

## **SECOND QUARTER MANAGEMENT ACCOUNT**

**For The Period Ended 30 JUNE, 2023**

# **Universal Insurance Plc**

**RC 2460**

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**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

**COMPANY**

	NOTES	30-Jun-23	30-Jun-22
		N'000	N'000
<b>Assets</b>			
Cash and Cash Equivalents	6	941,783	708,306
Financial Assets	7	3,142,732	2,688,391
Trade Receivable	8	693,531	219,121
Reinsurance Assets	9	817,107	437,710
Deferred Acquisition cost	10	619,478	371,547
Deferred tax assets	23.a	403,685	403,685
Other Receivables	11	416,250	621,048
Investment in Subsidiaries	12	2,692,232	2,449,516
Investment Properties	13	1,923,414	1,901,830
Intangible Asset	14	64,939	57,121
Property, Plant and Equipment	15	2,587,741	2,641,040
Statutory Deposits	16	335,000	335,000
<b>Total Assets</b>		<b>14,637,892</b>	<b>12,834,315</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	17	3,449,342	1,234,648
Borrowings	18	-	-
Trade payable	19	72,370	73,940
Other payable	20	114,725	94,734
Employee benefit liability	21	-	-
Income Tax liabilities	22	29,764	26,324
Deferred tax liabilities	23	296,875	296,875
<b>Total Liabilities</b>		<b>3,963,075</b>	<b>1,726,520</b>
<b>Equity</b>			
Issued and paid Share capital	24. 1	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018
Contingency Reserves	24. 3	1,039,917	817,229
Fair value reserve	24. 4	6,460	6,460
Non Current assets revaluation reserve	24. 5	768,329	768,329
Retained earnings	24. 6	35,094	690,759
<b>Shareholders funds</b>		<b>10,674,817</b>	<b>11,107,794</b>
Other equity instruments		-	-
<b>Non - controlling interests</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>14,637,892</b>	<b>12,834,315</b>

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**Signed on behalf of the Board of Directors on, July 12, 2023**



**BENEDICT UJOATUONU**  
**CHIEF EXECUTIVE OFFICER**  
**FRC/2013/CIIN/000003282**



**SAMUEL U. NDUBUISI**  
**CHIEF FINANCE OFFICER**  
**FRC/2013/ICAN/000003290**

The accounting policies and the accompanying notes form an integral part

# Universal Insurance Plc

## Statements of Comprehensive Income

For the PERIOD ENDED 30 JUNE 2023

	Notes	1/04/2023 to		1/04/2022 to	
		30-Jun-23	30/06/2023	30-Jun-22	30/06/2022
		N'000		N'000	
Gross Premium written	25	5,201,000	2,962,264	3,444,384	2,083,131
Decrease/(increase) in unearned premium		(2,208,708)	(537,909)	(1,216,327)	(419,534)
Gross Premium Earned		2,992,291	2,424,355	2,228,057	1,663,597
Reinsurance Premium Expense	26	(713,811)	(475,411)	(484,877)	(225,094)
Net Insurance Premium Income		2,278,480	1,948,944	1,743,180	1,438,503
Fees and Commission income	27	71,428	68,463	48,829	44,149
Total Underwriting Income		2,349,908	2,017,407	1,792,009	1,482,652
<i>Insurance benefits</i>					
Claims expenses	28	(139,107)	(98,416)	(23,646)	(163,532)
Increase/(Decrease) in claims and IBNR reserves per actuarial valuation	28	-	-	-	-
Claims Expense Recovery from Reinsurance	28	275,795	39,465	7,420	120
Change in contract liabilities	28	-	-	-	-
Net insurance benefit and claims		136,688	(58,950)	(16,226)	(190,338)
Underwriting Expenses					
Acquisition expenses	29	(581,414)	(376,652)	(352,738)	(257,685)
Maintenance expenses	29	(627,391)	(476,922)	(468,364)	(295,375)
Total Underwriting Expenses		(1,208,804)	(853,575)	(821,102)	(553,060)
Underwriting Profit/(Loss)		1,277,792	1,104,882	954,680	971,576
Investment income	30	109,817	101,800	87,432	59,307
Other operating income		-	-	-	-
Total investment income		109,817	101,800	87,432	59,307
Net Income		1,387,610	1,206,682	1,042,113	1,030,882
Unrealised fair value gain		610,245	51,949	343,206	60,819
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	(1,024,266)	(931,149)	(581,501)	(594,670)
Total Expenses		(414,021)	(879,200)	(238,295)	(655,489)
Result of operating activities		973,588	327,482	803,818	375,393
Interest expense	33	-	-	-	-
Profit or (Loss) before Taxation		973,588	327,482	803,818	375,393
Income Tax (Expense)/ Credit	22.1a	(25,411)	(11,462)	(8,119)	(7,358)
Profit or Loss after Taxation		948,178	316,020	795,699	368,035
Profit/(Loss) to Equity holder		948,178	316,020	795,699	368,035
Other comprehensive income /(loss)		-	-	-	-
Revaluation surplus on PPE		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year					
Profit attributable to:					
Equity holders of the Company		948,178	316,020	795,699	368,035
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		948,178	316,020	795,699	368,035
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		948,178	316,020	795,699	368,035
Total comprehensive income attributable to:					
Equity holders of the company		948,178	316,020	795,699	368,035
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		948,178	316,020	795,699	368,035
Earnings per share-(basic and diluted)(Kobo)	2 34	5.93	1.98	4.97	2.30

