

MANAGEMENT ACCOUNT

For The Period Ended 30 September 2013

Universal Insurance Plc

RC 2460

Universal Insurance Plc
Statements of Changes in Equity (COMPANY)
for the year ended 30 SEPTEMBER 2013

Company
In millions of Nigerian naira

	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Fair value reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2013	8,000,000	825,018	540,268	233,088	950,425	(2,006,926)	8,541,873
Total comprehensive income							-
Profit and loss	-	-	-	-	-	-	-
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							-
Impairment gain/(loss) on trade and other receivables						-	-
Net gain/(loss) on investments now classified as AFS						-	-
Adjustment of FA items omitted in account						-	-
Other comprehensive income	-	-	-	-	-	-	-
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 1 January 2013	8,000,000	825,018	540,268	233,088	950,425	(2,006,926)	8,541,873
Balance at 1 January 2013	8,000,000	825,018	540,268	233,088	950,425	(2,006,926)	8,541,873
Total comprehensive income for the period							-
Profit or loss	-	-	-	-	-	-	-
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Fair value changes in AFS financial assets	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-
Balance at 1 January 2013	8,000,000	825,018	540,268	233,088	950,425	(2,006,926)	8,541,873
Balance at 1 January 2013	8,000,000	825,018	540,268	233,088	950,425	(2,006,926)	8,541,873
Total comprehensive income for the period							-
Profit or loss						97,020	97,020
Other comprehensive income							-
Foreign currency translation difference							-
Fair value reserve (available-for-sale) financial assets							-
Net change in fair value							-
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Net Fair value changes in AFS financial assets	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	15,345	-	(15,345)	-
Other comprehensive income for the period	-	-	-	15,345	-	(15,345)	-
Total comprehensive income for the period	-	-	-	15,345	-	81,675	97,020
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Bonus shares issued during the year	-	-	-	-	-	-	-
Transfer to share capital	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 30 SEPTEMBER 2013	8,000,000	825,018	540,268	248,433	950,425	(1,925,251)	8,638,893

Universal Insurance Plc
Notes to the financial statements
For the year ended 30 SEPTEMBER 2013

6 Cash and Cash Equivalents

	30-SEP-2013 N'000	30-SEP-2012 N'000
This comprises of:		
Cash and Bank Balances	245,413	85,162
Total	<u>245,413</u>	<u>85,162</u>

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Financial asset		
This comprises of:		
Financial assets at fair value through profit or loss	620,177	31,777
Available-for-sale financial assets	2,259,076	1,300,492
Financial assets	<u>2,879,253</u>	<u>1,332,269</u>
Current	620,177	31,777
Non-current	2,259,076	1,300,492

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

<i>Equity securities</i>		
-Listed	<u>620,177</u>	<u>31,777</u>
Adjustment for items omitted in accounts	-	-
Net impairment gain/(loss)	-	-
Total financial assets at fair value through profit or loss	<u>620,177</u>	<u>31,777</u>
Current	<u>620,177</u>	<u>31,777</u>
Non-current	-	-

(b) Available-for-sale financial assets

<i>Equity securities</i>		
-Unlisted	2,259,076	1,300,492
Reversal of impairment loss made under NGAAP	-	-
Total Equity securities	<u>2,259,076</u>	<u>1,300,492</u>
Fair value gain/(loss) on AFS unlisted equity	-	-
Total available-for-sale financial assets	<u>2,259,076</u>	<u>1,300,492</u>
Current	-	-
Non-current	<u>2,259,076</u>	<u>1,300,492</u>

8 Trade Receivables

Insurance receivables	10,077	747,788
Net impairment gain/(loss)	<u>(10,077)</u>	<u>(673,670)</u>
	<u>0</u>	<u>74,118</u>
Trade receivables	-	-
Net impairment gain/(loss)	-	-
	-	-
Balance end of year	0	74,118
Current	<u>0</u>	<u>74,118</u>
Non-current	-	-

