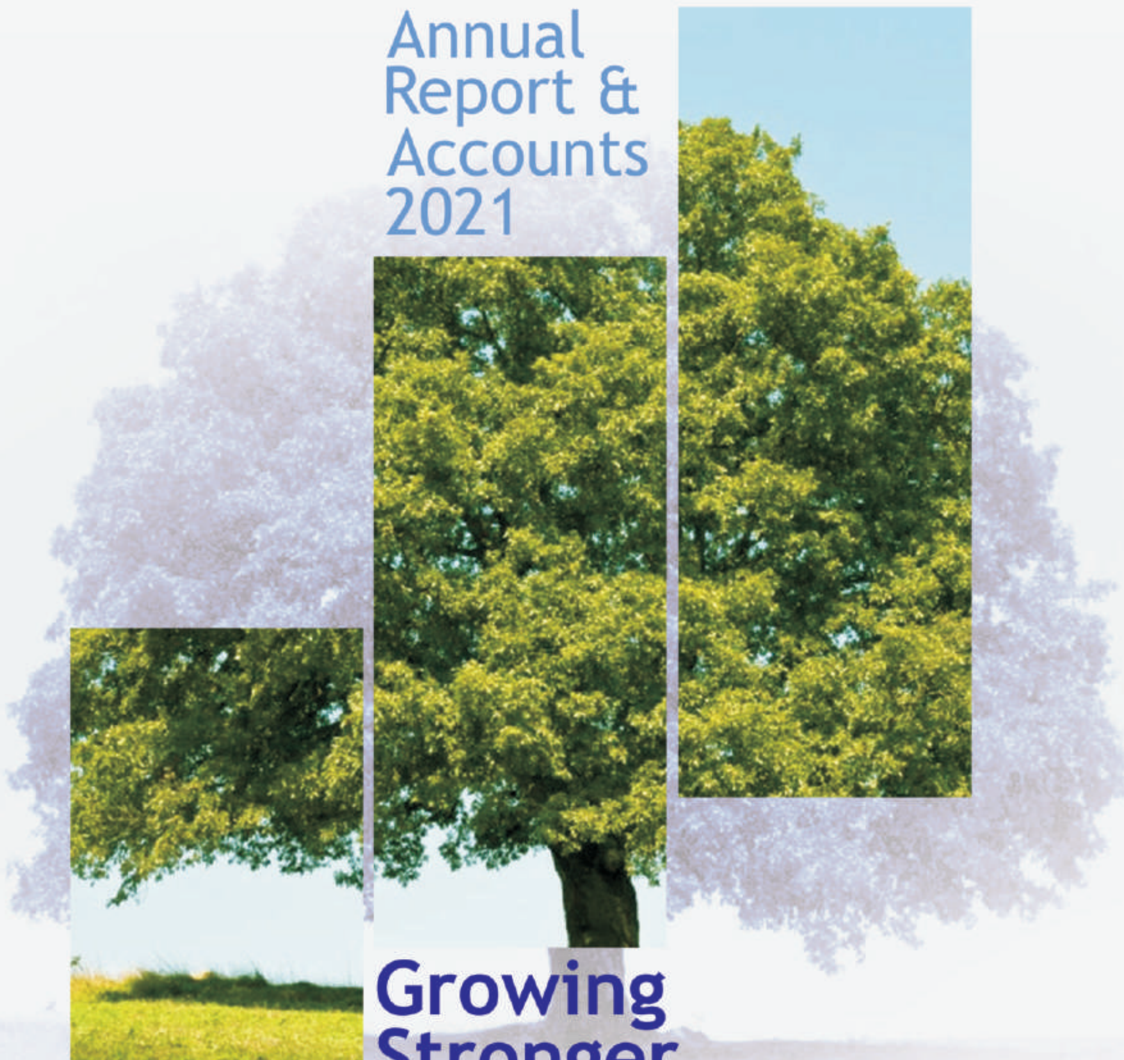
THE UNIVERSAL INSURANCE PLC.

RC 2460

Annual Report & Accounts 2021



Growing Stronger

Breaking New Grounds

Nigerian Insurers Association

CONTENTS


Let's weather the STORM with you.
Take UNIVERSAL INSURANCE COVER
for peace of mind!

For six decade, we have provided the Nigerian market with standout products that have come to define our essence. As we journey ahead, we reaffirm our commitment to our stakeholders, assuring them that, come what may, we will always keep our word!

NAICOM/ADV/CC/2021/4146

UNIVERSAL INSURANCE PLC.
...our word is our bond!

Overview

- Profile
- About the Company
- Notice of Annual General Meeting
- Chairman's Statement
- The Board

Corporate Profile

The Universal Insurance Company Limited (UNISURE) was established by the then Eastern Nigeria Government and African Continental Bank Plc in 1961 through an association between Eastern Nigeria Development Corporation (ENDC) and Pearl Assurance Company Limited of London whereby ENDC acted as agents to the insurance company. The Universal Insurance Company Limited also from inception has been on a partnership relationship with Swiss Reinsurance Company of Zurich, which also provided the necessary reinsurance support. Mr. K. R. Lugg an expatriate, had the privilege of being the first General Manager of the Company until 1963 when Mr. M.A.C Chukwudinma was appointed the first indigenous General Manager.

The aftermath of the Nigeria civil war was that Eastern Nigeria became defunct. Thus after series of changes, the East Central State was split into Anambra, Imo, Enugu, Abia, and Ebonyi States. These five states apart from many individuals have shares in the Company.

As at today, this company has an asset base of over N12Billion and authorized and paid-up share capital of N16Billion and N8Billion respectively. It is a General Business organization (i.e. underwrites General Insurance businesses.

The Universal Insurance Plc is now fully computerized to drive excellence in service delivery, Customer – oriented and a prime company that is poised to be a giant in risk bearing.

Post Consolidation Status

The New Universal Insurance Plc is now a mega organization comprising the former United Trust Assurance Company Limited, Oriental Insurance Company Limited and African Safety Insurance Company Limited. Overtures are still being made by some companies seeking to be acquired by the new mega Company. The Shareholders fund of the new mega Company after NAICOM verification stood at over N9Billion.

In order to guarantee maximum cover to our customers Universal Insurance Plc has made a two pronged reinsurance arrangement as follows:

(i) Unlimited capacity protection on facultative reinsurances based on individual account. Our facultative reinsurances are placed both locally and offshore depending on the size of the account.
Our offshore placing Brokers based in London give us access to all first class reinsurers worldwide and Lloyds of London.
Our local facultative reinsurance is placed with other local insurers and other regional reinsurers that respond quickly to claims.

(ii) The second segment of our reinsurance arrangement is led by the foremost reinsurance company in African sub region-African Re.

Universal Insurance Plc has therefore restructured its Management and operations for the challenges ahead.

We are pleased to introduce to you a repositioned giant in the Insurance Industry in Nigeria.

The Board: Profile

Barr. Jasper Osita Nduagwuike - Acting Chairman

Mr. Nduagwuike holds a Bachelor's Degree in Law (LLB. Hons.) from the University of Nigeria, Enugu Campus and a Masters Degree in Law (LLM) from the Nnamdi Azikiwe University, Awka, majoring in Arbitration and Administrative Law.

He was subsequently called to the Nigerian Bar after obtaining the Bachelor of Law Degree (B.L.) from the Nigerian Law School. He is an Associate Member of the Chartered Insurance Institute of Nigeria (ACIIN); Member, Chartered Insurance Institute, London (MCII); Member, Association of Professional Bodies of Nigeria; Associate Member, Chartered Institute of Arbitrators, London; Member, Onitsha Chamber of Commerce, Industries, Mines and Agriculture.

He started his working career with the then African Alliance Insurance Company Limited (Now African Alliance Insurance Plc.) as a field supervisor in 1984 and rose to become a District Superintendent in 1989.

He left the Company in 1990 to Stallion Assurance Company Limited, Enugu where he became the Pioneer Production Manager. He worked in several other companies within the industry in different capacities and was the pioneer Managing Director of Honesty Insurance Company Limited, a position he held from 1996 to 2003.

He is presently engaged in legal practice as the Principal Partner at Repsaj and Co., a law firm he co-founded with others in 2003. Mr. Nduagwuike is also a public speaker and is married with children.

Barrister Nduagwuike is the current President of the Enugu Chamber of Commence, Industry, mines and Agriculture.

The Board Profile

Dr. Benedict Ugochukwu Ujoatuonu - Managing Director/CEO

The Man, BenedictU.Ujoatuonu is a seasoned Insurance and Risk Management practitioner. He is a HND graduate of Insurance from the Institute of Management and Technology (IMT) Enugu. He obtained his Masters in Business Administration (MBA) Degree from the University of Calabar.

He is a recipient of Doctor of Science (Dsc) Honors cause degree in General Risk Management & Corporate Governance from European American University.

PROFESSIONAL MEMBERSHIP STATUS:

1. He is an Associate of the Chartered Insurance Institute of Nigeria (ACIIN),
2. Institute of Certified Cost Management (ACCM),
3. Fellow – Chartered Institute of Public Diplomacy & Management (CIPDM), and
4. Fellow of the Courier & Logistics Management Institute.

BRIEF WORK CAREER:

He started his Insurance career with Regency Insurance Co Ltd (now Regency Alliance Insurance Plc) as one of the key underwriting staff, from where he joined Kapital Insurance Co Ltd. He headed the Technical department of Coral International Insurance Co Ltd and later moved to Global Commerce and General Assurance Ltd as Group Head Technical and later rose to the position of Deputy General Manager (Technical Operations). After the consolidation in the insurance industry, he joined Crown Insurance Brokers Limited and Nobel and Lesley Consulting Limited as The Group General Manager from where he joined Universal Insurance Plc as Head Technical Operations and later Managing Director/CEO.

Ben has attended many local and international courses on Insurance/Risk Management and he was actively involved in preparing students for the insurance professional examinations organized by the Chartered Insurance Institute of Nigeria (CIIN). He is also involved in training and facilitation.

AWARDS & RECOGNITIONS RECEIVED:

Ben,as an Ardent Advocate of Human Capital Development and Empowerment, he is a recipient of various awards which includes but not limited to the following:

1) Education Developer of the year 2015–by National Association of the Nigerian Students (NANS)

The Board Profile

2) Induction into the WASU Hall of Fame 2016–by West African Students Union (WASU).
3) The Distinguished Fellowship of PEFON (DFPEFON) –by Professional Excellence Foundation of Nigeria.
4) Distinguished Entrepreneur – African Youth Parliament
5) National Outstanding Leadership Award – by National Association of Polytechnic Students (NAPS)
6) Garkuwar Matasan Arewa – by Northern Youth Council of Nigeria

Ben has attended many local and international courses on Insurance/Risk Management.

PUBLICATION:
He is an author of life changing book titled "Success Secret of the Rich Now Exposed".

MARITAL STATUS:
He is married to Mrs. Stella Maris Ujoatuonu and happily blessed with children.

HOBBIES:
Brainstorming / Problem Solving, Research, Intellectual Discussion, Music, Devotional Services and Family Development.

Mr. Paulinus Offorzor - Executive Director, Technical Operations

Paulinus Oluchukwu Offorzor is a graduate of insurance from The Institute of Management and Technology, Enugu. He equally holds a Bachelor's Degree in Economics (B.Sc. (Hons) from Imo State University, Owerri and a Masters in Business Administration (MBA) majoring in Insurance and Risk Management from Esut Business School. He is an Associate Member of the under listed professional bodies:

- Chartered Insurance Institute of Nigeria (ACII)
- The Certified Pension Institute of Nigeria (CPIN)
- Chartered Institute of Administration (CIA)

He started his insurance career with Intercontinental Assurance Co Ltd in 1995 and has worked in several other companies within the insurance industry. Mr. Offorozor was the General Manager / Chief Executive Officer Generation Insurance Brokers Limited before joining Universal Insurance Plc as the Head (Technical & Enterprise Risk Management) and was recently elevated to Executive Director, Technical Operations. He is married with children.

The Board Profile

Mr. Reginald Anyanwu - Executive Director, Northern Operations

Mr. Anyanwu obtained HND from the Federal Polytechnic, Oko, Anambra State. He also holds PGD and MBA degrees in Management from the University of Calabar.

He is a chartered member of the Nigerian Institute of Management (NIM) and also a chartered member of the Chartered Insurance Institute of Nigeria (CIIN).

He has been an active player in the Insurance industry since 1992. Prior to joining Universal, he has worked with African Development Insurance Co Ltd; Central Insurance Co Ltd where he rose to the position of Deputy Manager, Marketing before leaving in 1998 to join the team that started Guardian Trust Insurance Company Ltd. from where he left in June 2004 as Senior Manager/Head Abuja to join Universal Insurance Plc..

He became the Head, Abuja Office and was promoted to General Manager, Nothern Operations in 2008, a position he held till his elevation to Executive Director, Nothern Operations in 2012.