THE UNIVERSAL INSURANCE PLC

UNIVERSAL INSURANCE PLC.  
2nd QUARTER 2023 MANAGEMENT ACCOUNT

UNDERWRITING REVENUE ACCOUNT  
FOR THE PERIOD ENDED 30 JUNE 2023

	MOTOR	FIRE	GENERAL ACCID	BOND	ENGINEERING	OIL & GAS	AVIATION	AGRIC INS	MARINE	Jun-23	1/04/2023 To 30/06/2023	1/04/2022 To 30/06/2022	1-Jun-22
	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	384,066	690,317	411,539	453,632	111,793	1,150,218	-	11,030	395,341	3,607,937	2,282,453	862,702	2,329,313
Reinsurance Accepted	63,895	241,297	47,186	19,420	37,492	1,083,104	-	14,377	86,292	1,593,063	679,811	232,911	1,115,070
Gross Premium Written	447,961	931,614	458,725	473,052	149,285	2,233,322	-	25,407	481,633	5,201,000	2,962,264	1,095,613	3,444,384
Changes in Reserve for Unexpired Risk (*)	(183,802)	(300,089)	(101,463)	(154,818)	68,361	(1,470,002)	(22,426)	967	(45,435)	(2,208,708)	(537,909)	(608,164)	-
Gross Premium Earned	264,159	631,525	357,262	318,234	217,646	763,320	(22,426)	26,374	436,198	2,992,291	2,424,355	487,449	3,444,384
Net Reinsurance Recovery (UPR) per actuarial valuation										-	-	-	-
Reinsurance cost	(155,337)	(46,214)	(24,018)	(3,609)	(5,309)	(473,513)	-	-	(5,812)	(713,811)	(475,411)	(190,671)	(484,877)
Net Premium Written	108,823	585,311	333,244	314,625	212,337	289,807	(22,426)	26,374	430,386	2,278,480	1,948,944	296,778	2,959,507
Commission Received	53,920	8,681	6,907	722	53	-	-	-	1,145	71,428	68,463	8,130	48,829
Net Income	162,743	593,993	340,151	315,347	212,390	289,807	(22,426)	26,374	431,530	2,349,908	2,017,407	304,908	3,008,336
Claims Incurred:													
Direct Claims Paid	101,673	585,979	113,955	-	51,026	177	167,555	675	1,682	1,022,722	499,487	163,532	347,507
Provision for Outstanding claims (IBNR)	(491)	(84,541)	(49,000)	(74,702)	(50,688)	(78,907)	(136,582)	(9,094)	(48,950)	(532,955)	(296,718)	-	(249,321)
Additional charge to claims reserve per actuarial valuation (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Provision for Outstanding Claims (**)	(3,909)	(186,843)	(20,062)	-	(21,666)	(2,485)	(113,737)	-	(1,960)	(350,661)	(104,354)	-	(74,540)
Gross Claims Incurred	97,274	314,595	44,893	(74,702)	(21,327)	(81,215)	(82,764)	(8,419)	(49,229)	139,106	98,416	163,532	23,646
Reinsurance Claims Recovery per actuarial valuation										-	-	-	-
Reinsurance Recovery (IBNR) per actuarial valuation										-	-	-	-
Reinsurance Claims Recovery	(15,344)	(260,451)	-	-	-	-	-	-	-	(275,795)	(39,465)	(7,410)	(7,420)
Net Claims Incurred	81,929	54,145	44,893	(74,702)	(21,327)	(81,215)	(82,764)	(8,419)	(49,229)	(136,689)	58,950	156,122	16,226
Underwriting Expenses:	-												
Commission Paid	55,902	180,419	91,543	93,659	24,655	471,081	-	5,980	78,628	1,001,866	482,648	150,828	571,192
Changes in deferred commission	(36,730)	(38,435)	(19,870)	(30,166)	19,745	(309,192)	(4,592)	(8)	(1,205)	(420,452)	(105,995)	-	(218,453)
Additional (DCA) per actuarial valuation report													
Maintenance expenses	70,355	69,090	69,095	69,090	69,090	69,090	69,090	-	142,488	627,391	476,922	323,998	468,364
Total Underwriting Expenses	89,527	211,075	140,768	132,583	113,490	230,979	64,498	5,973	219,911	1,208,804	853,575	474,826	821,102
Total Expenses	171,457	265,219	185,661	57,881	92,163	149,764	(18,266)	(2,447)	170,683	1,072,115	912,525	630,948	837,328
Underwriting Result	(8,714)	328,773	154,489	257,466	120,227	140,042	(4,161)	28,821	260,848	1,277,793	-	(326,040)	2,171,008
Provision for Unexpired Risk- 1 JANUARY 2022	120,556	252,730	179,936	152,063	143,267	5,107	19,565	13,802	151,134	1,038,161	687,341	974,080	974,080
Provision for Unexpired Risk- 31, March 2023	304,357	552,820	281,399	306,881	74,906	1,475,109	41,992	12,836	196,569	3,246,869	1,225,250	974,080	974,080
Additional charge (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Unexpired Risk- 30 June 2022	304,357	552,820	281,399	306,881	74,906	1,475,109	41,992	12,836	196,569	3,246,869	1,225,250	974,080	974,080
* Changes in reserve for unexpired Risk	(183,802)	(300,089)	(101,463)	(154,818)	68,361	(1,470,002)	(22,426)	967	(45,435)	(2,208,708)	(537,909)	-	-
Gross Claims Outstanding													
Provision for Outsanding Claims- 1 JANUARY 2022	49,578	207,377	89,507	251	22,537	18,340	140,609	-	1,362	529,560	404,704	311,420	311,420
Provision for Outsanding Claims- 31, March 2023	45,669	20,534	69,445	251	871	15,855	26,872	-	(598)	178,899	300,351	311,420	236,880
** Changes in provision for outstanding claims	(3,909)	(186,843)	(20,062)	-	(21,666)	(2,485)	(113,737)	-	(1,960)	(350,661)	(104,354)	-	(74,540)

