175,241)
Trade Receivable	330,386	-	330,386	457,069	-	457,069
Reinsurance Assets	416,585	258,355	158,230	525,188	-	525,188
Deferred Acquisition cost	201,536	-	201,536	191,781	-	191,781
Other Receivable	348,773	-	348,773	186,619	-	186,619
Investment in Subsidiaries	2,451,016	-	2,451,016	2,450,251	-	2,450,251
Investment Properties	1,891,000	478,862	1,412,138	1,875,000	253,081	1,621,919
Intangible Asset	71,436	-	71,436	55,242	-	55,242
Property, Plant and Equipment	2,651,781	-	2,651,781	2,739,440	-	2,739,440
Statutory Deposits	335,000	-	335,000	335,000	-	335,000
Total Assets	11,092,462	1,747,348	9,345,115	10,576,168	1,604,621	8,971,547
Insurance Contract Liabilities	-	1,747,348	-	-	1,604,621	-

18 BORROWINGS

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19 Trade payables

Trade payables represent liabilities to agents, brokers and re-insurers on insurance contracts during the year

	COMPANY	
	31-Mar-21	31-Mar-20
Reinsurance payable	181,234	102,107
Insurance payable	-	-
Other trade creditors	-	-
Balance at year end	<u>181,234</u>	<u>102,107</u>
Current	181,234	102,107

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

	31-Mar-21	31-Mar-20
	N'000	N'000
20 Other payables		
This is analysed as follow:		
Due to related parties	14,328	14,328
Provisions and accruals	52,004	88,896
Rent Received in Advance	2,937	6,206
	<u>69,269</u>	<u>109,430</u>
Current	69,269	109,430
Non-current		-

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

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
20.1(a) Due to related parties--African Alliance Insurance Plc		
Balance as at January 1	-	1,599,667
Addition during the year	-	-
Prepayment during the year	-	-
Reclassification from Staff Share Loan (note 11(b))	-	(1,598,942)
Gain on cancellation of payables	-	(725)
Balance as at Dec 30	<u>-</u>	<u>-</u>

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
20.1c Provisions and accruals		
Lease Rentals	-	-
Accrued Expenses	47,435	31,502
Payable to Associate	4,569	4,569
	<u>52,004</u>	<u>36,071</u>

20.1d Rent Received in Advance		
Rent from Molit Mall in Advance	2,937	6,206
	<u>2,937</u>	<u>6,206</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	
		31-Mar-21	31-Mar-20
		N'000	N'000
	Staff pension scheme	-	-
	Current	-	-
	Balance as per January 1	10,930	7,320
	Current Service Cost	-	-
	Payment during the year	-	3,610
	Interest Expense	-	-
	Actuarial Re-Measurement	-	-
	Balance as per 31 Dec	10,930	10,930
22	Income tax payable		
		31-Mar-21	31-Mar-20
		N'000	N'000
22.1	Per Profit and Loss Account		
	Income Tax	2,575	15,447
	Education Tax	687	772
	Provision for NITDA Tax	103	386
		3,364	16,606
	Deferred Taxation	-	-
	Profit and Loss Account	3,364	16,606
22.2	Per Balance Scheet		
	Taxation		
	At beginning of year	7,042	-
	Charge for the Year	3,364	19,182
	Payment during the Year	-	16,606
	At year end	10,406	1,315
			34,473
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	296,875	296,875
	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
		403,685	403,685
24	EQUITY		
24. 1.	Share capital		
	The share capital comprises:	31-Mar-21	31-Mar-20
		N'000	N'000
	Authorised -		
	30,000,000,000 Ordinary shares of 50k each	15,000,000	15,000,000
	Issued and fully paid -		

16,000,000,000 Ordinary shares of N0.50k each	8,000,000	8,000,000	
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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	619,376	484,775	
Transfer from profit and loss	33,658	40,260	
Balance, end of period	653,034	525,034	
Gross Written Premium	1,581,232	1,341,992	
Percentage Rate for transfer	3%	3%	
Increase in Contingency	47,437	40,260	
20% of Profit after tax	33,658	0	

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	6,459	
unquoted equity	-	-	
Net Fair Value decrecognised at reclassification	-	-	
Balance as at period end	0	6,459	6,459

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

	31-Mar-21 N'000	31-Mar-20 N'000	
Balance, beginning of period	768,329	757,329	
Revaluation Surplus	-	-	
Balance as at period end	768,329	757,329	

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

	31-Mar-21 N'000	31-Mar-20 N'000	
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Gross premium written		
Direct Premium:		
Motor	131,817	120,227
Fire	244,950	637,785
General Accident	151,225	141,746
Bond	28,307	17,270
Engineering	73,912	8,798
Oil & Gas	418,196	191,696
Aviation	121,880	144,913
Marine	46,672	(60,169)
	<u>1,216,959</u>	<u>1,202,267</u>

Inward Reinsurance Premium:		
Motor	10,422	(18,512)
Fire	31,221	17,640
General Accident	11,896	3,401
Bond	-	100
Engineering	16,308	13,380
Oil & Gas	230,867	108,958
Aviation	-	13,980
Marine	63,559	778
	<u>364,273</u>	<u>139,725</u>

Gross premium written	<u>1,581,232</u>	<u>1,341,992</u>
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Changes in unearned premium		
Motor	23,512	(77,300)
Fire	(77,754)	(480,998)
General Accident	(40,953)	(40,468)
Bond	12,939	102,456
Engineering	(5,816)	39,610
Oil & Gas	(499,725)	(118,698)
Aviation	24,549	31,770
Marine	23,892	(10,453)
Net change in unearned premium	<u>(539,356)</u>	<u>(554,081)</u>

Change in UPR per Actuarial Valuation	-	-
Net change in unearned premium	<u>(539,356)</u>	<u>(554,081)</u>

Gross premium earned	<u>1,041,875</u>	<u>787,911</u>
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Reinsurance expenses	(182,956)	(22,765)
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Net insurance premium income	<u>858,919</u>	<u>765,147</u>
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25(1) Net Premium Income

	COMPANY	
	31-Mar-21	31-Mar-20
	N'000	N'000
Gross Premium Written	1,581,232	1,341,992
Changes in Unearned Premium	(539,356)	(554,081)
Gross Premium Earned	1,041,875	787,911
Reinsurance expenses	(182,956)	(410,488)
Net Insurance Premium Income	<u>858,919</u>	<u>377,423</u>

26 Reinsurance expenses

Reinsurance costs		
Motor	4,528	1,546
Fire	10,935	-
General Accident	8,514	14,148