Reginald has attended several local and international courses, seminars and workshops. He is married with children

Financial Highlights

	GROUP			COMPANY		
	31-Dec-21 N'000	31-Dec-20 N'000	%	31-Dec-21 N'000	31-Dec-20 N'000	%
Cash and Cash Equivalents	197,139	252,236	-22%	192,818	250,867	-23%
Financial Assets	2,325,185	2,045,454	14%	2,325,185	2,045,454	14%
Trade Receivable	30,191	79,707	-62%	65,346	39,638	65%
Reinsurance Assets	437,703	410,194	7%	437,703	410,194	7%
Deferred Acquisition cost	153,093	109,061	40%	153,093	109,061	40%
Deferred tax assets	403,685	403,685	0%	403,685	403,685	0%
Other Receivables	440,358	327,144	35%	349,401	316,060	11%
Investment in Subsidiaries	-	-		2,449,516	2,449,516	0%
Investment Properties	5,251,526	5,240,696	0%	1,901,830	1,891,000	1%
Intangible Asset	68,544	62,229	10%	68,544	62,229	10%
Property, Plant and Equipment	2,677,217	2,727,886	-2%	2,623,317	2,672,512	-2%
Statutory Deposits	335,000	335,000	0%	335,000	335,000	0%
Total Assets	**12,319,641**	**11,993,292**	3%	**11,305,437**	**10,985,217**	3%
Liabilities						
Insurance Contract Liabilities	1,558,508	1,418,798	10%	1,558,508	1,418,798	10%
Borrowings	-	-		-	-	
Trade payable	234,542	221,576	6%	206,119	194,355	6%
Other payable	131,051	109,481	20%	129,961	91,867	41%
Employee benefit liability	-	-		-	-	
Income Tax liabilities	7,639	6,961	10%	5,921	6,075	-3%
Deferred tax liabilities	386,668	386,668	0%	296,875	296,875	0%
Total Liabilities	**2,318,407**	**2,143,484**	8%	**2,197,383**	**2,007,970**	9%
Equity						
Issued and paid Share capital	8,000,000	8,000,000	0%	8,000,000	8,000,000	0%
Share Premium	825,018	825,018	0%	825,018	825,018	0%
Contingency Reserves	713,897	609,704	17%	713,897	609,704	17%
Fair value reserve	6,459	6,459	0%	6,460	6,460	0%
Non Current assets revaluation reserve	2,524,040	2,524,040	0%	768,329	768,329	0%
Retained earnings	(2,068,181)	(2,115,416)	-2%	(1,205,650)	(1,232,264)	-2%
Shareholders funds	10,001,232	9,849,805	2%	9,108,053	8,977,247	1%
Other equtiy instruments	-	-		-	-	
Non - controlling interests						
TOTAL EQUITY & LIABILITIES	**12,319,640**	**11,993,290**	3%	**11,305,436**	**10,985,217**	3%

Comprehensive Income	GROUP			COMPANY		
	31-Dec-21 N'000	31-Dec-20 N'000	%	31-Dec-21 N'000	31-Dec-20 N'000	%
Gross Premium written	3,473,084	3,396,005	2%	3,473,084	3,396,005	2%
Net Premium Earned	2,403,703	2,614,311	-8%	2,403,703	2,614,311	-8%
Net Underwriting Income	2,477,676	2,748,185	-10%	2,477,676	2,748,185	-10%
Investment & Other income	166,783	242,293	-31%	118,171	212,151	-44%
Total Revenue	2,644,459	2,990,478	-12%	2,595,847	2,960,336	-12%
Claims Paid	(365,513)	(698,672)	-48%	(365,513)	(698,672)	-48%
Underwriting Expenses	(1,118,723)	(1,279,176)	-13%	(1,118,723)	(1,291,198)	-13%
Opereating and Administrative Expenses	(997,989)	(362,659)	175%	(970,959)	(333,331)	191%
Total Benefits,Claims and other Expenses	(2,482,225)	(2,340,506)	6%	(2,455,195)	(2,323,201)	6%
Profit before Taxation	162,234	637,949	-75%	140,652	637,135	-78%
Income Tax Expense/ (Credit)	(10,807)	(13,374)	-19%	(9,846)	(12,488)	-21%
Profit after Taxation	151,427	624,575	-76%	130,806	624,647	-79%
Earnings per share-(basic and diluted)(Kobo)	0.95	3.90		0.82	3.90	

Board Evaluation Report

RC: 1423640
TEAM NOMINEES LIMITED

Plot 9B, Olatunji Moore Street,
Off TF Kuboye Road,
Lekki Phase I Lagos.
Tel: 0812 604 3862
info@teamnominees.com

Thursday, July 28 2022

The Chairman
Board of Directors
Universal Insurance Plc.
8 Gbagada Expressway,
Anthony, Lagos State.

Dear Sir,

REPORT OF BOARD PERFORMANCE EVALUATION FOR THE PERIOD ENDED 31ST DECEMBER, 2021

We were engaged to conduct an independent evaluation of the performance of the Board of Universal Insurance Plc. for the year ended 31st December 2021 and to make recommendations for improvement where necessary.

We are pleased to present to you our report for the period after an in-depth appraisal of your Board. Our findings are based on information gathered from the survey questions administered by us, minutes of meetings and policies of your company, attendance registers and other corporate documents made available to us along with our several discussions with the Company Secretary of your Company. We compared our findings against te recommendations of the Nigerian Code of Corporate Governance 2018, the National Insurance Commission Code of Corporate Governance 2021 (NAICOM Code), the Companies and Allied Matters Act 2020, the Insurance Act 2003 and international best practices.

It is our opinion that the Board and its committees operated fairly well and at a level that is reasonably consistent with its size. The Board members demonstrate credibility, competence, industry knowledge, intuition as well as good and independent judgement. However, the Board is not structured in a manner that ensures a balance of skills, experience and expertise due to its size.

The number of Directors for the period was not up to the prescribed number (7) in the NAICOM Code as the company did not replace its retired Director who exited the company in August 2021 and the deceased Chairman who died in September 2021. The company ended the year with a total number of 4 Directors and none of them is an independent Director. Also, there is an urgent need to appoint new Directors as, among the 4 Directors, only one is a Non-Executive Director which is inadequate for the operations of the Company and contrary to regulatory directives. Furthermore, there is no gender diversity in the composition of the Board contrary to international best practices.

We value the opportunity to work with you and your team, and sincerely appreciate the cooperation and assistance provided to us during the assignment. Kindly reach out to us should you have any queries, comments or feedback.

Yours faithfully,

For: Team Nominees Ltd.

AMAKA MBERU

Corporate Information & Professional Advisers

BOARD OF DIRECTORS

Lt. Gen. Joshua Dogonyaro (Retd), CFR, mni	-	Chairman	-	(Passed on in May 2021)
Dr. Benedict Ujoatuonu	-	Managing	-	Director/CEO
Mr. Reginald Anyanwu	-	Executive	-	Director
Mr. Paulinus Oluchukwu Offorzor	-	Executive	-	Director
Dr. Anthony C. Okocha	-	Non-Executive	-	Director (Retired in August 2021)
Mr. Jasper Nduagwuike	-	Non-Executive	-	Director(Ag.Chairman)

MANAGEMENT TEAM

Benedict U. Ujoatuonu	-	Managing Director/CEO
Reginald Anyanwu	-	Executive Director
Paulinus O. Offorzor	-	Executive Director (Technical)
Benson Ogbonna Ph.d	-	General Manager (South)
Samuel U. Ndubuisi	-	Head of Finance
Chinedu A. Onyilimba,Esq.	-	Company Secretary/Legal Adviser
Pastor Tunji Oyebayo	-	Head of Marketing
Franklin Agha	-	Head of Compliance/ERM
Anthony Okafor	-	Head of Retail
Andrew Mgbanwune	-	Head of Information Technology
Bamidele Ojo (Mrs)	-	Head of Oil & Gas

CORPORATE HEAD OFFICE

8, Gbagada Expressway,
Anthony,
Lagos.

REGISTERED OFFICE

4, Ridgeway Road,
Enugu,
Enugu State.

AUDITORS

Ukwuegbu Ogbeleje& Co.
(Chartered Accountants)
23, Rasaki Shittu Street,
Isheri-Osun, Lagos
P.O. Box 53830, Ikoyi, Lagos.

BANKERS:
Eco Bank Plc.
Fidelity Bank Plc.
First Bank Plc.
First City Monument Bank (FCMB) Plc.
Guaranty Trust Bank (GTB) Plc.
Sterling Bank Plc
Union Bank of Nigeria (UBN) Plc.
United Bank for Africa (UBA) Plc.
Unity Bank Plc.
Zenith Bank Plc.

CONSULTING ACTUARY
Ernst & Young
10th & 13th Floor, UBA House
57, Marina
P. O. Box 2442
Lagos, Nigeria

REGISTRARS AND TRANSFER OFFICE
Carnation Registrars Limited
2a, Gbagada Expressway,
Anthony Village,
Lagos

Notice of 52nd Annual General Meeting

NOTICE OF 52ND ANNUAL MEETING
UNIVERSAL INSURANCE PLC
{RC No. 2460}

NOTICE IS HERE BY GIVEN THAT the 52nd Annual General Meeting of **THE UNIVERSAL INSURANCE PLC.** will be held at Radisson Hotel, Ikeja, Lagos on **Thursday the 13th Day of October 2022 at 9:00 a.m.** prompt to transact the following business:

Ordinary Business:

1. "To lay before the members, the report of Directors and the Audited Financial Statements together with the Audit Committee Report for the year ended 31st December 2021"

2. To authorize the Directors to appoint External Auditors.

3. To authorize the Directors fix the remuneration of the Auditors.

4. To re-elect **Mr. Jasper Nduagwuike** as a Director.

5. To ratify the appointment of **MRS. OLUFUNMILAYO ADEBUSOLA BALOGUN** as a Director.

6. To elect members of the Audit Committee.

7. To disclose the remuneration of Managers of the company in compliance with Section 257 of CAMA 2020.

Notes:

- **Compliance with Covid-19 Related Directives and Guidelines:** The Federal Government of Nigeria, State Government, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 50 people while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

- **Proxy:** Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid for this meeting, a Proxy Form must be completed and emailed to info@carnationregistrars.com or deposited at the office of the Registrars, Carnation Registrars Limited, 2, Gbagada Expressway, Anthony, Lagos not later than 48 hours before the time fixed for the meeting. A blank Proxy Form is attached to the Annual Report and may also be downloaded from the Company's website at www.universalinsuranceplc.com.

- **Attendance by Proxy:** In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

    - Mr. Jasper Nduagwuike (NED)
    - Dr. Ben Ujoatuonu (MD/CEO)
    - Chinedu Onyilimba, Esq. (Company Secretary)
    - Sir. Sunny Nwosu (Shareholder)
    - Mr. Kenneth Nnabuike (Shareholder)
    - Mrs. Bisi Bakare (Shareholder)
    - Mr. Moses Igdrude (Shareholder)
    - Prince Anthony O. Omojola (Shareholder)
    - Mr. Michael Obinna Nwosu (Shareholder)
    - Mr. Wahab Ajani (Shareholder)
    - Mrs. Mary Joke Shofolahan (Shareholder)

- **Stamping of Proxy:** The Company has made arrangement at its cost, for the stamping of the duly completed and signed Proxy Forms submitted to the Company's Registrars within the stipulated time.

- **Online Streaming of AGM:** The AGM will be streamed live online. This will enable Shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM online live streaming will be made available on the Company's website at www.universalinsuranceplc.com.

- **Closure of Registers and Transfer Books**: The Register of Members shall be closed from 26th September, 2022, (both days inclusive) for the purpose of updating the Register of Members.

- **Nomination of Statutory Audit Committee Members**: In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020 any member may nominate a shareholder as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Such notice of nomination should be sent via email to chinedu.onyilimba@universalinsuranceplc. com

- **Re-election of Mr. Jasper Nduagwuike as a Director**: In accordance with Section 285(1) of the Companies and Allied Matters Act, 2020 Mr. Jasper Nduagwuike will retire by rotation and being eligible, offers himself for re-election. His profile is contained in the Annual Report and also on the Company's website.

- **Ratification of Mrs. Olufunmilayo Adebusola Balogun as a Director:** In accordance with section 274(1) & (2) of the Companies and Allied Matters Act, 2020, The Board of Directors appointed Mrs. Balogun as a Non-Executive Director to fill the casual vacancy that arose as a result of the resignation of Directors.

- **Rights of Security Holders to Ask Questions**: Pursuant to Rule 19.12(c) of the Nigerian Exchange Limited Rulebook 2015, it is the right of every Shareholder to ask questions not only at the Annual General Meeting, but also in writing prior to the Meeting, and such questions must be submitted at least one week before the meeting. Kindly send all questions to info@universalinsuranceplc.com.

- **E-Annual Report:** The electronic version of the annual report (e-annual report) can be downloaded from the Company's website www.universalinsuranceplc.com. The e-annual report will be emailed to shareholders who have provided their email addresses to the Registrars. Shareholders who wish to receive the e-annual report are kindly requested to send an email to info@universalinsuranceplc. com.

- **Website:** A copy of this Notice and other information relating to the meeting can be found on the Company's website at www.universalinsuranceplc.com

Dated This 7th day of September, 2022

BY ORDER OF THE BOARD

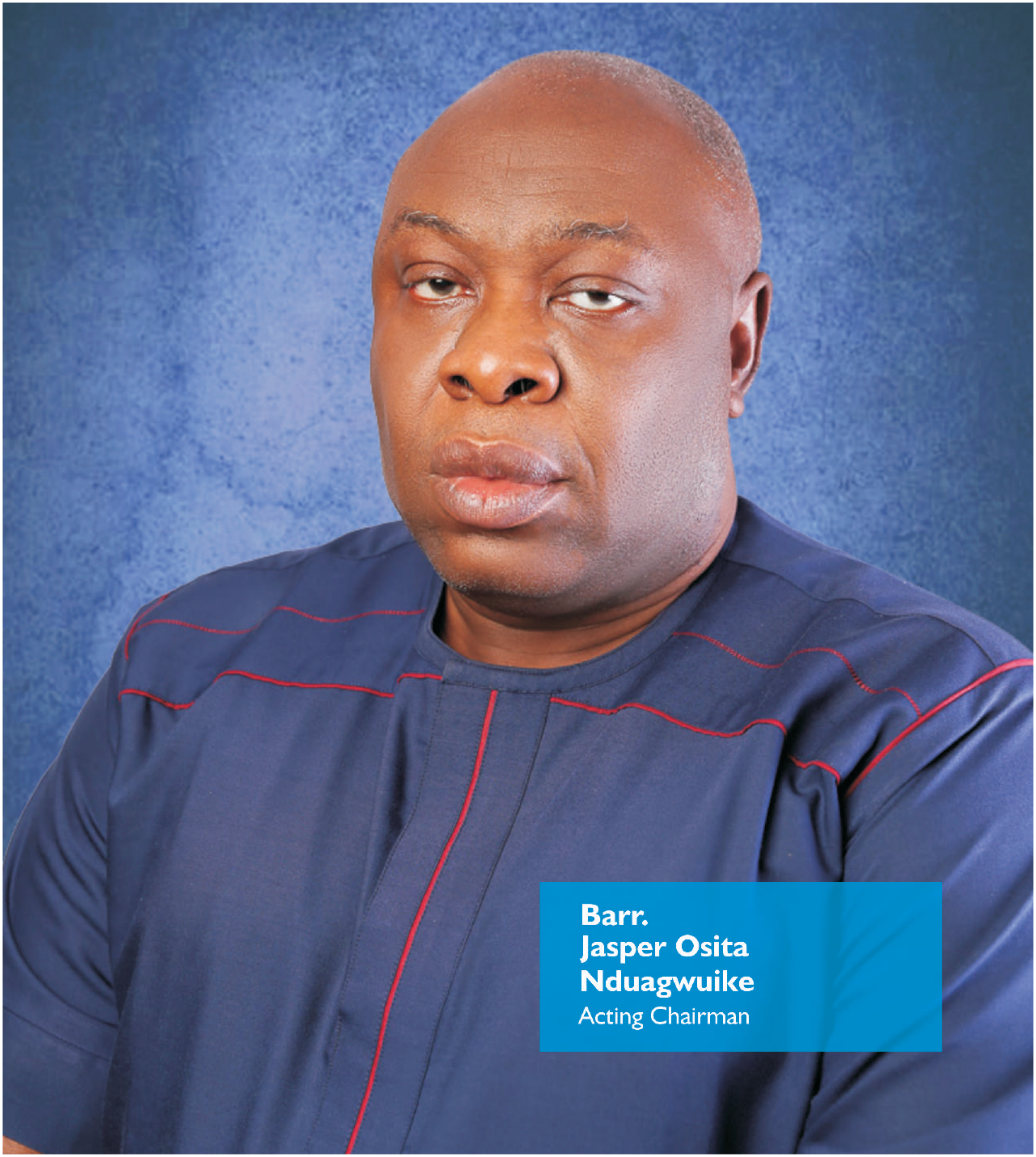
CHINEDU ANTHONY ONYILIMBA, ESQ.
COMPANY SECRETARY
FRC/2016/NBA/00000015776

Certification by Company Secretary

In my capacity as Company Secretary, I hereby certify in terms of the Companies and Allied Matter Act, CAP C20 LFN, 2020 that for the year ended 31 December 2021, the Company has lodged all such returns as are required of a Company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Onyilimba Chinedu Anthony, Esq.
Company Secretary
FRC/2016/NBA/00000015776

6th May, 2022



Barr.
Jasper Osita Nduagwuike
Acting Chairman

Chairman's Address

My very dear and esteemed Shareholders, Members of the Board of Directors, Stakeholders here present, Ladies and Gentlemen, it is my pleasure to welcome you to the 52ndAnnual General Meeting of your company, to present to you our annual reports and accounts for the year ended 31stDecember,2021andtoconsiderthe performance of our company.