8.1 Insurance receivables

Premium receivable from agents, brokers and intermediaries

Due from agents	1,130	-
Due from brokers	-	656,859
Due from insurance companies	8,947	90,929
Amount written off during transition as uncollectible	-	-
	<u>10,077</u>	<u>747,788</u>

8.1a Movements on the allowance for impairment of receivables arising out of direct insurance arrangements are as follows:

At beginning of year (01 January 2013)		
Provision for impairment	10,077	673,670
Amount written off during the year as uncollectible	-	-
At end of year (30 SEPTEMBER 2013)	<u>-</u>	<u>-</u>

9 Reinsurance Assets

	30-SEP-2013 N'000	30-SEP-2012 N'000
Reinsurance Prepaid	33,897	-
Prepaid minimum and deposit reinsurance	-	-
Reinsurance recovery on claim reserve	-	-
Total Reinsurance Assets	<u>33,897</u>	<u>-</u>
Current	33,897	-
Non-current	-	-

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:

	30-SEP-2013 N'000	30-SEP-2012 N'000
Motor	4,812	3,903
Fire	2,966	1,815
General accident	23,820	16,288
Marine	12,000	1,775
	<u>43,598</u>	<u>23,781</u>

10.1 Movement in deferred acquisition cost

At beginning of year	23,781	12,293
Changes during the year	19,817	11,488
At end of year	<u>43,598</u>	<u>23,781</u>
Due within 12 months	43,598	23,781
Due after more than 12 months	-	-

11 Other Receivables and prepayments
The balance is analysed as follow:

Prepayment	125,742	30,723
Other loans and receivables	1,603,145	6,826
Other loans and receivables from related parties	56,660	17,460
Stock of raw materials	-	107
	<u>1,785,547</u>	<u>55,116</u>
Impairment of other loans and receivables	(1,235)	(1,235)
Balance at period end	<u>1,784,312</u>	<u>53,881</u>
Current	185,370	-
Non-current	1,598,942	-

11. (i) Other loans and receivables

Staff Debtors	3,656	3,590
Staff Share Loan	1,598,942	-
Other receivables	548	3,236
	<u>1,603,145</u>	<u>6,826</u>
Impairment of other loans and receivables	-	-
	<u>1,603,145</u>	<u>6,826</u>

11 (ii) Staff Share Loan:-
The amount is made up of African Alliance Insurance Company Plc share purchased during the Private Placement exercise on behalf of staff of the company.

11. (iii) Other loans and receivables due from related parties

Due from related parties	56,660	17,460
	<u>56,660</u>	<u>17,460</u>
Impairment of due from related parties	-	-
	<u>56,660</u>	<u>17,460</u>

	30-SEP-2013 N'000	30-SEP-2012 N'000
Balance beginning of year	1,235	1,235
Impairment of other loans and receivables (10.(i))	-	-
Impairment of receivables due from related parties	-	-
Balance at period end	<u>1,235</u>	<u>1,235</u>

12 Investment in subsidiaries
This comprises of investment in:

Molit Hotels & Catering Services Limited (a)	528,105	528,105
Universal Hotels Limited (b)	2,033,561	2,033,561
Investment in subsidiaries	<u>2,561,666</u>	<u>2,561,666</u>

12 (a) Molit Hotels and Catering Services 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.

12 (b) 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		
Oyingbo Garden Avenue estate	250,000	250,000
Vine Estate- Abuja	720,000	720,000
Rumudumu Model Estate Portharcourt	684,118	684,118
Others	175,369	175,369
	<u>1,829,487</u>	<u>1,829,487</u>
Impairment loss on investment properties	(895,369)	(175,369)
	<u>934,118</u>	<u>1,654,118</u>

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

13 a. Assets In The Name of Conau Limited:

	N'000 Amount
Oyingbo Garden Avenue estate	250,000
Rumudumu Model Estate Portharcourt	684,118

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.

13 b. Assets In the name of Minaj Holdings Limited:

N'000
Amount

Vine Estate- Abuja

720,000

In December 2007, Universal Insurance Plc paid for 20 units of Houses to be developed by Minaj Holdings Limited in the Vine Garden Estate Abuja.