**Universal Insurance Plc**  
**Statements of Changes in Equity (COMPANY)**  
for the period ended 30 JUNE 2023

UNIVERSAL INSURANCE PLC.  
2nd QUARTER 2023 MANAGEMENT ACCOUNT

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	883,887	6,460	(757,054)	9,726,640
							-
	8,000,000	825,018	768,329	883,887	6,460	(757,054)	9,726,640
<b>Total comprehensive income</b>							
<b>Profit and loss</b>	-	-	-	-	-	948,178	948,178
<b>Other comprehensive income</b>							-
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	-	-	-		-		-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(156,030)	948,178
<b>Transfer during the year</b>							
Dividends to equity holders	-	-	-	-	-	-	-
<b>Total contribution and distributions to owners</b>	-	-	-	-	-	-	-
<b>Balance at 31 DEC. 2022</b>	<b>8,000,000</b>	<b>825,018</b>	<b>768,329</b>	<b>883,887</b>	<b>6,460</b>	<b>35,094</b>	<b>10,674,817</b>
<b>Balance at 1 January 2023</b>	<b>8,000,000</b>	<b>825,018</b>	<b>768,329</b>	<b>609,704</b>	<b>6,460</b>	<b>(1,232,264)</b>	<b>8,977,247</b>
							-
	8,000,000	825,018	768,329	609,704	6,460	(1,232,264)	8,977,247
<b>Total comprehensive income</b>							
<b>Profit and loss</b>	-	-	-	-	-	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)	-
<b>Total comprehensive income for the period</b>	-	-	-	63,204	-	252,816	316,020
<b>Transfer during the year</b>							
Dividends to equity holders	-	-	-	-	-	-	-
<b>Total contribution and distributions to owners</b>	-	-	-	-	-	-	-
<b>Balance at 30 JUNE, 2023</b>	<b>8,000,000</b>	<b>825,018</b>	<b>768,329</b>	<b>672,909</b>	<b>6,460</b>	<b>(979,448)</b>	<b>9,293,267</b>

Universal Insurance Plc  
Statement Of Cash Flows

**For the year ended 30 JUNE, 2023**

Cash flows from operating activities  
Insurance premium received from policy holders, Brokers & Agents, Cedants  
Commission received  
Reinsurance receipts in respect of claims  
Reinsurance premium paid  
Prepaid Minimum and Deposit on Oil & Gas  
Other operating cash payments  
Insurance benefits and Claims paid  
Payments to intermediaries to acquire insurance contracts  
Maintenance expenses  
Interest Received  
Dividend Income Received  
Cash generated from operations  
Interest Paid  
Company Income Tax paid

Net cash provided by operating activities

Cash Flows from Investing Activities  
Purchase of property, plant and equipment  
Purchase of Intangible Assets  
Purchase of Listed Equities  
Investment income and other receipts  
Unlisted AFS Disposed  
Net Cash provided by investing activities

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  
Net increase/decrease in cash and cash equivalents  
Cash and Cash equivalent at the end of period

	UNIVERSAL INSURANCE PLC. 2nd QUARTER 2023 MANAGEMENT ACCOUNT	
	COMPANY	
	30-Jun-23	30-Jun-22
	N'000	N'000
	5,356,430	3,499,721
	71,428	48,829
	(295,952)	(295,952)
	(713,811)	(484,877)
	(11,276)	(52,312)
	(1,590,704)	(821,574)
	(1,022,722)	(347,507)
	(1,001,866)	(571,192)
	(627,391)	(468,364)
	9,232	7,515
	93,244	79,917
	266,613	594,205
	-	0
	(14,901)	-
	251,712	594,205
	(21,256)	(71,490)
	(4,323)	(7,657)
	-	0
	7,341	0
	-	0
	(18,238)	(79,147)
	-	-
	-	-
	-	-
	708,308	193,250
	233,474	515,058
	941,782	708,308

**UNIVERSAL INSURANCE PLC  
COMPUTATION OF SOLVENCY MARGIN**

**AS AT 30 JUNE, 2023**

**1 ASSETS**

Cash and bank balances
Financial Assets - Quoted
Financial Assets - Unquoted
Trade Receivable
Reinsurance Assets
Deferred Acquisition cost
Deferred tax assets
Other Receivable
Investment in Subsidiaries
Investment Properties
Intangible Asset
Property, Plant and Equipment
Statutory Deposits

<b>TOTAL</b>	<b>Inadmissible</b>	<b>Admissible</b>
<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
941,783		941,783
3,082,732		3,082,732
60,000	-	60,000
693,531		693,531
817,107		817,107
619,478		619,478
403,685	403,685	0
416,250	371,628	44,622
2,692,232	690,122	2,002,110
1,923,414	816,000	1,107,414
64,939	64,939	-
2,587,741	2,443,867	143,874
335,000		335,000
<b>14,637,892</b>	<b>4,790,241</b>	<b>9,847,650</b>
Insurance Contract Liabilities		3,449,342
Trade payable		72,370
Other payable		114,725
Employee benefit liability		-
Income Tax liabilities		29,764
Deferred tax liabilities	296,875	-
	<b>296,875</b>	<b>3,666,200</b>
		-
		<b>6,181,450</b>

**LIABILITIES**

Insurance Contract Liabilities
Trade payable
Other payable
Employee benefit liability
Income Tax liabilities
Deferred tax liabilities

**B**

**Excess of total admissible assets over  
admissible liabilities (A - B)**

Higher of:

Gross premium written		<b>2,992,291</b>
Less: Reinsurance expenses		<b>(713,811)</b>
<b>Net Premium</b>		<b>2,278,480</b>
<b>15% of Net Premium</b>	<b>C</b>	<b>341,772</b>
<b>Solvency Margin</b>	<b>D</b>	<b>6,181,450</b>
<b>Minimum Paid up Capital</b>	<b>E</b>	<b>3,000,000</b>
<b>Excess of solvency margin over minimum capital base</b>		<b>3,181,450</b>

- 1 General Information:**  
The financial statements of the Company for the period ended 30 JUNE, 2023 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.
- Credit risk**  
**4.2.2 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.
- Liquidity risk**  
**4.2.3 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  
  
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.
- Impairment assessment (Policy applicable from 1 January 2021)**  
**4.3 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 The Company's process to assess changes in credit risk is multi-factor and has three main elements (or 'pillars'):  
- quantitative element (i.e. reflecting a quantitative comparison of PD at the reporting date and PD at initial recognition);  
- a qualitative element; and  
- 'backstop' indicators
- 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:
- 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
- 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
- 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
- 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
- Impairment assessment (Policy applicable from 1 January 2022)**  
**4.4 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.  
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 - 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:  
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

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

4.4.1 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.