OPERATING ENVIRONMENT

The year 2021 marked the gradual return of economic activities from the debilitating effect of the COVID 19 pandemic. The anticipated enthusiasm for economic recovery from the debilitating impact of the Covid-19 pandemic and other unanticipated challenges faced during year 2020 was doused by the emergence of the various Covid-19 variants, ever increasing energy costs and constant disruptions in global supply chain. While the subsidy regime remained in place with price stability at N165 per litre. Conversely, the price of Automotive Gas Oil (AGO or Diesel) which industries and other organizations depend heavily on to power their operations has remained high and recently hit the roofs.

Your company despite of all these challenges yet again recorded another success in its operations as we are here today to look at the results.

Unlike year 2020 whose economic growth ended up at -4.9%, year 2021 economic growth was put at a moderate 6% globally by the International Monetary Fund (IMF) with several international developments having significant impact in the business operations of the developing or Third world economies. This global economic projection for the year was later in October 2021, reviewed down to 5.9% due to so many supply disruptions in advanced economies due to the worsening pandemic which in effect affected the low-income countries negatively.

The Naira depreciated against the US Dollar from N394.00/$ in 2020 to N435.00 / $ in 2021 at the Investors and Exporters (I&E) Window while in the parallel market, the spread with the official market widened drastically due to there striction in dollar supply from the Central Bank of Nigeria, all of which impacted inflation.

INSURANCE INDUSTRY

In spite of the challenging landscape of the preceding year which was characterized by various forms of economic disruptions and rising claims. The environment showed a remarkable departure from the past year recovering from several months of lockdown induced by the pandemic and thereafter ENDSARS protests and disruptions, the Nigerian insurance industry maintained a marginal increase in insurance penetration.

Amidst the significantly reduced purchasing power and available liquidity, the experience of the priory ear increased societal awareness on the need for insurance as a risk management mechanism despite less than 1% insurance penetration. The data obtained from the NBS reflected that the financial and insurance sector's contribution other country's GDP grew by 10.07% in 2021 from9.37%growthin2020.Indeed, the hope that the renewed insurance awareness will improve Nigeria's insurance penetration and grow the industry, is rekindled.

The Insurance industry in the year 2021 was able to grow its premium income from N513bn in 2020 to N630bn. A growth of about 23%.

The industry's policy on recapitalization was put on hold during the year although there are indications that the regulator might resort to the initially discarded Risk Based Capital. Further speculations of the signing of the amended Insurance Act into law also did not hold and so it is safe to say that it was in the face of these uncertainties that your company progressed.

Our industry regulator; the National Insurance Commission (NAICOM) continued its efforts to domesticate compulsory insurance implementation across the nation as it launched its much anticipatedonlineportalin2021,withthe core objective to enhance data collection, bridge the information gap that has characterized the sector in the past and to ensure efficient interface with its stakeholders. The Commission also released the NAICOM Corporate Governance Guidelines for Insurance and Reinsurance Companies 2021 to assist in the implementation of the Nigerian Code of Corporate Governance 2018 (NCCG)and to ensure that improved good Corporate Governance is embedded in specific areas.

BOARD COMPOSITION

Membership of the board of directors of your company depleted in 2021. Our erstwhile Chairman Gen Joshua Dogonyaro died in May 2021 and in August 2021, the sit in Chairman Dr. Anthony C. Okocha retired from the Board after serving his term.

Your Board, though depleted rose to the occasion, and had been steering the ship of the company till date. We have continued to tap from the wealth of experience of colleagues with diverse experience across several fields of endeavor in technology, oil& gas, financial services, legal and other sectors of the economy.

OPERATING RESULTS

The operating environment filled with challenges notwithstanding, your company yet again recorded another success. This again is a pointer to the resilience of all stake holders to our corporate existence in seeing that the expectation is exceeded.

This has helped to ensure our unbroken streak in profitability in recent times. Both the top and bottom lines recorded growths as we generated an all-time high Gross Premium Written of N3.5 billion. When compared with the N3.4 billion recorded in the corresponding period of 2020.Our Profit after for the year 2021 stood at N151 million.

Your company also showed further resilience by increasing its assets from N11.3bn in 2020 to N12.3bn in 2021. Also growing our shareholders fund from N9.8bn in 2020 to N10bn in 2021.

FUTURE OUTLOOK

Our quest is to become one of the top players in the financial services sector of this economy. Our emergence as a one-stop-shop for the array of services we now offer through our retail outfit is in line with this quest.

Although, the economy has been fully opened to pre pandemic level, our nation is fraughted with several challenges ranging from economic meltdown to insecurity to the extent that some multinationals are closing shops in Nigeria, your company is ready and equipped with dedicated Board, Management and Staff that are willing and ready to ensure that the fortunes of the company do not dwindle.

APPRECIATION

As we collectively employ our expertise and experiences towards the achievement of the corporate goal of your company, we consistently count on your support and understanding as we take your company to the next level of success. For this, we are most grateful our wonderful Shareholders.

Our appreciation goes to our ever-supportive brokers and agents who over the years have been supporting our dream.

We thank also our indefatigable staff and management whose resilience has seen us to this point of success

In a very special way we thank our customers, both internal and external whose belief and trust in the Universal Brand is second to none.

Although the road may seem rough and challenges insurmountable, it is our belief with the great support system around us and the grace of God, we will continue to exceed expectations and continually deliver positive results to all stakeholders to our business.

Thank you

Certification pursuant to section 60 (2) of investment & securities Act no.29 0f 2007

We the undersigned, hereby certify the following with regards to our audited financial statements for the year ended December 31, 2021 that:

(i) We have reviewed the report and to the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Group as of , and for the years presented in the report.

(ii) We:

- Are responsible for establishing and maintaining internal controls.
- Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- Have evaluated the effectiveness of the Company's internal controls as of date of the report;
- Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(iii) We have disclosed to the auditors of the Company and Audit Committee:

- All significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls:

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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

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

Report of the Audit and Compliance Committee

To the Shareholders of Universal Insurance Plc.

In accordance with Section 359(6) of the Companies and Allied Matters Act, we the Members of the Audit Committee of Universal Insurance Plc., have reviewed the audited financial statements of the Company for the year ended 31 December 2021 and based on the documents and information available to us, report as follows:

(a) We have reviewed the scope and planning of the external audit requirements and found them adequate.

(b) We have reviewed the financial statements and are satisfied with the effectiveness of the Company's system of accounting and internal control.

(c) We deliberated upon the Management Control Report of the External Auditors and the Management responses provided thereto and are satisfied that appropriate steps are being taken to address the issues raised.

(d) The External Auditors confirmed having received full co-operation from management in the course of their statutory audit.

(e) Dr. Anthony Okocha having retired is no longer in the committee and has been replaced by **Mr. Jasper Nduagwuike**.

We are of the opinion that the accounting and reporting policies of the Company for the year ended December 31, 2021 are in accordance with the legal requirements and agreed ethical standards.

Mr. Clement A. C. Opara
FRC/2021/002/00000024747
Chairman of the Statutory Audit Committee
May 4, 2022

Members of the Statutory Audit Committee are:

Mr. Clement A.C. Opara	Chairman
Mr. Oluwaseun B. Olukoya	Member
Mr. Angus O. Amiolemeh	Member
Dr. Anthony Okocha	Member
Mr. Reginald Anyanwu	Member
Mr. Jasper Nduagwuike	Member

The Company Secretary/Legal Adviser, Anthony C. Onyilimba Esq. served as the Secretary to the Committee.

Independent Auditor's Report To the members of Universal Insurance Plc

UNIVERSAL INSURANCE PLC 2021 ANNUAL REPORT & ACCOUNTS

UKWUEGBU, OGBELEJE & CO.

(CHARTERED ACCOUNTANTS)

RC. LAZ 029096

23, Rasaki Shittu Street, Isheri-Osun; P. O. Box 53830. Falomo; Lagos.
75, Area A, World Bank, Opposite Rossidkid Nursery School, Owerri, Imo State
Telephone: 08033006646, 08033047135. E-mail: consultants@uocng.net, Website: www.uocng.net

Partners: Ifechukwu C. Ukwuegbu, B.Sc, ACA, MNCS, Eva C. Ogbeleje, MPA, ACA, ACIT

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated and separate financial position of Universal Insurance Plc (the company) and its subsidiary (together "the group") as at 31 December 2021, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act Cap C20 LFN 2004, the Insurance Act 2003, circulars and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pension Reform Act 2014, the Investment and Securities Act 2007 and the Financial Reporting Council of Nigeria Act, 2011.

What we have audited:

We have audited the accompanying consolidated and separate financial statements of Universal Insurance Plc ('the company') and its subsidiary (together 'the group')

Universal Insurance Plc's consolidated and separate financial statements comprise:

- The consolidated and separate statements of financial position as at 31 December 2021;
- The consolidated and separate statements of comprehensive income for the year then ended;
- The consolidated and separate statements of changes in equity for the year then ended;
- The consolidated and separate statements of cash flows for the year then ended; and
- The notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independent requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirement applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) (Parts A and B).

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our opinion on the financial statements.

Key Audit Matters identified:

Valuation of Insurance contract liabilities.

The company has material insurance liabilities. The measurement of insurance contract liabilities involves judgement over uncertain future outcomes, mainly the ultimate total settlement value of long-term liabilities, including any guarantees provided to policyholders.

Note 17 to the financial statements describe the elements that make up the insurance contract liabilities balance.

How our audit addressed the matter.

We focused on this balance because of the complexity involved in the estimation process, and the significant judgements that management and the directors make in determining the balance.

The valuation of the Group's gross and reinsurance incurred but not yet reported claims ("IBNR") reserve is determined in line with the provisions of the Nigerian Insurance Act to the extent that they do not conflict with the requirements of the International Financial Reporting Standards (IFRS). It is dependent on a number of subjective assumptions about future experience.

The economic and non-economic actuarial assumptions applied in estimating amounts for claims incurred at reporting date but not reported to the Group require judgement. Such assumptions include the loss ratio (the total losses paid by an insurance company in the form of claims and adjustment expenses as a proportion of total earned premiums) and recovery rate percentage (derived based on historical recovery to gross claim ratios). These would be determined for previous years based on the claims experience to date where claims and recovery data were available. For classes of business where no claims data is available, the average loss ratio experienced in the industry is used.

This estimate relies on the quality of the underlying data and involves complex and subjective judgements about future events, both internal and external to the business, for which minor changes in assumptions can result in material impacts to the estimate.

The valuations are carried out by third party valuers. The-valuers are engaged by the Group, and performed their work in accordance with the International Valuation Standards. The valuers used by the Group are from a well known firm, with experience in the markets in which the Group operates.

Classification and measurement of financial assets based on IFRS 9 adoption.

The Group had significant financial assets of N2.325 billion (2020: N2.045 billion). The Group adopted IFRS 9, effective January 1, 2018 which necessitated the development of new accounting policies and disclosures as well as significant judgements in determining the measurement category based on the business model and the cash flow characteristics of the financial assets. In addition, judgement was also exercised in the decision to adopt IFRS 9 based on the requirements of IFRS 4, Insurance contracts (Revised).

The adoption of the new standard resulted in significant changes to accounting policies, classification and measurement of financial instruments as well as the impact of the transition adjustment on the reserves previously recognised in the financial statements.

The significant judgement involved in the adoption of IFRS 9 and classification and measurement of the Group's financial assets make it a matter of significance to the audit.

How we addressed the matter.

Our audit procedures included the following:

- We evaluated the appropriateness of the accounting policies adopted based on the requirements of IFRS 9, and our understanding of the Group's businesses.

- We gained an understanding of management's processes and the controls implemented to ensure the completeness and accuracy of the transition adjustments.
- We identified and tested relevant controls implemented in the classification and measurement of existing and new financial instruments.
- We evaluated the reasonableness of management's key assumptions/judgements over classification and measurement decisions as well as key judgements and estimates made in calculating the transition adjustments.
- We assessed the completeness, accuracy and relevance of data used in preparing the transition adjustments and disclosures required by IFRS 9 in the Group financial statements.

The Group's accounting policy on the classification and measurement of financial assets and related disclosures are shown in notes 2.6, 2.11.2 and 2.11.3 (accounting policies), and note 7 (financial assets).

Other information

The directors are responsible for the other information. The other information comprises: Directors' report, Corporate governance report, Management discussion and analysis, Statement of directors' responsibilities, Report of the audit committee, Hypothecation, Statement of value added and Five year financial summary but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and: Business and financial highlights report, Chairman's statement, Chief Executive's review, Report of external consultants, Technical, operations and product report, Investment report, Risk management report, Non-dealing period policy which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
When we read the complete annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements.

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act 2011, and the Nigerian Insurance Act 2003, the Investment and Securities Act 2007 and National Insurance Commission (NAICOM) circulars, for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Compliance with the FRC guidance for reporting the effects of COVID-19 on business operations

The Company complied with the guidance provided by the Financial Reporting Council (FRC) for reporting the impact of COVID-19 on its operations. Also, we confirm that we have obtained sufficient appropriate audit evidence regarding going concern applicability.

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii) The Company has kept proper books of account, so far as appears from our examination of those books, and returns adequate for our audit have been received from branches not visited by us.

iii) The Company's statements of financial position and comprehensive income are in agreement with the books of account and returns.

