

4TH QUARTER MANAGEMENT ACCOUNT

For The Period Ended 31, DECEMBER. 2022

Universal Insurance Plc

RC 2460

UNIVERSAL INSURANCE PLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31,DECEMBER 2022

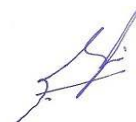
COMPANY

	NOTES	31-Dec-22	31-Dec-21
		N'000	N'000
Assets			
Cash and Cash Equivalents	6	521,053	409,669
Financial Assets	7	2,532,487	2,097,403
Trade Receivable	8	321,147	67,509
Reinsurance Assets	9	422,584	410,536
Deferred Acquisition cost	10	37,573	143,692
Deferred tax assets	23.a	403,685	403,685
Other Receivables	11	581,686	431,402
Investment in Subsidiaries	12	2,457,516	2,449,516
Investment Properties	13	1,901,830	1,891,000
Intangible Asset	14	69,561	68,684
Property, Plant and Equipment	15	2,588,898	2,595,634
Statutory Deposits	16	335,000	335,000
Total Assets		12,173,020	11,303,730
Liabilities			
Insurance Contract Liabilities	17	2,104,570	1,423,991
Borrowings	18	-	-
Trade payable	19	23,797	152,712
Other payable	20	103,124	64,295
Employee benefit liability	21	-	-
Income Tax liabilities	22	11,280	11,644
Deferred tax liabilities	23	296,875	296,875
Total Liabilities		2,539,647	1,949,517
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	883,887	685,098
Fair value reserve	24. 4	6,460	6,460
Non Current assets revaluation reserve	24. 5	768,329	768,329
Retained earnings	24. 6	(850,320)	(930,692)
Shareholders funds		9,633,374	9,354,213
Other equity instruments		-	-
Non - controlling interests		-	-
TOTAL EQUITY & LIABILITIES		12,173,020	11,303,730

Signed on behalf of the Board of Directors on 13th Jan, 2023



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



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

Universal Insurance Plc

Statements of Comprehensive Income

For the PERIOD ENDED 30, DECEMBER 2022

Notes

	31-Dec-22	1/10/2022 to 31/12/2022	1/10/2021 to 31/12/2021	31-Dec-21	
	N'000			N'000	
Gross Premium written	25	5,666,321	1,616,095	1,095,613	3,701,938
Decrease/(increase) in unearned premium		(551,625)	(551,625)	(608,164)	(295,134)
Gross Premium Earned		5,114,697	1,064,471	487,449	3,406,804
Reinsurance Premium Expense	26	(929,289)	(213,208)	(190,671)	(653,545)
Net Insurance Premium Income		4,185,408	851,262	296,778	2,753,259
Fees and Commission income	27	137,511	45,172	8,130	92,352
Total Underwriting Income		4,322,919	896,434	304,908	2,845,611
<i>Insurance benefits</i>					
Claims expenses	28	(677,027)	(133,766)	(163,532)	(351,959)
Increase/(Decrease) in claims and IBNR reserves per actuarial valuation	28	-	-	-	-
Claims Expense Recovery from Reinsurance	28	73,530	14,857	7,410	45,831
Change in contract liabilities	28	-	-	-	-
Net insurance benefit and claims		(603,497)	(118,898)	(156,122)	(306,128)
<i>Underwriting Expenses</i>					
Acquisition expenses	29	(1,045,187)	(273,324)	(150,828)	(553,081)
Maintenance expenses	29	(939,345)	(201,074)	(323,998)	(574,326)
Total Underwriting Expenses		(1,984,532)	(474,398)	(474,826)	(1,127,407)
Underwriting Profit/(Loss)		1,734,890	303,138	(326,040)	1,412,076
Investment income	30	152,100	2,191	842	102,642
Other operating income		-	-	-	-
Total investment income		152,100	2,191	842	102,642
Net Income		1,886,990	305,329	(325,198)	1,514,718
Unrealised fair value gain		187,302	187,302	-	51,949
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	(1,543,611)	(471,019)	(355,882)	(1,175,623)
Total Expenses		(1,356,310)	(283,717)	(355,882)	(1,123,674)
Result of operating activities		530,680	21,612	(72,916)	391,043
Interest expense	33	-	-	-	-
Profit or (Loss) before Taxation		530,680	21,612	(72,916)	391,043
Income Tax Expense/ (Credit)	22.1a	(5,360)	(218)	(736)	(14,078)
Profit or Loss after Taxation		525,320	21,394	(73,652)	376,965
Profit/(Loss) to Equity holder		525,320	21,394	(73,652)	376,965
Other comprehensive income /(loss)		-	-	-	-
Revaluation surplus on PPE		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		525,320	21,394	(73,652)	376,965
Profit attributable to:					
Equity holders of the Company		525,320	21,394	(73,652)	376,965
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		525,320	(21,394)	(73,652)	376,965
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		-	-	-	-
PPE revaluation gains		-	-	-	-
Deferred tax impact of revaluation gains		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		525,320	21,394	(73,652)	376,965
Total comprehensive income attributable to:					
Equity holders of the company		525,320	21,394	(73,652)	376,965
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		525,320	21,394	(73,652)	376,965
Earnings per share-(basic and diluted)(Kobo)	34	3.28	2.36	2.36	2.36