Status of Perfection of Title:

This project is ongoing. Effort is being made to recover the fund as pace of development of the property is no longer favourable to Universal Insurance Plc. This amount has been fully provided for in the financial statement..

14 Intangible Assets

	30-SEP-2013 N'000
Cost	
Balance, beginning of period	5,337
Additions	509
Transferred from PPE (computer)	-
Balance, end of period	<u>5,846</u>
Accumulated amortisation	
Balance, beginning of period	702
Amortisation expense/impairment charge	588
Transferred from PPE (computer)	-
Balance, end of period	<u>1,290</u>
Net book amount	
End of period	<u>4,556</u>

The intangible assets of the company comprised of computer software. The computer softwares are accounted for using the cost model of IAS 38 i.e. cost less accumulated

15 Property, plants and equipments

	Land& Building N'000	Plant & N'000	Furniture and N'000	Motor Vehicles N'000	Computer N'000	Total N'000
Cost/Revalued amount						
Balance, beginning of period	2,886,114	5,872	67,787	123,689	4,034	3,087,496
Additions during the year	-	421	24	-	505	950
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance, end of period	2,886,114	6,293	67,811	123,689	4,539	3,088,446
Accumulated depreciation						
Balance, beginning of period	364,445	4,451	54,136	117,746	532	541,310
Charge for the year	34,595	644	6,633	1,466	256	43,594
On Disposal	-	-	-	-	-	-
Balance, end of period	399,040	5,095	60,769	119,212	788	584,904
Netbook value as at 30 SEPTEMBER 2013	2,487,075	1,198	7,042	4,477	3,751	2,503,542
Netbook value as at 1 JANUARY 2013	2,310,165	2,268	18,826	5,655	3,078	2,339,992

16 Statutory deposit

	30-SEP-2013 N'000	30-SEP-2012 N'000
Statutory deposit	335,000	335,000
Total	<u>335,000</u>	<u>335,000</u>

Non-current

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

17 Insurance Contract Liabilities

	'30 SEPTEMBER 2013 N'000	'1 JANUARY 2013 N'000
Reserve for Unearned premium		
Motor	60,763,522	32,448
Fire	38,174,960	9,503
General Accident	13,779,126	48,030
Marine	4,569,200	979
Gross Unearned Premium Reserve	<u>117,286,807</u>	<u>90,960</u>
Reinsurance element in UPR	-	-
Net Unearned Premium Reserve	<u>117,286,807</u>	<u>90,960</u>
Reserve for Outstanding Claims		
Motor	10,799,865	10,769
Fire	6,575,100	60,865
General Accident	13,659,505	56,667
Marine	59,784,522	14,784
	<u>28,750,051</u>	<u>143,086</u>
Add 10% IBNR	<u>19,104,125</u>	<u>16,550</u>
	<u>9,645,927</u>	<u>159,636</u>
Additional charge to claims reserve (IBNR) as per valuation	-	-
Gross claim reserve	<u>9,645,927</u>	<u>159,636</u>
Reinsurance projection on IBNR	-	-
Net Claims reserve	<u>9,645,927</u>	<u>159,636</u>
	<u>107,640,881</u>	<u>250,597</u>

The latest valuation of the fund was as at 31 December 2012 by HR Nigeria Limited. At that date, the book value of the fund net of reinsurances was as stated above for each of the years.