Contraventions

The Company did not contravene in any of the requirements of National Insurance Commission, or the Insurance Act in the year under review.

Ukwuegbu, Ogbeleje& Co.
(Chartered Accountants)
Lagos, Nigeria
Engagement Partner: Evaristus C. Ogbeleje
FRC/2014/ICAN/00000010796
May 6, 2022

Directors Report

The Directors have pleasure in submitting to the members their report and audited financial statements of Universal Insurance Plc. (the Group) for the year ended 31 December 2021.

1. LEGAL FORM

The Company was incorporated as a private limited liability company on 1stMarch, 1961 under the Cap 37 LFN and Lagos 1958 with RC No. 2460. The company was established by the then Eastern Nigerian Government and African Continental Bank Plc. through an association between the then Eastern Nigerian Development Commission (ENDC) and Pearl Assurance Company Limited of London whereby ENDC acted as agent to the Insurance Company.

The Universal Insurance Company Limited from inception has been in partnership with Swiss Reinsurance company of Zurich, which also provided the necessary Reinsurance support.

The Company became a Public Liability Company on 14th December 2007, following the successful recapitalisation and consolidation with the former United Trust Assurance Company Limited, Oriental Insurance Company Limited and African Safety Insurance Company Limited. On the 11th February 2009, the Company became listed on the Nigerian Stock Exchange. The Company has a subsidiary in the hospitality industry – Universal Hotels Limited.

The Company is registered by the National Insurance Commission ("NAICOM").

2. PRINCIPAL ACTIVITIES

The Company is engaged in Non - Life Insurance Businesses which include Motor, Fire, General Accident, Workmen compensation, Burglary, Marine Cargo, Marine Hull and Aviation etc.

3. OPERATING RESULTS

The financial result of the subsidiary has been consolidated in these financial statements.
The following is a summary of the Group's operating results: -
(in thousands of Nigerian Naira)

	Group 2021 N'000	Group 2020 N'000	Company 2021 N'000	Company 2020 N'000
Profit/(Loss) before tax	162,234	637,949	140,652	637,135
Taxation	(10,807)	(13,374)	(9,846)	(12,488)
Profit/(Loss) after tax	151,427	624,575	130,806	624,647
Transfer to contingency reserve	(104,193)	(124,929)	(104,193)	(124,929)
Retained earnings, end of year	(2,068,181)	(2,115,416)	(1,205,650)	(1,232,264)
Earnings per share - Basic (Kobo)	0.95	3.90	0.82	3.90
Total Assets	12,319,640	11,993,292	11,305,436	10,985,217
Cash and cash equivalent	197,139	252,236	192,818	250,867
Financial assets	2,325,185	2,045,454	2,325,185	2,045,454
Insurance Contract liabilities	1,558,508	1,418,798	1,558,508	1,418,798
Share-holders' funds	10,001,232	9,849,806	9,108,053	8,977,247
Statutory Deposits	335,000	335,000	335,000	335,000

4. PROPERTY PLANT AND EQUIPMENT
Movement in Property Plant and Equipment during the year are as shown in note 15 of notes to the financial statements.

5. DIRECTORS
The Names of the Directors who held office during the period and at the date of this report are as stated on page 1.
Directors remuneration

Non-Executive Directors remuneration comprises of directors fees, sitting allowance and travel allowance for those outside the country payable during the year. Executive Directors remuneration includes salaries and allowances payable during the year.

6. DIVIDEND
No dividend has been proposed for year ended 31 December 2021.

7. DIRECTORS' INTERESTS
In accordance with sections 275 and 276 of the Companies and Allied Matters Act CAP C20 LFN 2004 and the listing requirement of the Nigerian Stock Exchange, the direct and indirect interests of the directors' shareholding as advised by the Registrar of the Company as at 31 December 2021 are as follows:

Directors	2021		2020	
	Direct	Indirect	Direct	Indirect
Lt. Gen. J.N. Dogonyaro (Retd), CFR, mni	Nil	Nil	Nil	Nil
Mr. Benedict Ujoatuonu	Nil	Nil	Nil	Nil
Mr. Reginald Anyanwu	150,000	Nil	150,000	Nil
Dr. Anthony Okocha	503,434	Nil	503,434	Nil
Mr Paulinus Offorzor	Nil	Nil	Nil	Nil
Mr Jasper Nduagwuike	Nil	Nil	Nil	Nil

8. DIRECTORS' INTEREST IN CONTRACTS
None of the Directors has notified the Company for the purposes of Section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, of any interest in contracts with which the Company was involved as at 31 December 2021 or as at the date of this report.

9. ANALYSIS OF SHAREHOLDINGS
The shares of the Company were fully owned by Nigerian citizens and associations.

The range of shareholding as at 31 December 2021 is as follows:

Range of holdings			No. of Holders	% of Holders	No. Of shares held	% of Holdings
1	-	1000	2093	3.44	1,612,308	0.01
1001	-	5000	11611	19.08	37,699,911	0.24
5001	-	10,000	9981	16.40	83,536,473	0.52
10,001	-	100,000	30,455	50.03	1,215,255,913	7.60
100001	-	500000	5543	9.11	1,188,918,648	7.43
500001	-	1000000	632	1.04	503,826,497	3.15
1000001	-	10,000,000	477	0.78	1,261,643,378	7.88
10000001	-	100000000	60	0.10	1,883,542,693	11.77
100000001	-	1000000000	15	0.02	4,180,119,881	26.13
1000000001	-	10000000000	2	0.003	5,643,844,298	35.27
Total			**60,869**	**100.00**	**16,000,000,000**	**100.00**

The following shareholders held more than 5% of shares of the company according to the Register of members as at 31st December 2021 .

African Alliance Insurance Plc	4,155,106,088	25.97 %
Stanbic Nominees Nigeria Limited	1,763,191,383	11.02 %
Others	10,081,702,529	63.01 %
	16,000,000,000	100.00 %

The Company did not purchase any of its own shares during the year.

10. FRAUD/FORGERY

There was no fraud recorded during the financial year under review.

11. CORPORATE GOVERNANCE

The Board of Directors and the Management of Universal Insurance Plc. are committed to leadership in corporate governance. The business of the Company is conducted by its employees and officers, under the direction of the Chief Executive Officer and the oversight of the Board, to enhance the long-term value of the company for its shareholders and other stakeholders.

Corporate governance practices in Universal Insurance Plc. are as codified in the NAICOM Code of Corporate Governance for Insurance Industries in Nigeria, Rules 2009, the SEC Code of Corporate Governance 2010, the Companies and Allied Matters Act 2004 and other relevant statutes which provide guidance to the governing of Insurance companies as well as the values upon which the Company was founded. These Codes/Statutes are geared towards ensuring accountability of the Board and Management to the Stakeholders of the Company. The Code also emphasizes the need to meet and address the interests of a range of stakeholders so as to promote the long-term sustainability of the Company.

The Board of Directors is currently made up of Four (4) Directors following the death of the chairman and resignation of Dr. Okocha. The position of the Chairman is distinct from that of the Managing Director. The Board is responsible for controlling and managing the strategic business of the Company and constantly reviews and presents a balanced and comprehensive assessment of the company's performance and future prospects. It may exercise all such powers of the Company as are not by law or the Articles of Association of the Company in General Meetings.
The meetings of the Board were held virtually as follows

BOARD MEETINGS	COMPOSITION	NO. OF ATTENDANCE (5)	11 Feb 2021	1 Apr 2021	7 May 2021	29 July 2021	29 Oct 2021
LT. GEN. JOSHUA DOGONYARO (Retd) CFR, mni	Chairman	0	0	0	0	0	0
Dr Anthony Okocha	Non-Executive Director	4	X	X	X	X	0
Dr. Benedict Ujoatuonu	Managing Director	5	X	X	X	X	X
Mr. Reginald Anyanwu	Executive Director	5	X	X	X	X	X
Mr. Paulinus Offorzor	Executive Director	5	X	X	X	X	X
Mr. Jasper Nduagwuike	Non-Executive Director	5	X	X	X	X	X

The Board functioned either as a full board or through committees. The Board committees as listed below make recommendations for approval by the full Board.

COMMITTEE	MEMBERSHIP	STATUS
Statutory Audit Committee	Mr. Clement A.C. Opara	Shareholder/Chairman
	Mr. Angus O. Amiolemeh	Shareholder/Member
	Mr. Oluwaseun B. Olukoya	Shareholder/Member
	Dr. Anthony Okocha	Director/Member
	Mr. Reginald Anyanwu	Director/Member
	Mr. Jasper Nduagwuike	Director/Member
Investment/Finance Committee	Dr. Anthony Okocha	Chairman
	Dr. Benedict Ujoatuonu	Member
	Mr. Reginald Anyanwu	Member
	Mr. Paulinus Offorzor	Member
	Mr. Jasper Nduagwuike	Member
Enterprise Risk Management/Corporate Governance Committee	Dr. Anthony Okocha	Chairman
	Dr. Benedict Ujoatuonu	Member
	Mr. Reginald Anyanwu	Member
	Mr. Paulinus Offorzor	Member
Board Audit & Compliance Committee	Dr. Anthony Okocha	Chairman
	Mr. Reginald Anyanwu	Member
	Dr. Benedict Ujoatuonu	Member
	Mr. Jasper Nduagwuike	Member
	Mr. Paulinus Offorzor	Member

STATUTORY AUDIT COMMITTEE:

The Committee held four meetings during the year. Section 359(6) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria, 2004 provides for the functions of this committee. In addition, the 2011 Securities and Exchange Commission (SEC) Code of Corporate Governance also assigns responsibilities to the Committee. A Board Audit Committee is constituted to further ensure compliance to the statutory requirements.

STATUTORY AUDIT COMMITTEE

NAME	POSITION	NO . OF ATTEN DANCE (4)	11th Feb 2021	31st Mar 2021	5th May 2021	20 Oct 2021
Mr. Clement A.C Opara	Chairman	4	X	X	X	X
Mr. Angus O. Amiolemeh	Member	4	X	X	X	X
Mr. Oluwaseun B. Olukoya	Member	4	X	X	X	X
Mr. Reginald Anyanwu	Member	4	X	X	X	X
Dr. Anthony Okocha	Member	3	X	X	X	0
Mr. Jasper Nduagwuike	Member	4	X	X	X	X

BOARD AUDIT & COMPLIANCE COMMITTEE

NAME	POSITION	NO. OF ATTENDANCE (4)	10th Feb 2021	4th May 20 21	28th Jul 2021	28th Oct 2021
Dr. Anthony Okocha	Chairman	3	X	X	X	0
Mr. Reginald Anyanwu	Member	3	X	X	X	X
Mr. Paulinus Offorzor	Member	3	X	X	X	X
Mr. Jasper Nduagwuike	Member	3	X	X	X	X

BOARD FINANCE & INVESTMENT COMMITTEE

NAME	POSITION	NO. OF ATTENDANCE	10th Feb 2021	4th May 2021	28th July 2021	27th Oct 2021
Dr. Anthony Okocha	Chairman	3	X	X	X	0
Dr. Benedict Ujoatuonu	Member	4	X	X	X	X
Mr. Reginald Anyanwu	Member	4	X	X	X	X
Mr. Paulinus Offorzor	Member	4	x	X	X	X
Mr. Jasper Nduagwuike	Member	4	x	X	X	X

ENTERPRISE RISK MANAGEMENT & CORPORATE GOVERNANCE

The Committee met three times during the year. It was set up to ensure effective control measures and set up sufficient internal checks to ensure effective and efficient underwriting.

NAME	POSITION	NO. OF ATTENDANCE	10th Feb 2021	5th May 2021	28st July 2021	28th Oct 2021
Mr. Jasper Nduagwuike	Chairman	3	X	X	X	X
Dr. Benedict Ujoatuonu	Member	3	X	X	X	X
Mr. Reginald Anyanwu	Member	3	X	X	X	X
Mr. Paulinus Offorzor	Member	3	X	X	X	X
Dr. AnthonyOkocha	Member	3	X	X	X	0

In addition, a Management Executive Committee meets regularly to address policy implementation and other operational issues.

Guide to the tables
X = Present
O = Absent

12. INCORPORATION AND SHARE CAPITAL HISTORY

The Universal Insurance Plc was incorporated as a Private Limited Liability Company on 1st of March 1961 and commenced business operations on 1st January 1962.

The Company's Authorised Share Capital at incorporation was 200,000.00 and has progressively increased over the years to 15,000,000,000.00 divided into 30,000,000,000 ordinary shares of 50 Kobo each. The Company currently has an Issued & Fully paid capital of N8,000,000,000.00 divided into 16,000,000,000 Ordinary shares of 50 Kobo each.
The following changes have taken place in the company's authorised share capital since incorporation:

Changes to Authorised Share Capital:

Date of Resolution	Increased from	Increased to
24/04/1962	200,000.00	500,000.00
02/02/1977	500,000.00	1,000,000.00
01/11/1991	1,000,000.00	25,000,000.00
09/10/1998	25,000,000.00	100,000,000.00
06/01/2004	100,000,000.00	400,000,000.00
15/02/2007	400,000,000.00	2,000,000,000.00
29/03/2007	2,000,000,000.00	8,000,000,000.00
25/09/2007	8,000,000,000.00	11,000,000,000.00
12/10/2007	11,000,000,000.00	16,000,000,000.00

13. EMPLOYMENT AND EMPLOYEES

a. Welfare of employees
The Company provides allowances to its employees at all levels for medical, transportation and housing.

b. Employees involvement and training

The Company ensures that employees are informed in respect of the Company's activities especially in areas that concern them. The Company also invests in training its workforce at various levels both in-house and external courses. This has resulted in enhancing the technical expertise of the workforce.

Workforce

The number of persons employed as at the end of the year were as follows:

	Male	%	Female	%	Total
Managerial	19	(70)	8	(30)	27
Other Staff	47	(67)	23	(33)	70
	66	(68)	31	(32)	97

14. DONATIONS AND CHARITABLE GIFT

The Company did make donations to a charity home and to the Boys Brigade in the year 2021 and they are broken down as follows:

(a) Treasure of Love Orphanage, Congregation of the Missionaries of Charity Ketu Lagos. N1m.

(b.) Boys Brigade of Nigeria. N2.5m

15. AUDITORS

The Auditors Ukwuegbu, Ogbeleje & Co. have been appointed as the Company's external auditors in accordance with section 401 of the Companies and Allied Matters Act 2020. A resolution will be proposed at the Annual General Meeting to authorize the Directors to confirm the appointment and fix their remuneration.

16. 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.

17. COMPLAINT MANAGEMENT POLICY

The Company has in place, a Complaint Management Policy in compliance with the Securities and Exchange Commission's Rule on complaints management by public companies.