THE UNIVERSAL INSURANCE PLC

UNDERWRITING REVENUE ACCOUNT
FOR THE PERIOD ENDED 30 DEC. 2022

	MOTOR	FIRE	GENERAL ACCIDENT	BOND	ENGINEERING	OIL & GAS	AVIATION	AGRIC INS	MARINE	Dec-22	1/10/2022 to 31/12/2022	1/10/2021 to 31/12/2021	Dec-21
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct Premium Written	611,988	703,355	651,233	308,447	209,192	1,108,091	173,973	24,395	505,429	4,296,104	1,517,161	862,702	2,946,322
Reinsurance Accepted	93,027	255,319	47,627	19,311	28,667	778,383	-	25,951	121,933	1,370,217	98,934	232,911	755,617
Gross Premium Written	705,015	958,674	698,860	327,758	237,860	1,886,474	173,973	50,345	627,362	5,666,321	1,616,095	1,095,613	3,701,938
Changes in Reserve for Unexpired Risk (*)	(147,535)	(83,504)	(83,023)	47,560	(20,545)	(324,946)	26,856	(10,620)	44,132	(551,625)	(551,625)	(608,164)	(295,134)
Gross Premium Earned	557,479	875,170	615,836	375,318	217,315	1,561,529	200,828	39,725	671,495	5,114,697	1,064,471	487,449	3,406,804
Net Reinsurance Recovery (UPR) per actuarial valuation										-			-
Reinsurance cost	(289,633)	(73,044)	(50,235)	-	(556)	(479,171)	-	-	(36,649)	(929,289)	(213,208)	(190,671)	(653,545)
Net Premium Written	267,847	802,126	565,602	375,318	216,759	1,082,357	200,828	39,725	634,845	4,185,408	851,262	296,778	2,753,259
Commission Received	98,454	18,132	11,637	1,563	149	-	-	-	7,577	137,511	45,172	8,130	92,352
Net Income	366,301	820,258	577,238	376,881	216,908	1,082,357	200,828	39,725	642,422	4,322,919	896,434	304,908	2,845,611
Claims Incurred:													
Direct Claims Paid	162,947	107,241	105,525	39,235	91,563	62,190	96,896	4,118	12,874	682,589	139,317	163,532	641,634
Provision for Outstanding claims (IBNR)	(20,423)	(87,293)	(16,534)	(1,800)	(9,863)	(32,780)	(22,592)	(1,473)	(27,626)	(220,384)	(2,020,384)	-	(286,615)
Additional charge to claims reserve per actuarial valuation (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Provision for Outstanding Claims (**)	(6,013)	171,275	121,958	(35,000)	(36)	(21,807)	1,430	-	(16,986)	214,822	214,822	-	(3,327)
Gross Claims Incurred	136,511	191,223	210,949	2,435	81,665	7,603	75,735	2,645	(31,738)	677,027	133,755	163,532	351,692
Reinsurance Claims Recovery per actuarial valuation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurance Recovery (IBNR) per actuarial valuation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurance Claims Recovery	(15,271)	-	(877)	(8,450)	(48,621)	-	-	-	(312)	(73,530)	(14,857)	(7,410)	(45,831)
Net Claims Incurred	121,240	191,223	210,073	(6,015)	33,044	7,603	75,735	2,645	(32,051)	603,497	118,898	156,122	305,861
Underwriting Expenses:	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission Paid	73,756	194,195	141,120	65,462	51,217	280,014	-	9,551	122,349	937,665	165,802	150,828	587,712
Changes in deferred commission	19,033	16,866	17,122	(9,217)	12,240	59,563	(4,858)	2,385	(5,612)	107,522	107,522	-	(34,631)
Additional (DCA) per actuarial valuation report													
Maintenance expenses	117,320	115,808	115,808	115,808	115,808	115,808	115,808	-	127,180	939,345	201,074	323,998	574,326
Total Underwriting Expenses	210,109	326,868	274,049	172,053	179,265	455,385	110,949	11,936	243,916	1,984,532	474,398	474,826	1,127,407
Total Expenses	331,349	518,091	484,122	166,038	212,310	462,987	186,685	14,581	211,866	2,588,029	593,296	630,948	1,433,268
Underwriting Result	34,951	302,167	93,116	210,843	4,598	619,370	14,144	25,144	430,556	1,734,890	303,138	(326,040)	-
Provision for Unexpired Risk- 1 JANUARY 2022	207,967	172,850	95,490	47,690	122,601	199,221	41,337	3,179	83,746	974,080	974,080	974,080	687,341
Provision for Unexpired Risk- 30 June 2022	355,502	256,353	178,513	130	143,146	524,167	14,481	13,799	39,613	1,525,704	1,525,704	974,080	982,476
Additional charge (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Unexpired Risk- 30 June 2022	355,502	256,353	178,513	130	143,146	524,167	14,481	13,799	39,613	1,525,704	1,525,704	974,080	982,476
* Changes in reserve for unexpired Risk	(147,535)	(83,504)	(83,023)	47,560	(20,545)	(324,946)	26,856	(10,620)	44,132	(551,625)	(551,625)	-	(295,134)
Gross Claims Outstanding													
Provision for Outstanding Claims- 1 JANUARY 2022	55,590	36,102	101,005	35,251	22,573	40,147	2,404	-	18,348	311,420	311,420	311,420	404,704
Provision for Outstanding Claims- 30 June 2022	49,578	207,377	222,963	251	22,537	18,340	3,834	-	1,362	526,242	526,242	311,420	401,378
** Changes in provision for outstanding claims	(6,013)	171,275	121,958	(35,000)	(36)	(21,807)	1,430	-	(16,986)	214,822	214,822	-	(3,326)