17 b. Hypothetication of investment

Insurance Funds	Shareholder's Funds	'30SEPTEMBER 2012
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	N'000	N'000	N'000
Cash and Bank Balances	-	245,413	245,413
Financial Assets	265,368	2,613,885	2,879,253
Investment in Subsidiaries		2,561,666	2,561,666
Investment Properties	100,000	834,118	934,118
Statutory Deposit	-	335,000	335,000
	<u>365,368</u>	<u>6,590,082</u>	<u>6,955,450</u>
Insurance Contract Liabilities	<u>375,322</u>		

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

Reinsurance payable	13,160	-
Insurance payable	0	0
Other trade creditors	0	0
Balance at year end	<u>13,160</u>	<u>0</u>
Current	13,160	0

- 20 Other payables

This is analysed as follows:

	30-SEP-2013 N'000	30-SEP-2012 N'000
Due to related parties (note 20.1)	1,697,695	14,328
Provisions and accruals	35,780	50,217
	<u>1,733,475</u>	<u>64,545</u>
Current	48,805	-
Non-current	1,684,670	-

- 20.1 Due to related companies
Conau Limited
African Alliance Insurance Plc
Due to other related parties

	-	-
	1,683,367	-
	<u>14,328</u>	<u>14,328</u>
	<u>1,697,695</u>	<u>14,328</u>

- 20.1a Conau Limited:
The company is the major shareholder of the shares of Universal Insurance Plc. The balance represents transactions and funding arrangements for Universal Insurance Plc at various times.

- 20.1b African Alliance Insurance Plc:
This is a sister company having common directorship with Universal Insurance Plc. Conau Limited has majority shareholding in African Alliance Insurance Plc. The balance represents amount payable to African Alliance Insurance Plc in respect of funds collected on behalf of African Alliance Insurance Plc during the 2008 private placement and other transactions carried out during the period. N1.598 billion represent the balance payment for N2.8 billion worth of shares allotted on the private placement of African Alliance Insurance Company Plc subscribed to by the company in 2008.

- 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

	30-SEP-2013 N'000	30-SEP-2012 N'000
Staff pension scheme	<u>158</u>	<u>3,943</u>
Current	158	3,943

- 22 Income tax payable

- 22.1 Per Profit and Loss Account
Income Tax
Education Tax
Provision for NITDA Tax

Deferred Taxation
Profit and Loss Account

	30-SEP-2013 N'000	30-SEP-2012 N'000
	5,244	1,296
	2,098	-
	<u>524</u>	<u>-</u>
	<u>7,867</u>	<u>1,296</u>
	-	-
	<u>7,867</u>	<u>1,296</u>

- 22.2 Per Balance Sheet
Taxation
At beginning of year
Charge for the Year
Payment during the Year
At year end

	118,909	100,043
	7,867	6,000
	<u>(7,000)</u>	<u>-</u>
	<u>119,776</u>	<u>94,043</u>

- 23 Deferred Tax Liability
At beginning of year
Addition during the year
Charged to profit and loss
At year end

	447,305	15,438
	-	-
	-	-
	<u>447,305</u>	<u>15,438</u>

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

	447,305	15,438
	-	-

Deferred income tax are attributable to the following:

Property and equipment	(250,398)	(285,498)
Fair value gain/(loss) on AFS unquoted equity	300,977	300,936

Balance end of year	50,579	15,438
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The tax provision for the year is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended.

Section 12 (2A) of the Nigerian Information Technology Development Agency (NITDA) Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information

24. 1. Share capital		
The share capital comprises:	30-SEP-2013 N'000	30-SEP-2012 N'000
Authorised -		
16,000,000,000 Ordinary shares of 50k each	8,000,000	8,000,000
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	233,088	222,558
Transfer from profit and loss	15,345	2,522
Balance, end of period	248,433	225,080

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

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	950,425	0
Net Fair value gain/(loss) on available-for-sale unquoted equity	-	-
Balance as at period end	950,425	0

24. 5. Revaluation Reserve	30-SEP-2013 N'000	30-SEP-2012 N'000
Balance, beginning of period	540,268	103,968
Revaluation Surplus	0	0
Balance as at period end	540,268	103,968

24. 6. Retained earnings
The retained earnings represents the amount available for dividend distribution to the equity holders of the company. See