BY THE ORDER OF THE BOARD

ONYILIMBA, CHINEDU ANTHONY ESQ
COMPANY SECRETARY
FRC/2016/NBA/00000015776
May 6, 2022

Risk Management Declaration

We the Directors on behalf of Universal Insurance Plc, hereby endorse to the best of our knowledge and believe, having made appropriate enquiries that:

a. The Company has instituted an operational structure aimed at adhering with National Insurance Commission's (NAICOM's) guidelines in relation to establishing a risk management framework for Insurance and Reinsurance in Nigeria.

b. The Board is satisfied with the efficacy of the methods surrounding the production of financial information of the company.

c. The Enterprise Risk Management and Internal Control structure functions are embedded in the company operational framework and are functioning effectively.

Dr. BENEDICT UJOATUONU
FRC/2013/CIIN/0000003282

REGINALD ANYANWU
FRC/2013/NIM/0000003245

Statement of Directors' Responsibilities in Relation to the Financial Statements

for the year ended 31, December 2021

The Directors accept responsibility for the preparation of the annual consolidated financial statements that give a true and fair view of the statement of financial position of the Group and Company at the end of the year and of its comprehensive income in the manner required by the Companies and Allied Matters Act of Nigeria and the Insurance Act of Nigeria. The responsibilities include ensuring that the Group:

i. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act and the Insurance Act.

ii. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities: and

iii. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, in compliance with;

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- the requirements of the Insurance Act;
- relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Group and of the profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have made assessment of the Group's ability to continue as a going concern and have no reason to believe that the Group will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Dr. BENEDICT UJOATUONU
FRC/2013/CIIN/0000003282

REGINALD ANYANWU
FRC/2013/NIM/0000003245

Management Discussion and Analysis

for the year ended 31, December 2021

NATURE OF BUSINESS

This Management Discussion and Analysis has been prepared as at 31st December 2021 and should be read together with the consolidated financial statements of Universal Insurance Plc and its subsidiary.

BUSINESS STRATEGY

The Universal Insurance Plc is registered and incorporated in Nigeria and it provides insurance and Risk Management Services to corporate and retail sector of Nigerian economy. It also strives to establish itself as one of the best insurance institutions in Nigeria.

One of the Company's strategies is to deploy the use of technology and quality manpower in providing tailor made services to our customers.

The Company has been authorised to go into micro-insurance scheme. It is setting up the necessary procedures to achieve success in the area.

RESULT OF OPERATIONS

	GROUP			COMPANY		
YEAR	**Dec 2021 N'000**	**Dec 2020 N'000**	**% change**	**Dec 2021 N'000**	**Dec 2020 N'000**	**% change**
Gross Premium Written	3,473,084	3,396,005	2%	3,473,084	3,396,005	2%
Gross Premium Income	3,186,345	3,321,815	(4) %	3,186,345	3,321,815	(4) %
Total U/W Income	2,477,676	2,748,185	(10) %	2, 477,676	2,748,185	(10) %
Investment Income	118,171	212,151	(44) %	118,171	212,151	(44) %
Operating Expenses	1,319,555	1,044,936	26 %	1,277,298	1,012,291	26 %
Profit/loss before tax	162,234	637,949	(75) %	140,652	637,135	(78) %
Earnings per share (kobo)	0.95	3.90		0.82	3.90	

Universal Insurance Plc. recorded an increase of 2% in gross written premium as at 31st December 2021 when compared to the 2020 result.

REVENUE AND UNDERWRITING RESULT

There was an increase of N77.180M in gross premium income in 2021 as against 2020.
A total of N365.513M was paid for claims in 2021 as against N698.672M in 2020.

INVESTMENT INCOME

The Company recorded an investment income of N118.171 million during the year as against N212.151 million in 2020.

OPERATING EXPENSES

The operating expenses for the year 2021 stood at N1,277.30million as against N1,012.29million in 2020

Enterprise Risk Management (ERM) Report

1. Introduction

1.1 The essence of our business is underwriting the insurance risks of our clients. The process of fulfilling our objective of meeting client claims, as and when due, involves us in many activities ranging from correctly pricing the insurance risks, investing both Insurance and Shareholder Funds, ensuring our business contracts are adequately written, reporting our activities internally and externally, employing the right staff and having adequate employees and systems etc.

Each aspect of our processes exposes us to risk of not fulfilling our objectives through the possibilities of exposure to financial loss.

The Board, therefore has put in place a Risk framework for managing all risks the company is exposed to with the aim of achieving our Company Strategic Objectives. This process of Risk Management across all functional business units is termed Enterprise Risk Management (ERM).

The Board intends ERM to be embraced across the Group hence each business unit has been involved in identifying and ranking risks we face. ERM is therefore a process applied in strategy setting across the enterprise.

Thus, in developing our ERM framework, we identified risks inherent in the linkage of our Operational, Reporting and Compliance Objectives to our Strategic Objectives.

1.2 Objectives of Risk Management policy

Universal Insurance Risk Management policy is designed to ensure that our processes reflect our strategic objective expressed in our Vision and Mission Statement of being a world class financial institution that consistently goes beyond maximizing stakeholders' expectations.

Our stakeholders are multiple and have varied interests, they include: Shareholders, Policyholders, Regulators, Employees, Service Providers, Investing public, other insurers etc. To meet, and go beyond, stakeholder expectations requires our Risk Management policy to ensure that;

- Risk Appetite and Tolerance limits are not exceeded
- Reputation is at all times protected

2. Categories and Identification of Risk

2.1 Description of Key Risks

(a) Insurance Risk

Insurance risk arises from two main sources:

- Claims and underwriting profit experience being adversely different from those anticipated in the premiums rating and retrocession programme.
- Balance Sheet Technical Reserves in respect of the outstanding terms for already written being inadequate for the corresponding emerging claims.

(b) Market Risk

Market risk arises from unexpected falls in the market value of company assets possibly leading to the desired solvency level breached and the need for additional capital. The key risk exposure area under market risk is interest rate risk, equity risk and foreign exchange risk.

(c) Liquidity Risk

Liquidity risk is the possibility of the company not being able to meet its financial obligations as and when due, due to liquidity rather than solvency reasons. This could arise if it is difficult to monetize/sell assets, or when there are unexpected large/rush of claims.

(d) Credit Risk

This is the risk of third parties not meeting their financial obligations to the company - for example re-assurers not paying their proportion of claims or bond issuers and creditors not paying interest income due.

(e) Operational Risk

This is possibility of adverse experience arising from the day-to-day operations of the company. It is risk linked to the company's people (quality, work ethics etc.), processes and systems. For instance,

- inadequate treaty policy wordings leading to unexpected claims etc.,
- breakdown of IT systems leading to loss of man hours.

(f) Legal/Compliance Risk

The main objective of compliance in the Company is making sure that the system is effective and efficient through ensuring adherence to rules and regulations as stipulated in the guidelines issued by NAICOM and SEC. This is aimed at achieving the set goals of providing sustainable services to the insuring public and all stakeholders. Procedures designed and implemented to ensure compliance include:

- Code of corporate governance for public companies by SEC
- Know your customer guidelines
- Code of good corporate governance for the insurance industry in Nigeria by NAICOM
- Whistle blowing guidelines
- Marketing staff are taken through the guidelines on marketing operations
- Copy of staff handbook is signed for by the staff

Staff members are being encouraged and empowered to report any violation of rules and regulations without fear of victimization in line with the guidelines issued by NAICOM.

(g) Reputational Risk

This is the risk of events and actions that undermine public interest, integrity and trust in a company's brand. To mitigate this type of risk, the company has adopted and implemented the use of customer feedback mechanisms, investor relation management, and sponsorship of media programmes to identify, assess and investigate grievances and complaints of customers and other stakeholders with a view to resolving issues satisfactorily.

3. Success Criteria

Universal Insurance success criteria are to build a risk culture whereby there is an adequate level of risk awareness across all business units and amongst all employees. This requires:

- that the risks faced be communicated across the Company.
- communication could be at entire Company level or be Business Unit (BU) specific.
- risks should continually be reassessed, and discussions should be encouraged to capture new emerging risks
- a risk report should be produced by the Chief Risk Officer, at least quarterly with the top risks highlighted. This should be discussed at the RMC meetings and if need be relevant heads of business units may be invited to contribute to the discussion.

4. Risk Management Structure

The comments below illustrate the Company's enterprise risk management structure.

- Board of Directors
  - Board Audit & Compliance Committee
  - Board Enterprise Risk Management Committee
  - Board Establishment & Governance Committee
  - Board Finance and Investment Committee
    - Management Committee
    - Risk Management Committee
    - Business Units

The Board of Directors sets the tone for risk management through approving:

- Strategic Objectives for the company
- The company's Risk Appetite and Tolerance Limits

The Board Audit and Compliance Committee has oversight functions on regulatory compliance, External auditor, financial reporting, risk management and monitoring internal control processes.

The Board Investment Committee reviews the financial performance of the Company, reviews and approves the management and performance of the investment portfolio, and to review all significant financial transactions for the Company, including debt and capital transactions.

The Board Risk Management Committee ensures effective control measures and sets up sufficient internal checks to ensure effective and efficient underwriting. The committee assists in the review and approval of the company's risk management policy; oversees management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms.

The Risk Management Committee (RMC) has the oversight role of ensuring that the business units adhere to the Board's risk directive. The RMC will ensure/ encourage business units to develop a risk culture whereby;

- all leaders are aware of the Company's Strategic Obligations and Risk Appetite and Limits
- Business processes adhere to the stipulated risk limits and, if they are likely to be exceeded – the information is quickly escalated to the Risk Officer/RMC

The RMC through its Chairman, reports on risk matters to the Board.

The Risk Officer and each Business unit implement the risk management process through identifying current and emerging risks and reviewing the controls in place.

The Risk Officer collates quarterly enterprise-wide reports for the RMC inclusive of the Risk Map, Risk Profile and Risk Dashboard of the top 10 or 15 risks illustrating control trends and, mitigation advice to accept risk, share risk or reject risk.

5. Risk Identification and Assessment

5.1 A consistent approach has been adopted to identifying and assessing risks across the following business units of the Company:

■ Technical (Insurance) ■ Investment ■ Finance ■ IT ■ Marketing ■ Administration ■ Corporate Affairs ■ Legal/Compliance ■ Property ■ Risk Management ■ Human Resources

5.2 Risk Identification

To effectively identify and assess the potential risks faced within each Business Unit of the group, we have adopted the following Enterprise Risk Management framework structure as described below.

Strategic Objectives

High-level goals aligned with and supporting the company's mission. These high-level goals are set at the Board level, reviewed periodically, and cascaded through the operations, reporting and compliance objectives of the different Business units.

Operational Objectives

Effective and efficient use of the company's resources.

To identify the potential risks faced by each Business unit in its operations, we followed the process outlined below;

- Identify all the core processes undertaken in the Business unit.
- For each identified core process, define its objective.
- During a brainstorming session, discuss the likely events that could hinder achievement of these defined objectives and document them as the potential risks.

Reporting Objectives

Reliability of reporting:

As a Business unit, all the reports that should be generated for internal use, weekly, monthly, quarterly or annually to support decisions making by the Management or Board were identified and listed. The events that could lead to non-production, delay, or inaccurate production of these reports were then identified and listed as the potential risks faced.

Compliance Objectives

Compliance with applicable laws and regulations:

The procedure followed to identify the potential risks faced is similar to the process described above for reporting. All the regulatory and statutory bodies and the reports submitted to meet their requirements for the Business unit concerned were identified during the brainstorming session.

6. Line of Defence

We operate and maintain three lines of defence for the management and oversight of risk to ensure adherence to guiding principles and control. The lines of defence are:

First Line – Board and Management

The Board, Management and line managers are responsible for identifying and assessing the risks faced by the company in line with the set risk appetite and ensuring that appropriate controls are established and maintained.

Second Line – Risk Management Unit

The Company's Risk Management department is responsible for designing risk framework methodologies and tools which support the business in analysing and managing risks and providing early warning of adverse trends. The department reports to the Board, Management and Staff on risk identification, control and mitigation.

Third Line – Internal Audit Function

This line of defence provides independent and objective assurance on the effectiveness of internal controls established by the Board, Management and Risk Unit in the Company.

7. Risk Appetite

The Board of Universal Insurance Plc has been able to define a robust Risk Appetite and Tolerance statements and framework

Our Risk Appetite is a statement of how much risk the company is willing to take in the process of achieving its strategic objectives. Put another way the risk appetite states how much of the company's capital, embedded value and, forecast earnings the company/the Board is prepared to risk in the process of attaining the company objectives.

On the other hand, our Risk Tolerance statement allocates the Risk Appetite to our Business Units. Our risk appetite statement is both quantitative and qualitative. It aims to ensure that we have adequate capital in the event of extreme claim events whilst at the same time having good management - underwriting, expense levels, good investment returns etc.

8. Risk Reporting

The Company quarterly prepare Risk Reports to be reviewed and discussed by the Risk Management Committee.
The risk report includes;

- The Company's risk profile.
- Discussion on the high risks identified in the risk map.
- Assessment of adherence to the risk appetite and tolerance statement.
- Discussion on emerging risks.

  There are also periodic risk assessment reports, and re-ranking risks at periods deemed necessary.

Company Information and Significant Accounting Policies

for the year ended 31, December 2021

The following are the statement of significant accounting policies applied in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.0 General Information

The financial statements of the company for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors. The Company is a public limited company incorporated and domiciled in Nigeria. The Corporate head office is located at 8, Gbagada Expressway, Anthony, Lagos, while the registered office is at 4, Ridgeway Road, Enugu, Enugu State.

1.1 Principal Activities

The group is principally engaged in the business of providing risk underwriting and related financial services to its customers and hospitality services. Its operation also involves property investment and asset management. The group products are classified as either insurance contracts or investment contracts.

1.2 Going concern status

These financial statements have been prepared on the going concern basis. The group has no intention to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short – term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the group is carried out by the group to ensure that there are no going concern threats to the operation of the group.

1.3 Impact of COVID-19 on the company performance.

a.) Going concern and liquidity.

The company going concern policy as expressed in 1.2 above did not change in the year. An insurance company of the size has adequate cash flow back up to sustain the impact of the pandemic.

b.) Impairment assessment.

Following the outbreak of the pandemic, the company made adequate arrangement to sustain the spread of the pandemic. Appropriate technology was deployed to cater for work from home arrangement within the period. The company instituted many measures to preserve the health and well-being of its stakeholders.

c.) Contract modifications.

None came up within the period under review.

d). Fair value measurement.