Universal Insurance Plc
Statements of Changes in Equity (COMPANY)
for the period ended 31, DECEMBER 2022

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 2022	8,000,000	825,018	768,329	713,897	6,460	(1,205,650)	9,108,053
							-
	8,000,000	825,018	768,329	713,897	6,460	(1,205,650)	9,108,053
Total comprehensive income							
Profit and loss	-	-	-	-	-	525,320	525,320
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				-			-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	525,320	525,320
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 DEC. 2022	8,000,000	825,018	768,329	713,897	6,460	(680,330)	9,633,374
Balance at 1 January 2022	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	-	-	-	-	-	316,020	316,020
Net gain/loss on previous AFS reclassified to FVTPL							-
Fair value reserve derecognised on disposal							-
Transfer to contingency reserve				63,204		(63,204)	-
Other comprehensive income	-	-	-	63,204	-	(63,204)	-
Total comprehensive income for the period	-	-	-	63,204	-	252,816	316,020
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31, DECEMBER 2022	8,000,000	825,018	768,329	672,909	6,460	(979,448)	9,293,267

Universal Insurance Plc
Statement Of Cash Flows

For the year ended 31, DECEMBER. 2022	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	5,412,683	4,003,376
Commission received	137,511	92,352
Reinsurance receipts in respect of claims	(295,952)	(295,952)
Reinsurance premium paid	(929,289)	(653,545)
Prepaid Minimum and Deposit on Oil & Gas	(52,312)	(57,130)
Other operating cash payments	(1,650,197)	(1,170,727)
Insurance benefits and Claims paid	(682,589)	(641,901)
Payments to intermediaries to acquire insurance contracts	(937,665)	(587,712)
Maintenance expenses	(939,345)	(574,326)
Interest Received	17,439	4,561
Dividend Income Received	132,111	97,392
Cash generated from operations	212,395	216,388
Interest Paid	-	0
Company Income Tax paid	-	(8,508)
Net cash provided by operating activities	212,395	207,880
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(82,354)	(25,740)
Purchase of Intangible Assets	(21,207)	(25,394)
Purchase of Listed Equities	-	0
Investment income and other receipts	2,550	689
Unlisted AFS Disposed	-	0
Net Cash provided by investing activities	(101,011)	(50,445)
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	409,669	252,235
Net increase/decrease in cash and cash equivalents	111,384	157,434
Cash and Cash equivalent at the end of period	521,053	409,669

**UNIVERSAL INSURANCE PLC
COMPUTATION OF SOLVENCY MARGIN**

AS AT 31 DEC. 2022

	TOTAL	Inadmissible	Admissible
	N'000	N'000	N'000
1 ASSETS			
Cash and bank balances	521,053		521,053
Financial Assets - Quoted	2,472,487		2,472,487
Financial Assets - Unquoted	60,000	-	60,000
Trade Receivable	321,147		321,147
Reinsurance Assets	422,584		422,584
Deferred Acquisition cost	37,573		37,573
Deferred tax assets	403,685	403,685	0
Other Receivable	581,686	556,189	25,497
Investment in Subsidiaries	2,457,516	778,937	1,678,579
Investment Properties	1,901,830	816,000	1,085,830
Intangible Asset	69,561	69,561	-
Property, Plant and Equipment	2,588,898	2,587,216	1,682
Statutory Deposits	335,000		335,000
A	12,173,020	4,807,903	6,961,432
LIABILITIES			
Insurance Contract Liabilities	2,104,570		2,104,570
Trade payable	23,797		23,797
Other payable	103,124		103,124
Employee benefit liability	-		-
Income Tax liabilities	11,280		11,280
Deferred tax liabilities	296,875	296,875	0
B	2,539,647	296,875	2,242,772
Excess of total admissible assets over admissible liabilities (A - B)			4,718,661
Higher of:			
Gross premium written			5,114,697
Less: Reinsurance expenses			(929,289)
Net Premium			4,185,408
15% of Net Premium	C		627,811
Solvency Margin	D		4,718,661
Minimum Paid up Capital	E		3,000,000
Excess of solvency margin over minimum capital base			1,718,661

Universal Insurance Plc
Notes to the financial statements
For the period ended 31, DEC. 2022

1 General Information:

The financial statements of the Company for the period ended 31, DEC. 2022 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 2021 and 31 December 2022.

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.

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 2021 was N2,982,913 million (2020: N3,117,927 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.