25	Gross Premium Income	COMPANY 30-SEP-2013 N'000	30-SEP-2012 N'000
	Gross premium written		
	Direct Premium:		
	Motor	57,035	48,697
	Fire	12,810	12,133
	General Accident	209,763	79,855
	Marine	112,725	120,869
		392,333	261,554
	Inward Reinsurance Premium:		
	Motor	18,839	13,750
	Fire	18,587	4,121
	General Accident	70,720	37,839
	Marine	11,032	5,866
		119,178	61,576
	Gross premium written	511,511	323,130
	Changes in unearned premium		
	Motor	(5,727)	(5,617)
	Fire	(4,276)	1,894
	General Accident	(86,606)	(52,489)
	Marine	(59,785)	(8,452)
	Net change in unearned premium	(156,394)	(64,664)
	Gross premium earned	355,117	258,466
	Reinsurance expenses (note 26)	(7,896)	-
	Net insurance premium income	347,221	258,466

26	Reinsurance expenses		
	Reinsurance costs		
	Motor	-	-
	Fire	2,305	-
	General Accident	3,310	-
	Marine	2,281	-
		7,896	-
	Prepaid re-insurance cost	-	-
	Reinsurance projection on IBNR	-	-
	Net Reinsurance expenses	7,896	-

27	Fees and Commission Income	30-SEP-2013 N'000	30-SEP-2012 N'000	
	Motor	-	469	
	Fire	791	-	
	General Accident	997	177	
	Marine	459	-	
		<u>2,247</u>	<u>646</u>	
	Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.			
28	Claims expenses	30-SEP-2013 N'000	30-SEP-2012 N'000	
	Direct claims paid during the year	38,779	18,583	
	Changes in outstanding claims	<u>(31,668)</u>	<u>12,774</u>	
	Gross claims incurred	7,111	31,357	-
	Reinsurance claims recovery	<u>(4,789)</u>	<u>(3,983)</u>	-
		<u>2,322</u>	<u>27,374</u>	
29	Underwriting expenses			
	Underwriting expenses are those expenses incurred in obtaining and renewing insurance contracts. in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other attributable incidental costs.			
	Gross commission paid	30-SEP-2013 N'000	30-SEP-2012 N'000	
	Motor	11,272	7,559	
	Fire	6,590	3,614	
	General Accident	50,859	17,992	
	Marine	<u>25,052</u>	<u>25,313</u>	
		<u>93,772</u>	<u>54,478</u>	
	Changes in deferred commission			
	Motor	(900)	(3,737)	
	Fire	(948)	142	
	General Accident	(14,720)	(13,238)	
	Marine	<u>(11,805)</u>	<u>5,345</u>	
		<u>(28,373)</u>	<u>(11,488)</u>	
	Underwriting expenses	<u>65,399</u>	<u>42,990</u>	
	Maintenance expenses	22,552	8,341	
	Acquisition costs	<u>42,847</u>	<u>51,331</u>	
		<u>65,399</u>	<u>42,990</u>	
30 (i)	Investment Income			
	Investment income attributable to policyholders	-	-	
	Investment income attributable to shareholders	<u>130,176</u>	<u>12,344</u>	
		<u>130,176</u>	<u>12,344</u>	
(b)	Investment income attributable to shareholders			
	Dividend - Quoted and unquoted investments	-	-	
	Gains on sales of shares	130,176	12,344	
	Interest on call deposits	-	-	
	Exchange gain/(loss)	-	-	
	Other income	-	-	
		<u>130,176</u>	<u>12,344</u>	
30 (ii)	Other operating revenue			
	Gross profit/(loss) from hotel business	30-SEP-2013 N'000	30-SEP-2012 N'000	
	Turnover:			
	Rooms and accommodation	-	-	
	Cost of sales:			
	Purchases	-	-	
	Closing stock	-	-	
		<u>-</u>	<u>-</u>	
	Gross profit/(loss)	<u>-</u>	<u>-</u>	
31 (i)	Allowances for impairment;			
	On trade receivables	(10,077)	(673,670)	
	on other receivables		-	
	Net impairment charge	<u>(10,077)</u>	<u>(673,670)</u>	
32	Other operating and administrative expenses			
(i)	Employee benefits expense			
	Staff cost	71,648	58,593	
	Contributions to defined pension scheme	-	-	
	Other staff costs	<u>6,449</u>	<u>3,001</u>	
		<u>78,097</u>	<u>61,594</u>	
(ii)	Management expenses comprise;			
	Bank charges	672	1,077	
	Other charges and expenses	120,539	91,424	
	General maintenance and running costs	28,749	-	
	Legal and professional fees	21,399	7,004	
	Insurance supervision fees	3,321	325	
	Depreciation	43,594	22,990	
	Amortisation of Intangible Assets	588	-	
	Interest on overdrafts	-	-	
	Cost of sales - Hotels	-	-	
	Other operating expenses	<u>218,862</u>	<u>122,820</u>	
	Other operating and administrative expenses	<u>296,959</u>	<u>184,414</u>	
33	Interest expense			