The fair value measurement (FVM) impact would depend on the evaluation of whether the severity of the outbreak at the reporting date would have impacted participants' valuation assumption at the time. The policies were assessed and no infraction noticed to affect the business report.

e). Government assistance and income tax.

The company operation ran smoothly during the pandemic. It participated in the insurance stimulus provided to cushion the effect of the pandemic on the other sectors of the economy. The company is yet to access any government assistance in relation to tax incentive.

1.4 Application of new and revised International Financial Reporting Standards (IFRSs)

i) Statement of compliance

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to companies reporting under IFRS. Additional information required by national regulations is included where appropriate.

The consolidated financial statements comprise of the consolidated statement of comprehensive income, the consolidated statement of financial position, the statements of changes in equity, the consolidated statement of cash flows and the notes.

A number of new standards and amendments to standards and interpretations are effective for future application;

- Amendments to References to the Conceptual Framework in IFRS Standards (Effective January 1, 2020)
- Amendments to IFRS 3 – Definition of a Business (Effective January 1, 2020).
- Amendments to IAS 1 and IAS 8 – Definition of Material (Effective January 1, 2020).
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform (Effective January 1, 2020).
- IFRS 16: Leases (Effective date from 1 January 2019). Early adoption is permitted. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC – 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions involving the legal form of a Lease.
- IFRS 16 : Covid-19 Related Rent Concessions (Effective June 1, 2020).

The standard set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e the customer ('lessee') and the supplier ('lessor'). IFRS eliminates the classification of leases as operating leases or finance lease as required by IAS 17 and introduces a single lessee accounting model. Applying the model, a lessee is required to recognise

a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value and

b) depreciation of lease assets separately from interest on lease liabilities in the profit or loss.

For the lessor, IFRS 16 substantially carries forward accounting requirements of IAS17. Accordingly, a lessor continues to classify its leases as operating lease or finance leases, and to account for these two types of leases differently.

The Group is assessing the potential impact on its consolidated and separate financial statements resulting from the amendment

1.4.1 Forthcoming standards not yet applicable.

New standards that are not yet applicable in the industry are.

- IAS 1: Amendment to IAS 1- Classification of Liabilities as Current or Noncurrent (Effective 1 January, 2023). The amendment clarify:
  - What is meant by a right to defer settlement.
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivatives in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- IFRS 8: Amendment to IFRS 8- Definition of Accounting Estimates (Effective date from 1 January, 2023). The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.
- IFRS 17: Insurance Contracts (Effective date from 1 January, 2023). Early application is

9 and IFRS 15 on or before the date it first applies IFRS 17.

Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts that was issued in 2005.
IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.
A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

  The company is in the process of implementing the IFRS 17 in its financial statements.

2.0 Significant Accounting Policies

2.1 Statement of Compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria for the financial year starting from 1 January, 2014.

The consolidated and separate financial statements comply with the requirement of the Companies and Allied Matters Act CAP LFN 2004. Insurance Act 2003, the Financial Reporting Council Act, 2011 , and relevant National Insurance Commission (NAICOM) guidelines and circulars.
Changes to significant accounting policies are described in Note 2.6 (Accounting Policies). These financial statements were authorised for issue by the Company's board of directors on March 14, 2022.

2.2 Basis of Preparation

The consolidated and separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalue amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange transactions except for certain investments whose valuation was based on observable input from asset managers.

2.3 Reporting Currency

The consolidated and separate financial statements are presented in Nigerian Naira and are rounded to the nearest thousand ('000) unless otherwise stated.

2.4 Basis of measurement

These financial statements are prepared under the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value
- Financial assets at fair value through other comprehensive income are measured at fair value
- Investment properties are measured at fair value.
- Land and Building under properly, plant and equipment are measured at fair value.

2.5 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis to take account of new and available information. Revisions to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects only that period or both current and future periods.

2.6 Changes in accounting policies

The Group has initially applied IFRS 9 and IFRS 15 with a transition date of 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of January 1, 2018.

(i) Classification, Measurement & Impairment of Financial assets under Financial Instruments (IFRS 9).

The Group has adopted IFRS 9, " Financial Instruments" as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognized in the financial statements.

(ii) IFRS 15: Revenue from contracts with customers

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue at a point in time or over time.

The model features a contract-based five-step analysis of transactions to determine whether how much and when revenue is recognized. The adoption of this standard does not have a significant impact on the Group.

Changes in accounting policies resulting from the adoption of IFRS 15 have been applied from the effective date of the standard.

2.7. Basis of Consolidation

i) Subsidiary

The Group financial statements comprise the financial statements of the Company and its subsidiary made up to 31st December of the year.

A subsidiary is an entity, including an incorporated entity such as partnership that is controlled by another entity known as the parent. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and events in similar circumstances in the books of the holding company and the subsidiary. Separate disclosure is made for non-controlling interest if any.

The consolidated financial statements combine the financial statements of Universal Insurance Plc ('the Company') and its subsidiary, Universal Hotels Limited, (together 'the Group') wherein there is majority shareholding and/or control of the Board of Directors and Management.

Intra-group balances and transactions and any unrealized gains arising from intra-group transactions are eliminated unless the transaction provides evidence of impairment of the asset transferred.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary

- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity if any
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss.

Investment in the subsidiary is stated at cost in the financial statements of the Company.

ii) Investment in associated company

An associate is an entity over which the Company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy of the investee.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are carried in the balance sheet at cost

2.8 Segment reporting

A segment is a distinguishable component of the company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The company's primary format for segment reporting is based on business segment. The Company does not operate any separate business segment now.

2.9 Foreign currencies

The individual financial statements of each company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the financial statements, the results and financial position of the company are expressed in Naira, which is the functional currency of the parent, and the presentation currency for the financial statements.

Transactions in foreign currencies are recorded in Naira at the rate of exchange ruling on the dates of the transactions. Assets and liabilities in foreign currencies are converted into Naira at the rates of exchange ruling on the balance sheet date. All exchange gains and losses arising there from are presented in profit and loss within `other operating income' or `other operating expenses'.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less in the statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group applied the classification and measurement requirements for financial instruments under IFRS 9 'Financial Instruments' for the year ended 31 December 2021. The 2020 comparative period was not restated, and the requirement under IAS 39 'Financial Instruments :Recognition and Measurement' were applied. The key changes are in the classification and impairment requirements.

2.11.1 Recognition and initial measurement

Financial assets and liabilities, with the exception of loans and receivables from related party, are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Other loans and receivables from related parties are recognised when funds are transferred to the party's accounts. The Group recognises balances due to related parties when funds are transferred to the Group.

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition.

2.11.2 Classification of financial instruments

The Group classified its financial assets under IFRS 9, into the following measurement categories:

- Those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling)
- Those to be measured at fair value through profit or loss (FVTPL) and
- Those to be measured at amortized cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flow (i.e solely payments of principal and interest- (SPPI test)).

The Group classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortized cost. Management determines the classification of the financial instruments at initial recognition.

(i) **Business model assessment**

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales In prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case ' or 'stress case' scenario into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

(ii) Assessment whether contractual cash flows are solely payments of principal and interest
As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are for the credit risk associated with the principal amount outstanding during a particular period of time and for basic lending risks and costs e.g. liquidity risk and administrative costs), as well as profit margin.

The most significant element of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.
In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This included assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group considers:
- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
  Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset features); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred.

Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iii) Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets that are debt instruments. A change in the objective of the Group's business occurs only when the Group either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line.)

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets
- A transfer of financial assets between parts of the entity with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model.

Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model.

Gains, losses or interest previously recognised are not restated when reclassification occurs.

2.11.3 Subsequent measurements

The subsequent measurement of financial assets depends on its initial classification:

(i) Debt instruments

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The gain or Joss on a debt securities that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or Impaired, interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Investment income'.

The amortized cost of a financial instrument is the amount at which it was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

- Fair value through other comprehensive income (FVOCI)

  Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

  - the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. Upon disposal or de recognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized as realized gain or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as investment income.

- Fair value through profil or loss (FVTPL)

  Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt securities that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/loss' in the period in which it arises. Interest income from these financial assets is recognized in profit or loss as investment income.

  In addition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

  This is done on initial recognition of the instrument.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Net fair value gain/loss in the profit or loss.

instruments are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit

2.11.4 Impairment of financial assets

(a) Overview of the Expected Credit Losses (ECL) principles

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Cash and cash equivalent
- Receivables from related party
- Other loans and receivables
- Statutory deposit

In this section, the instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined. The 12month ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Both LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for account receivable are always measured at an amount equal to lifetime ECL. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LT ECLs.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition, POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime - stage 2 or stage 3 of the ECL bucket, the Group would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 3). In addition to the 90 days probationary period above, the Group also observes a further probationary period of 90 days to upgrade from Stage 3 to 2, This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL(Stage3)to 12-months ECL (Stage 1).

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The Group considers a financial asset to be in default when the following occurs;

- The counterparty is unlikely to pay its credit obligations e.g. market information
- Failure by the counterparty to meet obligation 90days past due.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. indicators of financial asset or breach of covenant.

- quantitative e.g. overdue status and non payment of another obligation of the same issuer to the Group.

The Group has defined its maximum period in estimating expected credit losses to be the maximum period to which the Group is exposed to the credit risk.

The Group has assumed that credit risk of a financial asset has not increased significantly since initial recognition if the financial asset has low credit risk at reporting date. The Group considers a financial asset to have low risk when its credit rating is equivalent to the globally understood definition of investment grade.

As a back stop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering grace period that might be available to the borrower,

(b) The calculation of ECLs

Expected credit losses are probability-weighted estimate of credit losses over the expected life of the financial Instrument. Credit losses are the present value of the expected cash shortfalls.

The measurement of the expected credit losses should reflect:

- An unbiased and probability weighted amount
- The time value of money
- Reasonable and supportable information that is available without undue cost or effort.

IFRS 9 does not prescribe a single method for measuring expected credit losses. Rather, it acknowledges that the method used to measure expected credit loss may vary based on the type of the financial asset and the information available.

The Group calculates ECLs based on a three probability-weigh ted scenarios to measure the expected cash shortfalls, discounted at an approximation to the effective interest rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows;

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time, it is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of arty collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will incur and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

- Stage 1; The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR, This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When an asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs, The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

(c) Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is reclassified to the profit and loss upon derecognition of the assets.

(d) Purchased or originated credit impaired financial assets (POCI)

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

For POCI financial assets, the Company only recognises the cumulative changes in LT ECL since initial recognition in the loss allowance.

(e) Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms: staff gratuity or guarantors for staff loans, in-house pension fee for agency loan, policy document/cash value for policy loans, etc. The Company's accounting policy for collateral assigned to it through its sending arrangements under IFRS 9 is the same as was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's Statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on periodic basis as deemed necessary.

(f) Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(g) Write-off

After a full evaluation of a non-performing exposure, in the event that either one or All of the following conditions apply, such exposure is recommended for write-off (either partially or in full)

- Continued contact with the customer is impossible:
- Recovery cost is expected to be higher than the outstanding debt;
- Amount obtained from realization of credit collateral security leaves a balance of the debt; or
- It is reasonably determined that no further recovery on the facility is possible

All credit facility write-off require endorsement by the Board Risk Committee, as Defined by the Group. Credit write-off approval is documented in writing and And properly initiated by the Board Risk Committee

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

(h) Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

GDP growth
Unemployment rates
Inflation rates
- Crude oil price
- Foreign exchange rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in the financial statements.

2.11.5 Fair value measurement - policy applicable for current and comparative periods

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

If a market for a financial instrument is not active-then the Group establishes fair value using a valuation technique. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In. other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

2.11.6 Derecognition of financial assets - policy applicable for current and comparative periods

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognized asset, financial asset that is created or retained by the Group is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset {or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.11.7 Derecognition of financial liabilities - policy applicable for current and comparative periods

The Group derecognizes financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.11.8 Write off - policy applicable for current and comparative periods

The Group writes off a financial asset (and any related allowances for impairment losses) when the Group determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

2.12 Trade and other receivables

Trade Receivables

Receivables include amounts due from agents, brokers and insurance contract holders. Receivables arising under insurance contracts are measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivable are measured at amortized cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement.

Other Receivables

Other receivables principally consist of prepayments, accrued income and sundry debtors and are carried at amortized cost.

Impairment of trade receivables (Other receivables)

The measurement

Impairment: -

A provision for impairment is made when there is objective evidence, (such as the probability of solvency or significant financial difficulties of the debtors) that the group will not be able to collect the amount due under the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impairment debts are derecognised when they are assessed as uncollectible. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognised in the profit and loss.

2.13 Reinsurance assets

The group cedes insurance risk in the normal course of business on the bases of the treaty and facultative agreements. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

The Group assesses its reinsurance assets for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset it impaired using the same process adopted for financial assets held amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets.

Premium, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business.

Ceded reinsurance arrangements do not relieve the company from its obligations to policyholders. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit asset that are recognized based on the consideration paid less any explicit identified premiums or fee to be retained by the reinsured. Invested income on these contracts is accounted for using the effective interest rate method when accrued.

i) **Impairment of reinsurance asset**

Reinsurance asset are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is recognised as an expense in the income statement. The asset is impaired if objective evidence is available to suggest that it is probable that the Group will not be able to collect the amounts due from reinsurers.

II) **Reinsurance Recoveries**

Reinsurance recoveries in respect of incurred but not reported (IBNR) claims are assumed to be consistent with the historical recoveries on paid and outstanding claims, adjusted to reflect changes in the nature and extent of the Group's reinsurance programmes. An assessment is made of the recoverability of reinsurance having regard to available data on the financial strength of the reinsurance companies.

III) **Reinsurance liabilities**

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.
Gains or losses on buying reinsurance are recognised in income at the date of purchase and are not amortised.

2.14 Deferred Acquisition Cost

The proportion of acquisition costs that corresponds to the unearned premiums are deferred as an asset and recognized in the subsequent period. Acquisition costs comprise of all direct and indirect costs arising from the writing of insurance contracts. Deferred acquisition costs represent a proportion of commission and other acquisition costs, which are incurred during the financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expense the ratio of unearned premium to written premium.

2.15 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the period in which the property is derecognized.

2.16 Property, Plant and Equipment

Group occupied properties are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are

carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on a straight line method to write down the cost of assets in equal instalments over their estimated useful lives, at the following annual rates:

Asset Description	Years
Building (property)(2%)	50
Motor vehicles (25%)	4
Machine & Equipment (10%)	10
Furniture and fittings (10%)	10
Computer Equipment(10%)	10

Assets held under finances leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.17 Intangible assets

This is the policy in line with the Statement of Accounting Standard 31 on Intangible Assets issued by the Financial Reporting Council of Nigeria (formerly Nigerian Accounting Standards Board), which is effective for annual periods beginning on or after 1 January 2011.