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
31-Dec-22

31-Dec-21

This comprises of:	N'000	N'000
Cash In Hand	20,288	41,066
Current Account Balances	250,759	295,862
Placement with banks	250,511	73,251
	<u>521,558</u>	<u>410,179</u>
Allowance for Impairment Losses	(505) -	510
	<u>521,053</u>	<u>409,669</u>

6.3 Reconciliation of ECL Impairment allowance

	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
Opening balance as at January 1	255	255
Increase/(decrease) during the year (Note 31 (ii))	250	255
Closing balance as at Dec.30	<u>505</u>	<u>510</u>

7 Financial asset

	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
Equity instrument at fair value through profit or loss	2,472,487	2,057,403
-Mandatorily measured at FVPL	60,000	40,000
Equity instrument at fair value through OCI	<u>2,532,487</u>	<u>2,097,403</u>
Total Equity instruments		
Current	2,532,487	1,984,635
Non-current		

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

	COMPANY		
	31-Dec-22	31-Dec-21	
	N'000	N'000	
<i>Listed Equity securities</i>			
Balance as at January 1	2,285,185	2,005,454	11,718.90
Addition during the year	-	-	199
Reclassification from FVOCI (MTN shares- Note 7(b))	-	-	2,332,060.59
Disposal during the year	-	-	
Fair value gain/(loss)	187,302	51,949	
Foreign Exchange gain/(loss)	-	-	
Net impairment gain/(loss)	-	-	
Balance as at Dec. 30	<u>2,472,487</u>	<u>2,057,403</u>	

(b) Fair Value through Other Comprehensive Income (FVOCI) Financial Assets

	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
<i>Unlisted Equity securities</i>		
Balance as at January 1	40,000	40,000
Addition during the year	20,000	-
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 December 31	<u>60,000</u>	<u>40,000</u>

(b.1) Returns on MTN shares

	=N=
2021	97,342
2020	155,093
2019	16,740

8 Trade Receivables

	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
Insurance receivables	321,147	67,509
Other receivables (From subsidiary)	-	-
Impairment on Subsidiary	-	-
	<u>321,147</u>	<u>67,509</u>

8.1 Age Analysis of Trade receivables

	31-Dec-22	31-Dec-21
Within 30 days	321,147	67,509
Above 30 days	-	-
	<u>321,147</u>	<u>67,509</u>

8.2 Premium receivable from agents, brokers and intermediaries

Due from agents	-	-
Due from brokers	57,708	35,462
Due from insurance companies	263,439	32,046
	<u>321,147</u>	<u>67,508</u>

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 (Dec. 2022)	<u>-</u>	<u>-</u>

9 Reinsurance Assets	COMPANY	
	31-Dec-22 N'000	31-Dec-21 N'000
Reinsurance Share of UPR	223,411	232,169
Reinsurance Share of Outstanding Claims	33,548	33,548
Reinsurance Share of IBNR	113,313	87,689
Total Reinsurance Assets	<u>370,272</u>	<u>353,406</u>
Prepaid Minimum and Deposit (M&D) on Oil & Gas	52,312	57,130
	<u>422,584</u>	<u>416,630</u>

9.1 Movements in Reinsurance share of UPR

At the beginning of the year	176,382	182,586	182586
Increase/(Decrease) during the year	-	(6,204)	-6204
Balance at the end of the year	<u>176,382</u>	<u>176,382</u>	176382

9.2 Movement in Reinsurance Share of outstanding Claims

Balance at the beginning of the year	114,181	133,878	133878
Increase/(Decrease) during the year	7,055	(19,697)	-19697
Balance at the end of the year	<u>121,236</u>	<u>114,181</u>	114181

9.3 Movement in Reinsurance Share of IBNR

Balance at the beginning of the year	-	124,414	124414
Increase/(Decrease) during the year	33,690	(124,414)	-124414
Allowance for impairment	-	-	0
Balance at the end of the year	<u>33,690</u>	<u>-</u>	0

9.4 Movement in Reinsurance Share of Prepaid (M&D)

Balance at the beginning of the year	47,948	12,465	12465
Increase/(Decrease) during the year	(4,476)	35,483	35483
Balance at the end of the year	<u>43,472</u>	<u>47,948</u>	47948

26,635

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-Dec-22 N'000	31-Dec-21 N'000
Motor	3,940	22,734
Fire	15,156	17,482
General accident	1,139	41,122
Bond	18,460	-
Engineering	6,982	18,295
Oil & Gas	(30,856)	28,777
Aviation	12,534	7,402
Marine	11,966	7,812
Agric Insurance	(1,748)	69
Additional (DCA) per actuarial Valuation Report	-	-
	<u>37,573</u>	<u>143,693</u>

10.1 Movement in deferred acquisition cost

At beginning of year	143,692	211,023
Changes during the year	(106,119)	(67,331)
At end of year	<u>37,573</u>	<u>143,692</u>

Due within 12 months	<u>37,573</u>	<u>143,692</u>
Due after more than 12 months	-	-