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

34 Earnings per share

	30-SEP-2013 N'000	30-SEP-2012 N'000
Profit attributable to equity holders	97,020	16,678
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000
Basic earnings per share (kobo per share)	0.61	0.10
The calculation of basic earnings per share at 30 September 2013 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares		

35 Related parties

35.1 Conau Limited

Conau Limited is the major shareholder of the company. It carried out various transactions on behalf of Universal Insurance Plc via a deed of assignment. Conau carried out various transactions from purchase of investment properties, investment in other companies and other transactions that have been incorporated into these financial statements in the prior year.

35.2 African Alliance Insurance Plc

This is a sister company. Universal Insurance Plc has a common directorship with the company through its major shareholder, Conau Limited. Universal Insurance Plc carried out various transactions on behalf of the company in the past. These have been incorporated into the financial statements. The companies have shareholding interest in each other.

35.3 Molit Hotels Limited

This is a subsidiary of the company. Various transactions were carried out by Universal Insurance Plc on behalf and with the company in the past. These transactions have been incorporated into the financial statements in the prior year.

35.4 Universal Hotels Limited

This is a subsidiary of the company. Various transactions were carried out by Universal Insurance Plc on behalf and with the company in the past. These transactions have been incorporated into the financial statements in the prior year.

35.5 Related party transactions

Related party	transaction
Conau Limited	Business acquisition
African Alliance Insurance Plc	Insurance policy

35.6 Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Universal Insurance Plc.

a. Employees

The average number of persons employed by the Company during the

	30-SEP-2013 Number	30-SEP-2012 Number
Executive directors	3	4
Management	14	6
Non-management	84	62
	<u>101</u>	<u>72</u>

Universal Insurance Plc

Statements of Comprehensive Income

For the year ended 30 SEPTEMBER 2013

	Notes	30-SEP-2013 N'000	30-SEP-2012 N'000
Gross Premium written	25	511,511	323,130
Decrease/(increase) in unearned premium		(156,394)	(64,664)
Gross Premium Earned		355,117	258,466
Reinsurance Premium Expense	26	(7,896)	-
Net Insurance Premium Income		347,221	258,466
Fees and Commission income	27	2,247	646
Total Underwriting Income		349,468	259,112
<i>Insurance benefits</i>			
Claims expenses	28	(7,111)	(28,248)
Claims Expense Recovery from reinsurance	28	4,789	3,983
Change in contract liabilities	28	-	(3,109)
Net insurance benefit and claims		(2,322)	(27,374)
Underwriting Expenses			
Acquisition expenses	29	(22,552)	(29,423)
Maintenance expenses		(42,847)	(13,567)
		(65,399)	(42,990)
Underwriting Profit/(Loss)		281,747	188,748
Investment income	30	130,176	12,344
Other operating income	30 (ii)	-	-
Total investment income		130,176	12,344
Net Income		411,923	201,092
Net realised gains on financial assets			
Impairment charges	31 (i)	(10,077)	-
Net realised gains/(loss) on financial assets	31 (ii)	-	-
Net fair value gain/(loss) on investment properties	31 (ii)	-	-
Other operating and administrative expenses	32	(296,959)	(184,414)
Total Expenses		(307,036)	(184,414)
Result of operating activities		104,887	16,678
Interest expense	33	-	-
Profit or (Loss) before Taxation		104,887	16,678
Income Tax Expense/(Credit)		(7,867)	-
Profit or Loss after Taxation		97,020	16,678
Profit or Loss for the period			
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		97,020	16,678
Non-controlling interest		-	-
Profit/(loss) for the period		97,020	16,678
Other Comprehensive income			
<i>Items within OCI that may be reclassified to the profit or loss;</i>			
Fair value changes in AFS financial assets	24. 4	-	-
Deferred tax impact of changes in AFS financial assets	23	-	-
<i>Items within OCI that will not be reclassified to the profit or loss;</i>			
PPE revaluation gains	24. 5	-	-
Deferred tax impact of revaluation gains	23	-	-
Other comprehensive income for the period		-	-
Total comprehensive income		97,020	16,678
Total comprehensive income attributable to:			
Equity holders of the company		97,020	16,678
Non-controlling interests		-	-
Total comprehensive income for the period		97,020	16,678
Earnings per share-(basic and diluted)	34	0.61	0.10