#### 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.

	30 JUNE, 2023	30 JUNE, 2022
Share Capital	825,018	825,018
Share Premium	996,481	783,916
Retained earnings	-	-
Contingency Reserve	6,460	6,460
Excess of admissible assets over liabilities	1,827,958	1,615,394
Less the amount of own shares held (Treasury shares)	-	-
	1,827,958	1,615,394
Subordinated liabilities approval by NAICOM	-	-
Other financial instrument approved by NAICOM	-	-
Capital Requirement	1,827,958	1,615,394
<b>6 Cash and Cash Equivalent</b>		
COMPANY		
	30 JUNE, 2023	30 JUNE, 2022
This comprises of:	N'000	N'000
Cash In Hand	61,703	51,428
Current Account Balances	564,478	192,808
Placement with banks	316,630	2,854
	942,811	247,090
Allowance for Impairment Losses	(1,028)	(510)
	941,783	246,580
<b>6.3 Reconciliation of ECL Impairment allowance</b>		
COMPANY		
	30 JUNE, 2023	30 JUNE, 2022
	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	505	510
<b>7 Financial asset</b>		
COMPANY		
	30 JUNE, 2023	30 JUNE, 2022
	N'000	N'000
Equity instrument at fair value through profit or loss		
-Mandatorily measured at FVPL	3,082,732	2,461,227
Equity instrument at fair value through OCI	60,000	40,000
Total Equity instruments	3,142,732	2,097,403
Current		
Non-current	3,142,732	1,984,635
<b>(a) Financial assets at fair value through profit or loss</b>		
COMPANY		
	30 JUNE, 2023	30 JUNE, 2022
	N'000	N'000
Listed Equity securities		
Balance as at January 1	2,472,487	2,285,185
Addition during the year	-	-
Reclassification from FVOCI ( MTN shares- Note 7(b))	-	-
Disposal during the year	-	-
Fair value gain/(loss)	610,245	176,042
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at Dec. 30	3,082,732	2,461,227
<b>(b) Fair Value through Other Comprehensive Income (FVOCI) Financial Assets</b>		
COMPANY		
	30 JUNE, 2023	30 JUNE, 2022
	N'000	N'000
Unlisted Equity securities		
Balance as at January 1	60,000	40,000
Addition during the year	-	-
Reclassification to FVTPL ( MTN shares- Note 7(a))	-	-
Disposal during the year	-	-
Fair value gain/(loss)	-	-
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at December 31	60,000	40,000
<b>(b.1) Returns on MTN shares</b>		
	=N=	
2021	131,994	
2020	97,342	
2019	155,093	
<b>8 Trade Receivables</b>		
COMPANY		
	30 JUNE, 2023	30 JUNE, 2022
	N'000	N'000
Insurance receivables	693,531	848,961
Other receivables (From subsidiary)	-	-
Impairment on Subsidiary	-	-
	693,531	848,961
<b>8.1 Age Analysis of Trade receivables</b>		

Within 30 days	693,531	848,961
Above 30 days	-	-
	<u>693,531</u>	<u>848,961</u>

8.2 Premium receivable from agents, brokers and intermediaries

Due from agents	-	-
Due from brokers	47,097	35,462
Due from insurance companies	646,433	813,004
	<u>693,531</u>	<u>848,466</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>

	COMPANY	
	30 JUNE, 2023 N'000	30 JUNE, 2022 N'000
9 Reinsurance Assets		
Reinsurance Share of UPR	328,947	223,411
Reinsurance Share of Outstanding Claims	348,451	33,555
Reinsurance Share of IBNR	128,432	128,432
Total Reinsurance Assets	<u>805,830</u>	<u>385,398</u>
Prepaid Minimum and Deposit (M&D) on Oil & Gas	11,276	52,312
	<u>817,107</u>	<u>437,710</u>

9.1 Movements in Reinsurance share of UPR			
At the beginning of the year	176,382	176,382	182586
Increase/(Decrease) during the year	-	-	-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	121,236	114,181	133878
Increase/(Decrease) during the year	7,055	7,055	-19697
Balance at the end of the year	<u>128,291</u>	<u>121,236</u>	114181

9.3 Movement in Reinsurance Share of IBNR			
Balance at the beginning of the year	33,690	33,690	124414
Increase/(Decrease) during the year	-	-	-124414
Allowance for impairment	-	-	0
Balance at the end of the year	<u>33,690</u>	<u>33,690</u>	0

9.4 Movement in Reinsurance Share of Prepaid (M&D)			
Balance at the beginning of the year	43,472	47,948	12465
Increase/(Decrease) during the year	(4,476)	(4,476)	35483
Balance at the end of the year	<u>38,996</u>	<u>43,472</u>	47948

(7,055)

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	
	30 JUNE, 2023 N'000	30 JUNE, 2022 N'000
Motor	38,021	12,010
Fire	104,311	44,102
General accident	55,910	50,903
Bond	80,852	7,421
Engineering	12,615	4,329
Oil & Gas	310,390	222,890
Aviation	8,370	3,378
Marine	26,169	21,851
Agric Insurance	3,030	-
Additional (DCA) per actuarial Valuation Report	-	-
	<u>619,478</u>	<u>366,884</u>