	31-Dec-22	31-Dec-21
	N'000	N'000
11 Other Receivables, Prepayments		
The balance is analysed as follow:		
Prepayments	478,099	350,971
Due from Related Parties	51,120	51,120
Staff Debtors	65,083	45,274
Staff Share Loan	-	-
Deposit for properties (reclassified from inv. Properties) (11(v))	720,000	720,000
Other receivables	4,617	4,454
Stock of Raw Materials	-	-
	<u>1,318,920</u>	<u>1,171,819</u>
Impairment of due from related parties	-	3,073
Impairment Charges on Staff loan	(238)	649
Impairment of other loans and receivables	<u>(736,996)</u>	<u>(736,695)</u>
	<u>581,686</u>	<u>431,402</u>
Current	581,686	431,402
Non-current		
Movement in staff share loan		
	COMPANY	
	31/12//2022	31/12//2021
	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 31, Dec	<u>-</u>	<u>-</u>
11.1 Inventories		
Stock of raw materials	-	-
	<u>-</u>	<u>-</u>
	<u>581,686</u>	<u>431,402</u>
11.2 Prepayments	166968.7405	
Other Receivables	44,761	32,072
Prepaid Rent	26,557	45,735
Recapitalization Expenses	137,960	209,000
Dividend/Interest Payables(Lease)	52,463	39,800
FIRS WTH A/C	26,465	26,445
	<u>455,174</u>	<u>353,052</u>
11.2.a Other Receivables		
Other Receivable	28,737	29,217
Advance Debtors	10	10
Other Prepayments	2,845	2,845
	<u>31,592</u>	<u>32,072</u>
11.2.b Recapitalization Expenses		
Prepaid Merger Expenses	50,000	50,000
Recapitalization Expenses	87,960	159,000
	<u>137,960</u>	<u>209,000</u>
11.3 Staff Debtors		
Prepaid Staff Personal Loan	65,083	45,274
11.3.1 Movement in staff Debtors		
	31-Dec-22	31-Dec-21
	N'000	N'000
Balance as at January 1	45,274	4,148
Addition in the year	19,809	41,126
Interest earned during the year	-	-
Repayments during the year	-	-
Balance as at 31. Dec	<u>65,083</u>	<u>45,274</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 This comprises of investment in:	COMPANY	
	31-Dec-22 N'000	31-Dec-21 N'000
Universal Hotels Limited (Note 12(i))	2,457,516	2,449,516
Impairment charge on Universal Hotel	-	-
Investment in subsidiaries	2,457,516	2,449,516

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	COMPANY	
	31-Dec-22 N'000	31-Dec-21 N'000
Oyigbo Garden Avenue estate	548,400	532,000
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	537,430	543,000
	1,901,830	1,891,000
Impairment loss on investment properties	-	-
	1,901,830	1,891,000

The properties of the Company at Oyigbo Garden Estate and Rumudumu For Model Estate were revalued on December 31,2021 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.

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

13.b Assets In The Name of Conau Limited:	31-Dec-22 N'000	31-Dec-21 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 (2022)

	COMPANY	
	31-Dec-22 N'000	31-Dec-21 N'000
Cost		
Balance, beginning of period	140,713	115,319
Additions	21,207	25,394
Transferred from PPE (Computer)	-	-
Balance, end of period	161,920	140,713
Accumulated amortisation		
Balance, beginning of period	72,169	53,089
Amortisation expense/impairment charge	20,190	18,939

Transferred from PPE (computer)	-	-
Balance, end of period	92,359	72,028
Net book amount		
End of period	69,561	68,684

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

COMPANY (2022)

	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	3,117,578	38,561	138,740	375,451	35,355	3,963,184
Additions during the year	-	-	4,342	7,881	65,775	4,356	82,354
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,117,578	42,903	146,621	441,226	39,710	4,045,538
Accumulated depreciation							
Balance, beginning of period	-	897,613	20,555	94,340	311,550	15,809	1,339,868
Charge for the year	-	62,352	3,472	12,102	35,381	3,466	116,772
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	959,965	24,027	106,442	346,932	19,274	1,456,640
Netbook value as at 31,Dec. 2022	257,500	2,157,613	18,876	40,178	94,294	20,436	2,588,898
Netbook value as at 1 JANUARY 2022	257,500	2,219,965	18,006	44,399	63,901	19,546	2,623,316

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

	31-Dec-22 N'000	31-Dec-21 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.

17 Insurance Contract Liabilities

COMPANY

Aggregate Insurance Contract Liabilities	31-Dec-22 N'000	31-Dec-21 N'000
Unearned Premium	1,525,704	982,476
Outstanding Claims	526,242	401,378
IBNR	52,624	40,138
Total	2,104,570	1,423,992

17.(i) Insurance Contract Liabilities

17 b. Hypothecation of investment/assets

	31-Dec-22 Total Funds N'000	31-Dec-22 Policy Holder's Funds N'000	31-Dec-22 Shareholder's Funds N'000	31-Dec-21 Total Funds N'000	31-Dec-21 Policy Holder's Funds N'000	31-Dec-21 Shareholder's Funds N'000
Cash and Cash Equivalents	521,053	287,820	233,233	409,669	95,000	314,669
Financial Assets: Quoted	2,472,487	1,236,780	1,235,707	2,057,403	680,806	1,376,597
Financial Assets: UnQuoted	60,000	-	60,000	40,000	-	40,000
Trade Receivable	321,147	-	321,147	67,509	-	67,509
Reinsurance Assets	422,584	281,413	141,171	410,536	258,355	152,181