(a). Computer software

Purchased software that is not integral to the related hardware is recognised at cost. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use; - Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits

• Adequate technical, financial and other resources to complete the development and to use or sell the software product

• The expenditure attributable to the software product during its development can be reliably measured.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets that have finite useful lives; are amortised on the straight-line basis over 5 years and are carried at cost less accumulated amortization and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

(b). Other intangible assets:

The company expenses the costs incurred on internally generated intangible assets such as brands, customer lists, customer contracts and similar rights and assets, in the statement of comprehensive income in the period in which the costs are incurred. Prepayment assets are recognised for advertising or promotional expenditure up to the point at which the company has the right to access the goods purchased or up to the point of receipt of services.

De-recognition of intangible assets: An intangible asset is de-recognised on disposal, or when future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets is recognised in income statement when the asset is de-recognised.

2.18 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.19. Statutory deposit

Statutory deposit represents 10% of required minimum paid up capital of the Company. The amount is held by Central Bank of Nigeria pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

3.0. Classification of Insurance Contracts

(i) Insurance contracts are those contracts that transfer significant insurance risk. Contracts that are classified as insurance contracts are those under which the company underwrites significant insurance risk from another party (the Broker or Insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

(ii) Recognition and measurement of Insurance Contracts

Short-term insurance contracts under General business are accounted for on an annual basis. Insurance contracts entered into by the company are accounted for on an annual basis except insurance contracts under Contractors All Risks which may cover the whole period of construction usually exceeding one year.

(a). **Insurance Contract Premium:-** Written premium on insurance contracts comprises premium on contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period.

Premium relating to expired risk period is taken as earned and recognised as revenue for the period while premium relating to the unexpired risk period is treated as unearned premium.

(b). Claims arising from insurance contracts:- Claims incurred in respect of Insurance contracts consist of claims and claims handling expenses paid during the financial year as well as movements in provision for outstanding claims and claims incurred but not yet reported (IBNR).

3.1 Technical reserves

(i). Reserve for unearned premium – provision for unearned premium represents the portion of gross premium income on short-term general business insurance contracts that relate to a period of risk after the end of accounting period. This is calculated on a time apportionment basis of the risk accepted in the year in accordance with the provisions of Section 20 (1) (a) of the Insurance Act 2003

(ii). Reserve for unexpired risk- A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR)"

Unexpired risk provision is determined based on the underwriting experiences of each class of business written. The unexpired risks provision is determined in a way that allows for proper segregation of items of income and expenditure. In this case, deferred acquisition expenses are disregarded and a provision is made for the entire acquisition expenses being carried forward separately.

(iii) Provision for outstanding claims and incurred but not reported (IBNR) claims

Provision for liabilities of non-life insurance contracts is made for outstanding claims and settlement expenses incurred at the reporting date including an estimate for the cost of claims incurred but not reported (IBNR) at that date. Included in the provision is an estimate of the internal and external costs of handling the outstanding claims.

Material salvage and other recoveries including reinsurance recoveries are presented as assets

Significant delays are experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, environmental and pollution exposures, the ultimate cost of which may vary from the original assessment. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made and disclosed separately, if material. The liability for Incurred But Not Reported (IBNR) claims is calculated at the end of the reporting period, using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability was not discounted for time value of money; and no further provision was made for equalization or catastrophe reserves (as prohibited by IFRS 4). These liabilities are derecognized when the obligation to pay a claim is extinguished (i.e. expires, discharged or cancelled)

(iv). Liquidity adequacy test:

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities. Any deficiency is immediately charged to profit or loss and subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

IFRS 4 requires a liability adequacy test for the insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the company's prudential concerns better.

(v). Hypothetication of investment:

In line with the provisions of Section 25 of the Insurance Act 2003, adequate investment is allocated to Policy holders fund in order of liquidity. These investments are held as back up to cover the Insurance Contract Liability Funds at each point in time

3.2 Borrowings and borrowing cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 months after the date of the statement of financial position. Borrowing costs comprise interest payable on loans and bank overdrafts. They are charged to income as incurred. Arrangement fees in respect of financing arrangements are charged to borrow costs over the life of the related facility.

3.3 Trade and other Payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount, except the due date of the liability is less than one year.

Provisions:

A provision is recognised if, as a result of a past event, the company has a present obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where there are a number of similar obligations, the likelihood that amount flow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.4 Employee benefit liability

Defined Contribution Plan.

The company operates contributory pension plan for eligible staff. It makes provision for retirement benefit in accordance with the Pension Reform Act of

2014, with the company contributing 10% and the employee contributing 8%. The company contribution is charged to the statement of comprehensive income. Remittances are made to each employee's chosen pension fund administrator.

3.5 Current and deferred tax

Income tax is provided on taxable profit at the current statutory rate.

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the difference between the net book value of qualifying fixed assets and their corresponding tax written down value.

I) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The current taxes include: Company Income Tax at 30% of taxable profit: Education Tax at 2% of assessable profit: Capital Gain Tax at 10% of chargeable gains; and Information Technology Development Levy at 1% of accounting profit before tax. Withholding tax at 10% chargeable on contract supplies. Value Added tax (VAT) of 7.5% on vat able items.

ii) Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

iii) **Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.0 Share capital and share premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

I) **Treasury shares**

Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other capital reserves. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Contracts on own shares that require physical settlement of a fixed number of own shares for a fixed consideration are classified as equity and added to or deducted from equity. Contracts on own shares that require net cash settlement or provide a choice of settlement is classified as trading instruments. Changes in the fair value are reported in the income statement.

II) **Retained earnings**

Retained earnings are the carried forward recognized income net of expenses plus current period profit attributable to shareholders.

4.1 Contingency Reserves

The Company maintains contingency reserves in accordance with the provisions of S. 21 of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation; until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

4.2 Dividends

Dividends on the company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the company's shareholders. Dividend distribution to the company's shareholders is recognized as a liability in the financial statements in the year in which the dividend is approved by the company's shareholders.

4.3 Earnings per share

The company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

5.0 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or the group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

5.1 Revenue recognition

(a) Premium: -Premium income is stated on cash basis.

(i) Gross Premium – is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover.

(ii) Gross Premium Earned – is written premium after adjusting for the unearned portion of the premium. Written premiums are recognised as income when due from the policyholders and confirmed receivable. Premiums are stated gross of commission and exclusive of taxes and duties levied on premiums.

(iii) Unearned Premium - premium relating to risk for period not falling within the accounting period is carried forward as unearned premium.

(iv) Net Premium Earned- net premium earned represents gross premium less reinsurance costs.

(b) Reinsurance

Proportional and non-proportional reinsurance premiums are accounted for on an accrual basis. Reinsurance premium are recognized as outflows in accordance with the tenor of the reinsurance contract.

(i) Reinsurance cost

Reinsurance cost represents outwards premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

(ii) Reinsurance Recoveries

Reinsurance recoveries represent that portion of claims paid/payable on risk ceded out in respect of which recoveries are received / receivable from the Reinsurer

(iii) Prepaid Reinsurance

Unexpired reinsurance cost is determined on a time apportionment basis and is reported under other assets in the statement of financial position.

(c) Fee and commission income

Fee and commission income consists primarily of investment contract fee income, reinsurance and profit commissions, asset management fees, policyholder administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognised as the services are provided.

(d) Investment income

Income from investments comprise of income earned on quoted and unquoted investments and is recognised in the accounts on an accrual basis. Investment return consists of dividends, interest and rents receivable, movements in amortised cost on debt securities and other loans and receivables, realised gains and losses, and unrealised gains and losses on fair value assets.

(e) Interest

Interest income and expense are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

(f) Dividend income

Dividend income from available-for-sale equities is recognised when the shareholders' rights to receive payment have been established. This is the ex-dividend date for the equity securities.

(g) Rental income

Rental income is recognised on an accruals basis.

(h) Realised gains and losses

The realised gain or loss on disposal of an investment is the difference between the proceeds received, net of transaction costs, and its original cost or amortised cost as appropriate.

(i) Unrealized gains and losses

Unrealised gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals during the year.

(j) Salvage and subrogation reimbursement

Some insurance contracts permit the company to sell (usually damaged) property acquired in settling a claim (for example salvage). The company may also have the right to pursue third parties for payment of some or all costs (for example subrogation).

Salvaged property is recognized in other assets when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries are included as part of claims recoveries.

Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

5.2 Gross Claims Incurred

Benefits and claims

Gross benefits and claims consist of benefits and claims paid to policyholders.

All claims paid and incurred are charged against revenue as expense when incurred. Reinsurance recoveries are recognised when the company records the liability for the claims. Anticipated reinsurance recoveries on claims are disclosed separately as assets.

(i) Gross claims paid – consists of direct claims, plus reinsurance claims.

(ii) Gross claims incurred – consists of claims and claims handling expenses paid during the financial year after adjusting for movement in provision for outstanding claims and IBNR.

(iii) Net claims incurred – is gross claims incurred after adjusting for reinsurance claims recoveries.

5.3 Insurance Contracts

The company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk.

As a general guideline, the company defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

IFRS 4 permits the continued use of previously applied GAAP.

I) Liability adequacy

At each reporting date, the company performs a liability adequacy test on its insurance contract liabilities less related deferred acquisition costs and intangible assets to ensure that the carrying amount of insurance liabilities is adequate using current estimates of future cash flows. Any deficiency is charged as an expense to the income statement initially by writing off the intangible assets and subsequently by recognising an additional liability.

5.4 Reinsurance expenses

Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.

5.5 Costs:

1. Underwriting expenses

   Underwriting expenses are subdivided into acquisition and maintenance expenses. Acquisition expenses are those incurred in obtaining and renewing insurance contracts'. Acquisition costs comprise of all direct and indirect costs arising from the writing of insurance contracts. They include commission paid, policy expenses and indirect expenses such as salaries of underwriting staff; and are deferred and amortized in proportion to the amount of premium determined separately for matching concept. Maintenance expenses are charged to the revenue account in the accounting period in which they are incurred.

5.5 Other Operating and Administrative Expenses.

These are management expenses other than claims, investments and underwriting expenses. They include salaries and wages, depreciation charges and other non-operating expenses. Management expenses are accounted for on accrual bases and recognised in the income statement upon utilisation of the services or at the date of their origin.

Performance

- Result at a Glance
- Financial Statement

Consolidated Statements of Financial Position

for the year ended 31, December 2021

	NOTES	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 N'000
Assets					
Cash and Cash Equivalents	6	197,139	252,236	192,818	250,867
Financial Assets	7	2,325,185	2,045,454	2,325,185	2,045,454
Trade Receivable	8	30,191	79,707	65,346	39,638
Reinsurance Assets	9	437,703	410,194	437,703	410,194
Deferred Acquisition cost	10	153,093	109,061	153,093	109,061
Deferred tax assets	23.a	403,685	403,685	403,685	403,685
Other Receivables	11	440,358	327,144	349,401	316,060
Investment in Subsidiaries	12	-	-	2,449,516	2,449,516
Investment Properties	13	5,251,526	5,240,696	1,901,830	1,891,000
Intangible Asset	14	68,544	62,229	68,544	62,229
Property, Plant and Equipment	15	2,677,217	2,727,886	2,623,317	2,672,512
Statutory Deposits	16	335,000	335,000	335,000	335,000
Total Assets		**12,319,641**	**11,993,292**	**11,305,437**	**10,985,217**
Liabilities					
Insurance Contract Liabilities	17	1,558,508	1,418,798	1,558,508	1,418,798
Borrowings	18	-	-	-	-
Trade payable	19	234,542	221,576	206,119	194,355
Other payable	20	131,051	109,481	129,961	91,867
Employee benefit liability	21	-	-	-	-
Income Tax liabilities	22	7,639	6,961	5,921	6,075
Deferred tax liabilities	23	386,668	386,668	296,875	296,875
Total Liabilities		**2,318,407**	**2,143,484**	**2,197,383**	**2,007,970**

Equity					
Issued and paid Share capital	24. 1	8,000,000	8,000,000	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018	825,018	825,018
Contingency Reserves	24. 3	713,897	609,704	713,897	609,704
Fair value reserve	24. 4	6,459	6,459	6,460	6,460
Non Current assets revaluation reserve	24. 5	2,524,040	2,524,040	768,329	768,329
Retained earnings	24. 6	(2,068,181)	(2,115,416)	(1,205,650)	(1,232,264)
Shareholders funds		10,001,232	9,849,805	9,108,053	8,977,247
Other equtiy instruments		-	-	-	-
Non - controlling interests					
TOTAL EQUITY & LIABILITIES		**12,319,640**	**11,993,290**	**11,305,436**	**10,985,217**

Signed on behalf of the Board of Directors on 4 May, 2022

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

REGINALD ANYANWU
EXECUTIVE DIRECTOR
FRC/2013/NIM/0000003245

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

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

Statements of Comprehensive Income

for the year ended 31, December 2021

		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Gross Premium written	25	3,473,084	3,396,005	3,473,084	3,396,005
Decrease/(increase) in unearned premium		(286,739)	(74,190)	(286,739)	(74,190)
Gross Premium Earned		3,186,345	3,321,815	3,186,345	3,321,815
Reinsurance Premium Expense	26	(782,642)	(707,504)	(782,642)	(707,504)
Net Insurance Premium Income		2,403,703	2,614,311	2,403,703	2,614,311
Fees and Commission income	27	73,973	133,874	73,973	133,874
Total Underwriting Income		2,477,676	2,748,185	2,477,676	2,748,185
Insurance benefits					
Gross Claim incurred	28	(498,917)	(675,401)	(498,917)	(675,401)
Increase/(Decrease) in claims and IBNR reserves per actuarial valuation	28	217,954	(137,055)	217,954	(137,055)
Claims Expense Recovery from Reinsurance	28	(101,762)	113,784	(101,762)	113,784
Change in contract liabilities	28	17,212	-	17,212	-
Net insurance benefit and claims		(365,513)	(698,672)	(365,513)	(698,672)
Underwriting Expenses					
Acquisition expenses	29	(488,651)	(526,827)	(488,651)	(538,848)
Maintenance expenses	29	(630,072)	(752,349)	(630,072)	(752,349)
Total Underwriting Expenses		(1,118,723)	(1,279,176)	(1,118,723)	(1,291,198)
Underwriting Profit/(Loss)		993,440	758,316	993,440	758,315
Investment income	30	118,171	212,151	118,171	212,151
Other operating income		48,612	30,142	-	-
Total investment income		166,783	242,293	118,171	212,151
Net Income		1,160,223	1,000,609	1,111,611	970,467
Unrealised fair value loss		279,731	675,461	279,731	675,461
Impairment gain/loss allowance	31	17,961	1,816	2,734	(1,501)
Net realised gains/(loss) on financial assets		-	-	-	-
Deferred tax derecognised on reclassification of financial assets	23	13,044		13,044	
Net fair value gain/(loss) on investment properties		10,830	5,000	10,830	5,000
Other operating and administrative expenses	32	(1,319,555)	(1,044,936)	(1,277,298)	(1,012,291)
Total Expenses		(997,989)	(362,659)	(970,959)	(333,331)