10.1 Movement in deferred acquisition cost

At beginning of year	366,884	201,542
Changes during the year	252,594	165,342
At end of year	<u>619,478</u>	<u>366,884</u>
Due within 12 months	<u>619,478</u>	<u>366,884</u>
Due after more than 12 months	-	-

11 Other Receivables, Prepayments

	COMPANY	
	30 JUNE, 2023 N'000	30 JUNE, 2022 N'000
The balance is analysed as follow:		
Prepayments	329,494	346,333
Due from Related Parties	51,120	51,120
Staff Debtors	50,351	55,189
Staff Share Loan	-	-
Deposit for properties (reclassified from inv. Properties) (11(v))	-	720,000
Other receivables	7,258	4,267
Stock of Raw Materials	-	-
	<u>438,223</u>	<u>1,176,909</u>
Impairment of due from related parties	(2,670)	3,073
Impairment Charges on Staff loan	(147)	649
Impairment of other loans and receivables	(19,155)	(736,695)
	<u>416,250</u>	<u>436,492</u>

Current	416,250	436,492
Non-current	-	-

Movement in staff share loan

	COMPANY	
	30 JUNE, 2023 N'000	30 JUNE, 2022 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>416,250</u>	<u>431,402</u>

11.2 Prepayments	-4502,19375	66,499
Other Receivables	45,040	32,072
Prepaid Rent	34,141	47,229
Recapitalization Expenses	137,960	129,000
Dividend/Interest Payables(Lease)	63,420	45,081
FIRS WTH A/C	26,910	26,451
	<u>302,969</u>	<u>279,833</u>

11.2.a Other Receivables		
Other Receivable	28,737	29,217
Advance Debtors	-	10
Other Prepayments	3,124	2,845
	<u>31,871</u>	<u>32,072</u>

11.2.b Recapitalization Expenses		
Prepaid Merger Expenses	50,000	50,000
Recapitalization Expenses	87,960	79,000
	<u>137,960</u>	<u>129,000</u>

11.3	Staff Debtors			
	Prepaid Staff Personal Loan		50,351	55,189
11.3.1	Movement in staff Debtors	30 JUNE, 2023	30 JUNE, 2022	
		N'000	N'000	
	Balance as at January 1		41,126	-
	Addition in the year		9,225	41,126
	Interest earned during the year		-	-
	Repayments during the year		-	-
	Balance as at 31. Dec		50,351	41,126

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.

		COMPANY	
12	Investment in subsidiaries	30, JUNE, 2023	30, JUNE, 2022
	This comprises of investment in:	N'000	N'000
	Universal Hotels Limited (Note 12(i))	2,692,232	2,449,516
	Impairment charge on Universal Hotel	-	-
	Investment in subsidiaries	2,692,232	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.

		30 JUNE, 2023	30 JUNE, 2022
		N'000	N'000
13	Investment properties		
	Oyigbo Garden Avenue estate	559,368	548,320
	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	548,046	537,430
		1,923,414	1,901,750
	Impairment loss on investment properties	-	-
		1,923,414	1,901,750

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.

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Balance as at 31 December	Status in Title
13.a	Movement of Assets							
	1 Oyigbo Garden Avenue Estate	548,400	-	-	-	-	548,400	Yes
	2 Rumudumu For Model Estate	816,000	-	-	-	-	816,000	NO
	3 Molit Mall	537,430	-	-	-	-	537,430	Yes
	Total	1,901,830	-	-	-	-	1,901,830	

13.b	Assets In The Name of Conau Limited:	30 JUNE, 2023	30 JUNE, 2022
		N'000	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	
		30 JUNE, 2023	30 JUNE, 2022
		N'000	N'000
	Cost		
	Balance, beginning of period	161,997	140,713
	Additions	4,323	7,657
	Transferred from PPE (Computer)	-	-
	Balance, end of period	166,321	148,369
	Accumulated amortisation		
	Balance, beginning of period	91,837	72,169
	Amortisation expense/impairment charge	9,545	19,080
	Transferred from PPE (computer)	-	-
	Balance, end of period	101,381	91,249
	Net book amount		
	End of period	64,939	57,121

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)								
	La	Building	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computer Hardware	Total		
	N'0	N'000	N'000	N'000	N'000	N'000	N'000		
	Cost/Revalued amount								
	Balance, beginning of period	3,117,578	42,354	149,653	441,226	39,710	4,049,381		
	Additions during the year	-	7,876	2,335	6,200	4,845	21,256		
	Disposals	-	-	-	-	-	-		
	Revaluation	-	-	-	-	-	-		
	Balance, end of period	3,117,578	50,230	151,988	447,426	44,555	4,070,636		
	Accumulated depreciation								
	Balance, beginning of period	959,965	24,216	102,408	347,466	19,274	1,453,330		
	Charge for the year	-	2,224	4,151	21,302	1,888	29,566		
	On Disposal	-	-	-	-	-	-		
	Balance, end of period	959,965	26,440	106,559	368,769	21,163	1,482,896		
	Netbook value as at 30,JUNE, 2023	2,157,613	23,790	45,429	78,657	23,392	2,587,741		
	Netbook value as at 1 JANUARY 2023	2,157,613	18,138	47,244	93,760	20,436	2,596,051		
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	370,692	-	-	-	-	-	10,114	360,578
	Property at New Owerri Road Behind CBN, Owerri	964,800	-	-	-	-	-	25,956	938,844
	Property at no 2 Emole Street Enugu	73,265	-	-	-	-	-	2,010	71,255
	49A,50A,51A,52A and 53A city Layout Enugu	591,305	-	-	-	-	-	16,100	575,205
	Elowahani Shell estate, Obior Akpor LGA, Portharcourt	269,130	-	-	-	-	-	7,114	262,016
	Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
	Total	2,526,692	-	-	-	-	-	61,294	2,465,398