Deferred Acquisition cost	37,573		37,573	143,692		143,692
Other Receivable	581,686		581,686	431,402		431,402
Investment in Subsidiaries	2,457,516		2,457,516	2,449,516		2,449,516
Investment Properties	1,901,830	608,020	1,293,810	1,891,000	521,475	1,369,525
Intangible Asset	69,561		69,561	68,684		68,684
Property, Plant and Equipment	2,588,898		2,588,898	2,595,634		2,595,634
Statutory Deposits	335,000		335,000	335,000		335,000
Total Assets	<u>11,769,335</u>	<u>2,414,033</u>	<u>9,355,302</u>	<u>10,900,045</u>	<u>1,555,636</u>	<u>9,344,409</u>
Insurance Contract Liabilities		<u>2,104,570</u>			<u>1,555,636</u>	

18 BORROWINGS

- -

19 Trade payables

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

	COMPANY	
	31-Dec-22	31-Dec-21
Reinsurance payable	23,797	152,712
Insurance payable	-	-
Other trade creditors	-	-
Balance at year end	<u>23,797</u>	<u>152,712</u>
Current	23,797	152,712

19.(i) Other trade creditors

Due to Suppliers

	COMPANY	
	31-Dec-22 N'000	31-Dec-21 N'000
Due to related parties	14,328	14,328
Deferred Fees and Commission (note 27b)	38,832	-
Provisions and accruals	42,616	46,310
Rent Received in Advance	7,348	3,657
	<u>103,124</u>	<u>64,295</u>
Current	103,124	64,295
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>

20.2 Provisions and accruals

Lease Rentals
Accrued Expenses
Payable to Associate

	COMPANY	
	31-Dec-22 N'000	31-Dec-21 N'000
Lease Rentals	-	-
Accrued Expenses	26,844	33,413
Payable to Associate	4,569	4,569
	<u>31,413</u>	<u>37,982</u>

20.3 Rent Received in Advance

Rent from Molit Mall in Advance

7,348	3,657
<u>7,348</u>	<u>3,657</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(2022) and NIL(2021).

	COMPANY	
	31-Dec-22 N'000	31-Dec-21 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 31, Dec.	-	-
22	31-Dec-22	31-Dec-21
Income tax payable	N'000	N'000
22.1 Per Profit and Loss Account		
Income Tax	4,776	11,731
Education Tax	318	1,955
Provision for NITDA Tax	265	391
	<u>5,360</u>	<u>14,077</u>
Deferred Taxation	-	-
Profit and Loss Account	<u>5,360</u>	<u>14,077</u>
22.2 Per Balance Sheet		
Taxation		
At beginning of year	5,921	6,075
Charge for the Year	5,360	14,078
Payment during the Year	-	(8,508)
At year end	<u>11,280</u>	<u>11,645</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	<u>403,685</u>	<u>403,685</u>
	<u>403,685</u>	<u>403,685</u>
24		
EQUITY		
24. 1. Share capital		
The share capital comprises:	31-Dec-22	31-Dec-21
	N'000	N'000
Authorised -		
30,000,000,000 Ordinary shares of 50k each	<u>15,000,000</u>	<u>15,000,000</u>
Issued and fully paid -		
16,000,000,000 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	713,897	609,704
Transfer from profit and loss	-	111,058
Balance, end of period	<u>713,897</u>	<u>720,762</u>
Gross Written Premium	5,666,321	3,701,938
Percentage Rate for transfer	3%	3%
Increase in Contingency	169,990	111,058
20% of Profit after tax	105,064	75,393
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
Net Fair value gain/(loss) on available-for-sale unquoted equity	-	-
Net Fair Value decrecognised at reclassification	-	-
Balance as at period end	6,460	6,460

24. 5. Revaluation Reserve	31-Dec-22 N'000	31-Dec-21 N'000
Balance, beginning of period	768,329	768,329
Revaluation Surplus	-	-
Balance as at period end	768,329	768,329

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 16 (2020 = (12)) outstanding legal proceedings against the Company as at 31, December 2021 with claims totalling N1,020,230,067 (2020 = NXXX). 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	COMPANY	
	31-Dec-22 N'000	31-Dec-21 N'000
Gross premium written		
Direct Premium:		
Motor	611,988	483,439
Fire	703,355	519,473
General Accident	651,233	349,258
Bond	308,447	111,568
Engineering	209,192	244,775
Oil & Gas	1,108,091	751,121
Aviation	173,973	204,867
Agric Insurance	24,395	10,442
Marine	505,429	271,379
	4,296,104	2,946,322
Inward Reinsurance Premium:		
Motor	93,027	22,430
Fire	255,319	128,306
General Accident	47,627	167,605
Bond	19,311	3,195
Engineering	28,667	34,777
Oil & Gas	778,383	259,347
Aviation	-	-
Agric Insurance	25,951	-
Marine	121,933	139,957
	1,370,217	755,617
Gross premium written	5,666,321	3,701,938
Changes in unearned premium		
Motor	(147,535)	(88,546)
Fire	(83,504)	(58,174)
General Accident	(83,023)	(95,597)
Bond	47,560	31,939
Engineering	(20,545)	(69,798)
Oil & Gas	(324,946)	(160,226)
Aviation	26,856	86,396
Agric Insurance	(10,620)	3,189
Marine	44,132	62,061
Net change in unearned premium	(551,625)	(295,134)