THE UNIVERSAL INSURANCE PLC

UNDERWRITING REVENUE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2013

	MOTOR N'000	FIRE N'000	GENERAL N'000	MARINE N'000	2013 N'000	2012 N'000
Direct Premium Written	57,035	12,810	209,763	112,725	392,333	261,554
Reinsurance Accepted	18,839	18,587	70,720	11,032	119,178	61,576
Gross Premium Written	75,874	31,397	280,483	123,758	511,511	323,130
Changes in Reserve for Unexpired Risk (*)	(5,727)	(4,276)	(86,606)	(59,785)	(156,394)	(64,664)
Gross Premium Earned	70,147	27,121	193,877	63,973	355,117	258,466
Reinsurance cost	-	(2,305)	(3,310)	(2,281)	(7,896)	-
Net Premium Written	70,147	24,815	190,567	61,692	347,221	258,466
Commission Received	-	791	997	459	2,247	646
Net Income	70,147	25,606	191,564	62,151	349,468	259,112
Claims Incurred:						
Direct Claims Paid	10,804	9,093	14,407	4,475	38,779	18,583
Provision for Outstanding claims (IBNR)	(3,283)	(1,180)	(6,679)	2,266	(8,876)	9,665
Changes in Provision for Outstanding Claims (**)	(3,215)	(41,672)	24,735	(2,640)	(22,792)	3,109
Gross Claims Incurred	4,306	(33,759)	32,463	4,101	7,111	31,357
Reinsurance Claims Recovery	(1,447)	(2,092)	(1,587)	337	(4,789)	(3,983)
Net Claims Incurred	2,859	(35,851)	30,876	4,438	2,322	27,374
Underwriting Expenses:						
Commission Paid	11,272	6,590	50,859	25,052	93,772	54,478
Changes in deferred commission	(900)	(948)	(14,720)	(11,805)	(28,373)	(11,488)
Total Underwriting Expenses	10,372	5,642	36,139	13,247	65,399	42,990
Total Expenses	13,231	(30,210)	67,015	17,685	67,721	70,364
Underwriting Result	56,916	55,816	124,548	44,467	281,747	188,748
Provision for Unexpired Risk- 31 DECEMBER 2012	32,448	9,503	48,030	979	90,960	92,131
Provision for Unexpired Risk- 30 SEPTEMBER 2013	38,175	13,779	134,636	60,764	247,354	79,345
* Changes in reserve for unexpired Risk	(5,727)	(4,276)	(86,606)	(59,785)	(156,394)	12,786
Gross Claims Outstanding						
Provision for Outstanding Claims- 31 DECEMBER 2012	9,790	55,333	51,516	13,440	130,079	93,538
Provision for Outstanding Claims- 30 SEPTEMBER 2013	6,575	13,661	76,251	10,800	107,287	96,647
** Changes in provision for outstanding claims	(3,215)	(41,672)	24,735	(2,640)	(22,792)	3,109