16	STATUTORY DEPOSIT	30 JUNE, 2023	30 JUNE, 2022
		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	30 JUNE, 2023		30 JUNE, 2022	
	N'000		N'000	
Aggregate Insurance Contract Liabilities				
Unearned Premium		3,246,869		974,080
Outstanding Claims		178,899		236,880
IBNR		23,573		23,688
Total		<u>3,449,342</u>		<u>1,234,648</u>

## 17.(i) Insurance Contract Liabilities

17 b. Hypothecation of investment/assets	30, JUNE, 2023		30, JUNE, 2023		30, JUNE, 2022		30, JUNE, 2022	
	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	Total Funds N'000	Policy Holder's Funds N'000
Cash and Cash Equivalents	941,783	915,894	25,889	708,306	287,820	420,486		
Financial Assets: Quoted	3,082,732	1,236,780	1,845,952	2,628,391	1,236,780	1,391,611		
Financial Assets: UnQuoted	60,000		60,000	60,000		60,000		
Trade Receivable	693,531		693,531	219,121		219,121		
Reinsurance Assets	817,107	318,355	498,752	437,710	318,355	119,355		
Deferred Acquisition cost	619,478		619,478	371,547		371,547		
Other Receivable	416,250		416,250	621,048		621,048		
Investment in Subsidiaries	2,692,232		2,692,232	2,449,516		2,449,516		
Investment Properties	1,923,414	608,020	1,315,394	1,901,830	608,020	1,293,810		
Intangible Asset	64,939		64,939	57,121		57,121		
Property, Plant and Equipment	2,587,741		2,587,741	2,641,040		2,641,040		
Statutory Deposits	335,000		335,000	335,000		335,000		
Total Assets	<u>14,234,207</u>	<u>3,079,049</u>	<u>11,155,158</u>	<u>12,430,630</u>	<u>2,450,975</u>	<u>9,979,655</u>		
Insurance Contract Liabilities		<u>3,449,342</u>			<u>2,450,975</u>			

## 18 BORROWINGS

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

## COMPANY

Reinsurance payable	30 JUNE, 2023		30 JUNE, 2022	
	N'000		N'000	
Insurance payable		72,370		73,940
Other trade creditors		-		-
Balance at year end		<u>72,370</u>		<u>73,940</u>
Current		72,370		73,940

19.(i) Other trade creditors  
Due to Suppliers

## COMPANY

20 Other payables	30 JUNE, 2023		30 JUNE, 2022	
	N'000		N'000	
This is analysed as follows:				
Due to related parties		14,328		14,328
Deferred Fees and Commission (note 27b)		38,832		38,832
Provisions and accruals		53,667		39,259
Rent Received in Advance		7,898		2,314
		<u>114,725</u>		<u>94,734</u>
Current		114,725		94,734
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

## COMPANY

Lease Rentals	30 JUNE, 2023		30 JUNE, 2022	
	N'000		N'000	
Accrued Expenses		26,844		26,844
Payable to Associate		4,569		4,569
		<u>31,413</u>		<u>31,413</u>

20.3 Rent Received in Advance  
Rent from Molt Mall in Advance

	7,898	2,314
	<u>7,898</u>	<u>2,314</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

Staff pension scheme	30 JUNE, 2023		30 JUNE, 2022	
	N'000		N'000	
Current		7,972		-
Balance as per January 1		-		-
Current Service Cost		-		-
Payment during the year		-		-
Interest Expense		-		-
Actuarial Re-Measurement		-		-
Balance as per 31, Dec.		<u>7,972</u>		<u>-</u>

22 Income tax payable

22.1 Per Profit and Loss Account

## COMPANY

Income Tax	30 JUNE, 2023		30 JUNE, 2022	
	N'000		N'000	
Education Tax		24,340		18,181
Provision for NITDA Tax		584		1,212
		487		1,010
		<u>25,411</u>		<u>20,403</u>
Deferred Taxation		-		-
Profit and Loss Account		<u>25,411</u>		<u>20,403</u>

22.2 Per Balance Sheet

Taxation  
At beginning of year  
Charge for the Year  
Payment during the Year  
At year end

	19,254	5,921
	25,411	20,403
	(14,901)	-
	<u>29,764</u>	<u>26,324</u>

23 Deferred Tax Liability

At beginning of year  
Derecognised on Reclassification of AFS FA  
Charged to profit and loss  
At year end

	296,875	296,875
	-	-
	-	-
	<u>296,875</u>	<u>296,875</u>

To be recovered after more than 12 months  
To be recovered in 12 months

	296,875	296,875
	-	-

23.a Deferred Tax Assets

Deferred Tax derecognized from the conversion of MTN from unquoted to quoted

	403,685	403,685
	<u>403,685</u>	<u>403,685</u>

24 EQUITY

24.1 Share capital

The share capital comprises:

30 JUNE, 2023      30 JUNE, 2022

	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

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	883,887	713,897
Transfer from profit and loss	-	103,332
Balance, end of period	883,887	817,229
Gross Written Premium	5,201,000	3,444,384
Percentage Rate for transfer	3%	3%
Increase in Contingency	156,030	103,332
20% of Profit after tax	189,636	399,948