	-	-	
<i>Change in UPR per Actuarial Valuation</i>	-	-	
<i>Net change in unearned premium</i>	<u>(551,625) -</u>	<u>295,134</u>	
Gross premium earned	<u>5,114,697</u>	<u>3,406,804</u>	
Reinsurance expenses	<u>(929,289) -</u>	<u>653,545</u>	
Net insurance premium income	<u>4,185,408</u>	<u>2,753,259</u>	
	-	-	
25(1) Net Premium Income	COMPANY		
	31-Dec-22	31-Dec-21	
	N'000	N'000	
Gross Premium Written	5,666,321	3,701,938	
Changes in Unearned Premium	<u>(551,625)</u>	<u>(295,134)</u>	
Gross Premium Earned	<u>5,114,697</u>	<u>3,406,804</u>	
Reinsurance expenses	-	(653,545)	
Net Insurance Premium Income	<u>5,114,697</u>	<u>2,753,259</u>	
26 Reinsurance expenses			
Reinsurance costs			
Motor	289,633	128,659	
Fire	73,044	62,231	
General Accident	50,235	53,648	
Bond	-	3,913	
Engineering	556	16,976	
Oil & Gas	479,171	318,289	
Aviation	-	-	
Agric Insurance	-	-	
Marine	36,649	69,829	
Movement in Reinsurance Share of UPR	-	-	
	<u>929,289</u>	<u>653,545</u>	
27 Fees and Commission Income	31-Dec-22	31-Dec-21	
	N'000	N'000	
Motor	98,454	71,353	
Fire	18,132	8,994	
General Accident	11,637	8,259	
Bond	1,563	-	
Engineering	149	804	
OIL & GAS	-	-	
Agric Insurance	-	-	
Marine	7,577	2,941	
	<u>137,511</u>	<u>92,352</u>	
Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under re	-	-	
28 Claims expenses	COMPANY		
	31-Dec-22	31-Dec-21	
	N'000	N'000	
Direct claims paid during the year	682,589	641,901	
Changes in outstanding claims	214,822	(3,327)	
Additional charge to claims reserve per actuarial valuation (IBNR)	-	-	
Changes in Outstanding claims (IBNR)	<u>(220,384) -</u>	<u>286,615</u>	
Gross claims incurred	<u>677,027</u>	<u>351,959</u>	
Reinsurance claims recoverable(Note 28(a))	<u>(73,530) -</u>	<u>45,831</u>	
Reinsurance recovery per Actuarial Valuation	-	-	
	<u>603,497</u>	<u>306,128</u>	
28.a REINSURANCE CLAIMS RECOVERABLE			
Claims paid recovered from Reinsurance	(295,952) -	295,952	
Changes in Outstanding claims and IBNR	<u>(5,562) -</u>	<u>289,942</u>	
Total	<u>(301,514)</u>	<u>(585,894)</u>	
28.b Claims Ceded to Reinsurer			
Reinsurance claim received	-	-	
Increase/(Decrease) in Reinsurer's share of Outstanding claims recoverable	57,708	-	

Increase/(Decrease) in Reinsurer's share of IBNR	-	-
Increase/(Decrease) in Recovarable on claims paid	57,708	-

29 Underwriting expenses

preparation of statistics and reports, and other attributable incidental costs.

	COMPANY	
	31-Dec-22	31-Dec-21
Gross commission paid	N'000	N'000
Motor	73,756	51,281
Fire	194,195	135,634
General Accident	141,120	116,581
Bond	65,462	21,061
Engineering	51,217	48,133
Oil & Gas	280,014	115,701
Aviation	-	-
Marine	122,349	95,686
Agric Insurance	9,551	3,636
Total Commission paid	937,665	587,713
Changes in differred commission		
Motor	19,033 -	10,843
Fire	16,866	9,185
General Accident	17,122 -	25,296
Bond	(9,217)	7,389
Engineering	12,240 -	11,435
Oil & Gas	59,563 -	12,929
Aviation	(4,858) -	1,865
Marine	(5,612)	11,232
Additional (DCA) per acturial Report	-	-
Changes in differred commission	105,137	(34,562)
Acquisition expenses	1,045,187	553,081
Maintenance expenses	939,345	574,326
Underwriting expenses	1,984,532	1,127,407

30 INVESTMENT INCOME

	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
Dividend - Quoted and unquoted investments	132,111	97,392
Interest on call deposits	17,439	4,561
Profit/(loss) on disposal of non-current assets	560	10
Other income	1,990	679
	152,100	102,642

30.a ANALYSIS OF INVESTMENT INCOME

Investment income attributable to policyholders	-	-
Investment income attributable to shareholders	152,100	102,642
	152,100	102,642

30.b Investment income attributable to shareholders

Dividend - Quoted and unquoted investments	132,111	97,392
Interest on call deposits	17,439	4,561
Profit/(loss) on disposal of non-current assets	560	10
Other Income	1,990	679
	152,100	102,642

30.c Investing Activities

Dividend - Quoted and unquoted investments	132,111	97,392
Interest on call deposits	17,439	4,561
	149,550	101,953