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

	30 JUNE, 2023 N'000	30 JUNE, 2022 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.

	COMPANY	
	30, JUNE, 2023 N'000	30, JUNE, 2022 N'000
25 Gross Premium Income		
Gross premium written		
Direct Premium:		
Motor	384,066	294,279
Fire	690,317	434,024
General Accident	411,539	450,769
Bond	453,632	149,852
Engineering	111,793	25,166
Oil & Gas	1,150,218	589,545
Aviation	-	-
Agric Insurance	11,030	12,775
Marine	395,341	372,903
	3,607,937	2,329,313
Inward Reinsurance Premium:		
Motor	63,895	43,021
Fire	241,297	162,162
General Accident	47,186	29,756
Bond	19,420	5,104
Engineering	37,492	18,305
Oil & Gas	1,083,104	771,694
Aviation	-	-
Agric Insurance	14,377	16,462
Marine	86,292	68,566
	1,593,063	1,115,070
Gross premium written	5,201,000	3,444,384
Changes in unearned premium	-	0
Motor	(183,802)	-
Fire	(300,089)	-
General Accident	(101,463)	-
Bond	(154,818)	-
Engineering	68,361	-
Oil & Gas	(1,470,002)	-
Aviation	(22,426)	-
Agric Insurance	967	-
Marine	(45,435)	-
Net change in unearned premium	(2,208,708)	-
Change in UPB per Actuarial Valuation	-	-
Net change in unearned premium	(2,208,708)	-
Gross premium earned	2,992,291	3,444,384
Reinsurance expenses	(713,811)	484,877
Net insurance premium income	2,278,480	2,959,507

25(1) Net Premium Income

	COMPANY	
	30, JUNE, 2023 N'000	30, JUNE, 2022 N'000
Gross Premium Written	5,201,000	3,444,384
Changes in Unearned Premium	(2,208,708)	-
Gross Premium Earned	2,992,291	3,444,384
Reinsurance expenses	-	-
Net Insurance Premium Income	2,992,291	3,444,384

26 Reinsurance expenses

Reinsurance costs		
Motor	155,337	93,320
Fire	46,214	44,394
General Accident	24,018	30,172
Bond	3,609	-
Engineering	5,309	-
Oil & Gas	473,513	304,211
Aviation	-	-
Agric Insurance	-	-
Marine	5,812	12,780
Movement in Reinsurance Share of UPB	-	-
	713,811	484,877

	30, JUNE. 2023 N'000	30, JUNE. 2022 N'000
<b>27 Fees and Commission Income</b>		
Motor	53,920	27,829
Fire	8,681	10,905
General Accident	6,907	7,098
Bond	722	-
Engineering	53	-
OIL & GAS	-	-
Agric Insurance	-	-
Marine	1,145	2,998
	<u>71,428</u>	<u>48,829</u>
Fee income represents commission received on direct business and transactions ceded to re-insurance during	-	-

	COMPANY	
	30, JUNE. 2023 N'000	30, JUNE. 2022 N'000
<b>28 Claims expenses</b>		
Direct claims paid during the year	1,022,722	347,507
Changes in outstanding claims	(350,660)	(74,540)
Additional charge to claims reserve per actuarial valuation (IBNR)	-	0
Changes in Outstanding claims (IBNR)	(532,955)	249,321
Gross claims incurred	139,107	23,646
Reinsurance claims recoverable(Notes 28(a))	(275,795)	7,420
Reinsurance recovery per Actuarial Valuation	-	-
	<u>(136,688)</u>	<u>16,226</u>

<b>28.a REINSURANCE CLAIMS RECOVERABLE</b>		
Claims paid recovered from Reinsurance	(295,952)	295,952
Changes in Outstanding claims and IBNR	(883,615)	323,860
Total	<u>(1,179,567)</u>	<u>(619,812)</u>

<b>28.b Claims Ceded to Reinsurer</b>		
Reinsurance claim received	-	-
Increase/(Decrease) in Reinsurer's share of Outstanding claims recoverable	47,097	23,856
Increase/(Decrease) in Reinsurer's share of IBNR	-	-
Increase/(Decrease) in Recoverable on claims paid	<u>47,097</u>	<u>23,856</u>

**29 Underwriting expenses**

Underwriting expenses are those expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and those incurred in servicing existing policies/contracts. These include

	COMPANY	
	30, JUNE. 2023 N'000	30, JUNE. 2022 N'000
<b>Gross commission paid</b>		
Motor	55,902	35,410
Fire	180,419	120,052
General Accident	91,543	97,952
Bond	93,659	30,507
Engineering	24,655	8,328
Oil & Gas	471,081	203,990
Aviation	-	-
Marine	78,628	68,671
Agric Insurance	5,980	6,282
Total Commission paid	<u>1,001,866</u>	<u>571,192</u>
Changes in deferred commission		
Motor	(36,730)	3,738
Fire	(38,435)	41,045
General Accident	(19,870)	41,604
Bond	(30,166)	11,986
Engineering	19,745	14,044
Oil & Gas	(309,192)	116,549
Aviation	(4,592)	1,882
Marine	(1,205)	18,580
Additional (DCA) per actuarial Report	-	-
Changes in deferred commission	<u>(420,444)</u>	<u>(217,576)</u>
Acquisition expenses	591,414	352,738
Maintenance expenses	627,391	468,364
Underwriting expenses	<u>1,206,804</u>	<u>821,102</u>

	COMPANY	
	30, JUNE. 2023 N'000	30, JUNE. 2022 N'000
<b>30 INVESTMENT INCOME</b>		
Dividend - Quoted and unquoted investments	93,244	79,917
Interest on call deposits	9,232	7,515
Profit/(loss) on disposal of non-current assets	-	-
Other income	5,014	-
	<u>107,491</u>	<u>87,432</u>

<b>30.a ANALYSIS OF INVESTMENT INCOME</b>		
Investment income attributable to policyholders	-	-
Investment income attributable to shareholders	109,817	87,432
	<u>109,817</u>	<u>87,432</u>

<b>30.b Investment income attributable to shareholders</b>		
Dividend - Quoted and unquoted investments	93,244	79,917
Interest on call deposits	9,232	7,515
Profit/(loss) on disposal of non-current assets	-	-
Other Income	7,341	-
	<u>109,817</u>	<u>87,432</u>