30.d Operating Activities

Other Income	1,990	679
	1,990	11,031

30.e Sundry Income

Profit/(loss) on disposal of non-current assets	560	-
	560	-

COMPANY

	31-12-2022	31-12-2021
	N'000	N'000
31 FAIR VALUE GAINS/(LOSS)		
31 (i) Net Fair Value Gains/(Loss)		
On Investment properties	-	-
On Financial Assets	187,302	-
Net Fair Value Gains/(Loss)	<u>187,302</u>	<u>-</u>

Credit loss expense (COMPANY)

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

	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
32 Other operating and administrative expenses		
(i) Employee benefits expense		
Staff cost	209,008	193,772
Contributions to defined pension scheme	-	-
Other staff costs (Notes 32.(i.a))	<u>379,541</u>	<u>292,096</u>
	<u>588,548</u>	<u>485,868</u>
(i.a) Other staff costs		
Temporary Staff Salaries	138,008	69,319
Staff Training & Entertainment	15,163	7,460
Staff other benefits	199,209	169,460
Leave Allowance	18,205	38,492
Staff Gratuity	-	-
Nigeria Social Ins Trust Fund	2,365	2,803
Staff GPA Insurance	6,590	4,562
	<u>379,541</u>	<u>292,096</u>

(ii) Management expenses comprise;		
Bank charges	14,554	8,320
Other charges and expenses (Note 32.(iia))	494,075	333,604
General maintenance and running costs	108,105	73,577
Legal and professional fees	158,041	118,049
Audit fees	8,000	-
Insurance supervision fees	35,326	35,650
Depreciation	116,772	102,618
Amortisation of Intangible Assets	20,190	18,939
Impairment gain/(loss)	-	-
Interest on overdrafts	-	-
Cost of sales - Hotels	-	-
Other operating expenses	<u>955,063</u>	<u>689,756</u>
Other operating and administrative expenses	<u>1,543,611</u>	<u>1,175,623</u>

	COMPANY	
	31-Dec-22	31-Dec-21
	N'000	N'000
(ii.a) Other charges and expenses		
OTHER PROFESSIONAL CHARGES	-	-
TRANSPORT ALLOWANCE	5,288	4,832
TERMINAL PAY	220	10,043
HOTEL ACCOMMODATION	9,799	10,134
SECURITY EXPENSES	1,903	1,163
ENTERTAINMENT	25,090	20,651
BUSINESS PROMOTION	-	-
ADVERTISEMENT	81,497	45,312
NEWSPAPERS & PERIODICALS	168	205
TELEPHONE BILLS	2,543	2,805
INTERNET CONNECTIVITY	27,882	15,351
PRINTING COST	32,487	22,695
STATIONERY COST	6,122	12,709
LOCAL GOVT. LEVIES	844	1,067
VALUE ADDED TAX/STAMP DUTIES	32,522	4,570
LEVY/FEE/PENALTY	7,455	2,858
DIRECTORS EXPENSES	-	-
DIRECTORS SITTING ALLOWANCES	-	17,010
ASSETS INSURANCE EXPENSES	7,746	7,922
FILING FEE	700	550
DIRECTORS FEES	16,000	10,330
GIFTS	40,453	40,239
OFFICE CLEANING EXPENSES	3,493	3,763

CHRISTMAS GIFT/SUNDRY	60,709	17,898
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	2,321	4,008
MEDICAL EXPENSES	14,991	16,474
WATER BILL	956	834
COOKING GAS	-	-
ENTERTAINMENT ALLOWANCE	-	-
EXCHANGE VARIANCE A/C	-	1,896
POSTAGES & COURIER	1,775	-
INTEREST ON LOANS	113	-
OVERSEAS TRAVEL EXPENSES	78,107	40,957
SERVICE CHARGE - ABUJA	-	-
RENT & RATES	11,219	-
NIA LEVIES	-	-
INDUSTRIAL TRAINING FUND LEVY	-	-
ANNUAL GENERAL MEETING	21,133	14,142
TRAINING	-	-
REPAIRS AND MAINTENANCE TV SET + RADIO	539	-
SEVERANCE PACKAGE	-	185
REPAIRS AND MAINTENANCE TV SET + RADIO	-	2,000
RENT & RATES - ABAKALIKI	-	-
FUEL	-	-
	<u>494,075</u>	<u>332,603</u>

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

Earnings per share

	31/012/2022	31-Dec-21
	N'000	N'000
Profit attributable to equity holders	<u>525,320</u>	<u>376,966</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) 3.283 2.356

The calculation of basic earnings per share at 31,Dec. 2022 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	51,120
Other payables	4,569	4,569
Due to Related Parties	<u>14,328</u>	<u>14,328</u>
	<u>70,017</u>	<u>70,017</u>

Other Loans And Receivables of N51,120,000.00 is due to related party-- Universal Hotels Limited

35.2 Related Party

Conau Limited	-	-
Universal Hotels Limited	51,120	51,120
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>70,017</u>

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

	COMPANY	
	31-Dec-22	31-Dec-21
	Number	Number
Executive directors	7	3
Management	37	24
Non-management	<u>62</u>	<u>70</u>
	<u>106</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.

	31-Dec-22 N'000	31-Dec-21 N'000
Penalty to Securities and Exchange Commission (SEC)(See (i) below)	-	-
Penalty to Financial Reporting Council of Nigeria (FRC)(See (ii) below)	-	-
	<u>-</u>	<u>-</u>