<b>30.c Investing Activities</b>		
Dividend - Quoted and unquoted investments	93,244	79,917
Interest on call deposits	9,232	7,515
	<u>102,477</u>	<u>87,432</u>

<b>30.d Operating Activities</b>		
Other Income	7,341	-
	<u>7,341</u>	<u>-</u>

<b>30.e Sundry Income</b>		
Profit/(loss) on disposal of non-current assets	-	-
	<u>-</u>	<u>-</u>

	COMPANY	
	30, JUNE. 2023 N'000	30, JUNE. 2022 N'000
<b>31 FAIR VALUE GAINS/(LOSS)</b>		
<b>31 (f) Net Fair Value Gains/(Loss)</b>		
On Investment properties	-	-
On Financial Assets	610,245	-
Net Fair Value Gains/(Loss)	<u>610,245</u>	<u>343,206</u>
Credit loss expense (COMPANY)		343,206

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

	COMPANY	
	30, JUNE. 2023 N'000	30, JUNE. 2022 N'000
<b>32 Other operating and administrative expenses</b>		
<b>(f) Employee benefits expense</b>		
Staff cost	226,221	219
Contributions to defined pension scheme	-	-
Other staff costs (Notes 32.(i.a))	240,673	161,265
	<u>466,893</u>	<u>161,036</u>
<b>(i.a) Other staff costs</b>		
Temporary Staff Salaries	66,039	52,252
Staff Training & Entertainment	11,691	7,777
Staff other benefits	105,907	96,359
Leave Allowance	50,233	153
Staff Medical	-	-
Nigeria Social Ins Trust Fund	-	-

Staff GPA Insurance	6,802	4,714
	240,673	161,255
(ii) Management expenses comprise;		
Bank charges	-	7,394
Other charges and expenses (Note 32 (iia))	264,492	221,809
General maintenance and running costs	139,113	44,317
Legal and professional fees	79,482	38,773
Audit fees	4,000	-
Insurance supervision fees	-	35,326
Depreciation	60,742	53,766
Amortisation of Intangible Assets	9,545	19,080
Impairment gain/(loss)	-	-
Interest on overdrafts	-	-
Cost of sales - Hotels	-	-
Other operating expenses	557,373	420,465
Other operating and administrative expenses	1,024,266	581,501

	COMPANY	
	30, JUNE. 2023	30, JUNE. 2022
	N'000	N'000
(ii.a) Other charges and expenses	-	-
OTHER PROFESSIONAL CHARGES	-	-
TRANSPORT ALLOWANCE	1,915	3,592
TERMINAL PAY	11,078	220
HOTEL ACCOMMODATION	2,427	5,257
SECURITY EXPENSES	162	848
ENTERTAINMENT	3,916	13,065
BUSINESS PROMOTION	-	-
ADVERTISEMENT	51,840	29,472
NEWSPAPERS & PERIODICALS	90	96
TELEPHONE BILLS	1,195	1,281
INTERNET CONNECTIVITY	5,397	14,212
PRINTING COST	6,467	8,189
STATIONERY COST	3,491	2,544
LOCAL GOVT. LEVIES	1,562	610
VALUE ADDED TAX/STAMP DUTIES	7,829	20,561
LEVY/FEE/PENALTY	7,250	4,539
DIRECTORS EXPENSES	-	-
DIRECTORS SITTING ALLOWANCES	7,250	3,000
ASSETS INSURANCE EXPENSES	6,646	2,984
FILING FEE	2,000	500
DIRECTORS FEES	1,500	13,000
GIFTS	32,062	15,147
OFFICE CLEANING EXPENSES	2,033	1,408
CHRISTMAS GIFT/SUNDRY	5,019	21,083
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	15,342	1,477
MEDICAL EXPENSES	8,513	6,567
WATER BILL	459	510
COOKING GAS	-	-
ENTERTAINMENT ALLOWANCE	-	-
EXCHANGE VARIANCE A/C	-	-
POSTAGES & COURIER	861	1,172
INTEREST ON LOANS	-	113
OVERSEAS TRAVEL EXPENSES	69,949	39,127
SERVICE CHARGE - ABUJA	-	-
RENT & RATES	6,135	10,523
NIA LEVIES	-	-
INDUSTRIAL TRAINING FUND LEVY	-	-
ANNUAL GENERAL MEETING	-	-
TRAINING	-	-
REPAIRS AND MAINTENANCE TV SET + RADIO	64	410
SEVERANCE PACKAGE	-	-
REPAIRS AND MAINTENANCE TV SET + RADIO	-	-
RENT & RATES - ABAKALIKI	-	-
FUEL	-	-
	264,492	221,809

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

Earnings per share

	30, JUNE. 2023	30, JUNE. 2022
	N'000	N'000
Profit attributable to equity holders	948,178	1,999,741
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000

34 Basic earnings per share (kobo per share) 5.926 12.498

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	14,328	14,328
	70,017	70,017

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	14,328	14,328
	70,018	70,018

### 36 Employees

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

	COMPANY	
	30, JUNE. 2023	30, JUNE. 2022
	Number	Number
Executive directors	2	7
Management	49	37
Non-management	85	62
	136	106

### 37 Securities Trading Policy

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

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

### 38 CONTRAVENTIONS AND PENALTIES

During the year there was no noticed penalty by the National Insurance Commission (NAICOM) for any contravention of certain sections of the Insurance Act 2003 and certain circulars as issued by the NAICOM. Details of the contraventions and the related penalties are as follows.

	30, JUNE. 2023	30, JUNE. 2022
	N'000	N'000
Penalty to Securities and Exchange Commission (SEC) ( See (i) below)	-	-
Penalty to Financial Reporting Council of Nigeria (FRC) ( See (ii) below)	-	-
	-	-