Result of operating activities		162,234	637,949	140,652	637,135
Interest expense	33	-	-	-	
Profit or (Loss) before Taxation		162,234	637,949	140,652	637,135
Income Tax Expense/ (Credit)	22.1a	(10,807)	(13,374)	(9,846)	(12,488)
Profit or Loss after Taxation		151,427	624,575	130,806	624,647
Profit/(Loss) to Equity holder		151,427	624,575	130,806	624,647
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		151,427	624,575	130,806	624,647
Non-controlling interest		-	-	-	
Profit/(loss) for the period		151,427	624,575	130,806	624,647
Other Comprehensive income					
Items within OCI that may be reclassified to the profit or loss;					
Fair value changes in AFS financial assets		-	-	-	
Deferred tax impact of changes in AFS financial assets		-	-	-	
Items within OCI that will not be reclassified to the profit or loss;					
		-	-	-	-
PPE revaluation gains		-	-	-	-
Deferred tax impact of revaluation gains		-	-	-	
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		151,427	624,575	130,806	624,647
Total comprehensive income attributable to:					
Equity holders of the company		151,427	624,575	130,806	624,647
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		151,427	624,575	130,806	624,647
Earnings per share-(basic and diluted)(Kobo)	34	0.95	3.90	0.82	3.90

Statements of Changes in Equity (GROUP)

for the year ended 31, December 2021

In thousands of Nigerian naira	Share Capital N'000	Share Premium N'000	Revaluation reserve N'000	Contingency reserve N'000	Fair value reserves N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2021	8,000,000	825,018	2,524,040	609,704	6,459	(2,115,416)	9,849,805
						-	-
	8,000,000	825,018	2,524,040	609,704	6,459	(2,115,416)	9,849,805
Total comprehensive income							
Profit and loss	-	-	-	-	-	151,427	151,427
Other comprehensive income						-	-
Gain on the revaluation of land and buildings			-				-
Foreign currency translation diferrence							-
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				104,193		(104,193)	-
Other comprehensive income for the period	-	-	-	104,193	-	(104,193)	-
Total comprehesive income for the period	-	-	-	104,193	-	47,235	151,427
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 December 2021	8,000,000	825,018	2,524,040	713,897	6,459	(2,068,181)	10,001,232

Statements of Changes in Equity (COMPANY)

for the year ended 31, December 2021

In thousands of Nigerian naira	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Fair value reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2021	8,000,000	825,018	768,329	609,704	6,460	(1,232,264)	8,977,247
							-
	8,000,000	825,018	768,329	609,704	6,460	(1,232,264)	8,977,247
Total comprehensive income							
Profit and loss	-	-	-	-	-	130,806	130,806
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				104,193		(104,193)	-
Other comprehensive income	-	-	-	104,193	-	(104,193)	-
Total comprehesive income for the period	-	-	-	104,193	-	26,614	130,806
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 Dec. 2021	8,000,000	825,018	768,329	713,897	6,460	(1,205,650)	9,108,053
Balance at 1 January 2020	8,000,000	825,018	2,524,040	484,775	6,459	(2,654,885)	9,185,407
IFRS 9 Transition						-	-
Total comprehensive income for the period							-
Profit or loss						624,647	624,647
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Net Fair value changes in AFS financial assets	-	-	-	-	-	-	-
Fair value reserve derecognised on disposal					-	39,751	39,751
Transfer to contingency reserve	-	-	-	124,929	-	(124,929)	-
	-	-	-		-		-
Other comprehensive income for the period	-	-		124,929		(85,178)	39,751
Total comprehesive income for the period	-	-		124,929	-	539,469	664,398
Balance at 31 Dec. 2020	8,000,000	825,018	2,524,040	609,704	6,459	(2,115,416)	9,849,805

Statements of Changes in Equity (GROUP)

for the year ended 31, December 2021

In thousands of Nigerian naira	Share Capital N'000	Share Premium N'000	Revaluation reserve N'000	Contingency reserve N'000	Fair value reserves N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2020	8,000,000	825,018	2,524,040	484,775	6,459	(2,654,885)	9,185,407
						-	-
	8,000,000	825,018	2,524,040	484,775	6,459	(2,654,885)	9,185,407
Total comprehensive income							
Profit and loss	-	-	-	-	-	624,647	624,647
Other comprehensive income							-
Gain on the revaluation of land and buildings							-
Foreign currency translation diferrence							-
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						39,751	39,751
Transfer to contingency reserve				124,929		(124,929)	-
Other comprehensive income for the period	-	-	-	124,929	-	(85,178)	39,751
Total comprehesive income for the period	-	-	-	124,929	-	539,469	664,398
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 31 December 2020	8,000,000	825,018	2,524,040	609,704	6,459	(2,115,416)	9,849,805

Statement Of Cash Flows

for the year ended 31, December 2021

	GROUP		COMPANY	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Cash flows from operating activities				
Insurance premium received from policy holders,Brokers & Agents,Cedants	3,447,376	3,365,102	3,447,375	3,365,102
Commission received	73,973	133,874	73,973	133,874
Reinsurance receipts in respect of claims	195,046	297,047	195,046	297,047
Reinsurance premium paid	(705,333)	(707,504)	(705,333)	(707,504)
Prepaid Minimum and Deposit on Oil & Gas	(52,312)	(56,788)	(52,312)	(56,788)
Other operating cash payments	(1,164,207)	(1,221,396)	(1,173,421)	(1,221,396)
Insurance benefits and Claims paid	(645,947)	(492,138)	(645,947)	(492,138)
Payments to intermediaries to acquire insurance contracts	(532,682)	(558,742)	(532,682)	(558,742)
Maintenance expenses	(630,072)	(752,349)	(630,072)	(752,349)
Interest Received	10,416	45,823	10,416	45,823
Dividend Income Received	97,422	155,222	97,422	155,222
Cash generated from operations	16,370	208,151	7,155	208,151
Company Income Tax paid	(10,129)	(25,315)	(10,000)	(25,315)
Net cash provided by operating activities	6,241	182,836	(2,845)	182,836
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(46,278)	(32,025)	(40,144)	(32,025)
Purchase of Intangible Assets	(25,394)	(23,060)	(25,394)	(23,060)
Purchase of Listed Equities	-	-	-	-
Investment income and other receipts	10,333	11,106	10,333	11,106
Unlisted AFS Disposed	-	-	-	-
Net Cash provided by investing activities	(61,338)	(43,979)	(55,204)	(43,978)
Cash Flows from Financing Activities	-	-	-	-
Proceeds from borrowings	-	-	-	-
Net cash provided by financing activities	-	-	-	-
Net Increase/(decrease) in cash and cash equiv.				
Cash and Cash equivalent at the beginning	252,236	113,377	250,867	113,377
Net increase/decrease in cash and cash equivalents	(55,097)	138,858	(58,050)	138,858
Cash and Cash equivalent at the end of period	197,138	252,235	192,817	250,867

Notes to the Financial Statements

for the year ended 31, December 2021

'1. General Information:

The financial statements of the Company for the period ended 31 Dec 2021 were authorised for issue in accordance with a resolution of the Directors.

The Company is a public limited company incorporated and domiciled in Nigeria. The corporate head office is located at 8,Gbagada Expressway, Anthony, Lagos.

The Company is principally engaged in the business of providing risk underwriting, related financial services and hospitality services to its customers

'2. Summary of significant accounting policies:

'The principal accounting policies applied in the preparation of these financial statements are disclosed .

'3. Critical accounting estimates and judgements:

'The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the period Estimates and 'judgements are continually evaluated and based on historical experience and other factors, including expectation 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.

' 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 fulling 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 reinsurer on either a proportional or excess of loss treaty basis.

The Company writes general insurance businesses. The most siginificant risks arise from persistency, longevity, morbity, expense variation 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, and other price changes. Market risks arises due to flunctuations in both value of assets and liabilities. The company has established policies and procedures in other 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 ompany 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 continously 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 catastrphic 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 portfolioof instruments is subject to 12mECL or

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
- 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 jugdement. 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 recognitionif the financial asset has low credit risk at reportindg 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 no 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

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 derecognised and the renegotiated asset recognised as a new financial asset at fair value in accordance with the accounting policies When the terms of a financial assets are modified and the modification does not result in derecognition, the determinaton of whether the assets credit risk has increased significantly reflects a comparison of:

- Its risk of default occuring at the reporting date based on the modified term; with The risk of default occuring 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 unlikeliness 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 (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 2.0 Summary of significant accounting policies and 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 2020 and 31 December 2021.

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

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations.

The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers 31-Dec-21	ECL scenario	Assigned probability	2022	2023	2024	2025	2026
Inflation Rate	Upturn	10%	14.1	13.2	14.0	15.0	14.1
	Base-case	79%	14.9	14.0	14.8	15.8	14.9
	Downturn	11%	15.9	15.0	15.8	16.8	15.9
Unemployment Rate	Upturn	10%	13.1	16.9	15.4	13.1	13.1
	Base-case	79%	15.0	18.8	17.3	15.6	15.0
	Downturn	11%	16.9	20.7	19.2	16.9	16.9
Crude oil Price (USD per barrel)	Upturn	10%	56.9	52.7	54.5	56.1	56.9
	Base-case	79%	54.3	50.1	51.9	53.1	54.3
	Downturn	11%	52.0	47.8	49.6	51.2	52.0

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

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

31 Dec 2021 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposit	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances (for subsidiary)
Upside	5,029	105	32,950	4,536	75,552	240,936	1,683
Base	40,645	849	266,352	36,673	61,899	1,947,566	1,380
Downside	5,447	114	35,698	4,915	53,281	261,014	1,188
Total	51,120	1,068	335,000	46,124	190,733	2,449,516	4,251

1 January 2021 In thousand of Nigerian Naira	**Other receivables from related parties**	**Placements**	**Statutory deposit**	**Staff loans**	**Current account balances**	**Other receivables (For Subsidiary)**	**Bank balances (for subsidiary)**
Upside	4,881	967	32,950	3,303	94,305	240,936	456
Base	39,452	7,814	266,352	26,703	77,263	1,947,566	374
Downside	5,287	1,047	35,698	3,579	66,506	261,014	322
Total	49,620	9,828	335,000	33,585	238,074	2,449,516	1,152

4.4.3 Exposure to credit risk

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

In thousand of Nigerian Naira For the year period 31 December, 2021	Note	Maximum Exposure ₦'000	Associated ECL(2021)
Current account balances		190,733	292
Placements with Banks		1,068	80
Statutory deposit		335,000	133
Bank balances (for subsidiary)		4,251	-
Staff loans		46,124	238
Other receivables (For Subsidiary)		2,449,516	44,670
Other receivables from related parties		51,120	2,755
Total financial asset at amortized cost		3,077,811	48,167

In thousand of Nigerian Naira For the year period ended 31 December, 2020	Note	Maximum Exposure ₦000	Associated ECL(2020)
Current account balances		239,226	272
Placements with Banks		9,828	90
Statutory deposit		335,000	148
Bank balances (for subsidiary)		1,152	-
Staff loans		33,585	649
Other receivables (For Subsidiary)		2,449,516	70,300
Other receivables from related parties		49,620	3,073
Other receivables (rent receivables)		-	-
Total loans and receivables		3,117,927	74,532

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 N3,077,811 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.

Industry analysis

31-Dec-21	Individuals	Financial services	Government	Others	Total
In thousand of Nigerian Naira					
Cash and Cash Equivalent	-	531,051	-	-	531,051
Other Receivables	46,124	-	-	51,120	97,244
Trade receivable- Receivable from sub	-	-	-	2,449,516	2,449,516
	46,124	531,051	-	2,500,636	3,077,811

31-Dec-20	Individuals	Financial services	Government	Others	Total
In thousand of Nigerian Naira					
Cash and Cash Equivalent	-	585,206	-	-	585,206
Other Receivables	33,585	-	-	49,620	83,205
Trade receivable- Receivable from sub	-	-	-	2,449,516	2,449,516
	33,585	585,206	-	2,499,136	3,117,927

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

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
This comprises of:				
Cash In Hand	5,843	3,692	5,773	3,476
Current Account Balances	190,733	239,226	186,482	238,074
Placement with banks	1,068	9,828	1,068	9,828
	197,644	252,746	193,323	251,377
Allowance for Impairment Losses (Note 6(a))	(505)	(510)	(505)	(510)
	197,139	252,236	192,818	250,867

6.a Movement in impairment Allowance during the year

Balance as at January 1	(510)	(255)	(510)	(255)
Increase/(Decrease) during the year	5	(255)	5	(255)
Reversal/write-back during the year	-	-	-	-
Balance as at December 31	(505)	(510)	(505)	(510)

7 Financial asset

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Equity instrument at fair value through profit or loss				
Listed equity securities	2,285,185	2,005,454	2,285,185	2,005,454
Unlisted equity securities	40,000	40,000	40,000	40,000
Total	2,325,185	2,045,454	2,325,185	2,045,454
Current		-	-	
Non-current		2,045,454	2,325,185	2,045,454

(a) Financial assets at fair value through profit or loss	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 N'000
Listed Equity securities				
Balance as at January 1	2,005,454	1,329,993	2,005,454	1,329,993
Addition during the year	-	-	-	-
Reclassification from FVOCI (MTN shares- Note 7(b)	-	-	-	-
Disposal during the year	-	-	-	-
Fair value gain/(loss)	279,731	675,461	279,731	675,461
Foreign Exchange gain/(loss)	-	-	-	-
Net impairment gain/(loss)	-	-	-	-
Balance as at December 31	2,285,185	2,005,454	2,285,185	2,005,454

(b) Fair Value through Other Comprehensive Income (FVOCI)	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 N'000
Unlisted Equity securities				
Balance as at January 1	40,000	40,000	40,000	40,000
Addition during the year	-		-	-
Reclassification to FVTPL (MTN shares- Note 7(a))	-			
Dispoal during the year	-	-	-	-
Fair value gain/(loss)	-	-		
Foreign Exchange gain/(loss)	-	-	-	-
Net impairment gain/(loss)	-	-	-	-
Balance as at December 31	40,000	40,000	40,000	40,000

(b.1)Returns on MTN shares	=N=
2021	97,342
2020	155,093
2019	16,740

8 Trade Receivables

	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 N'000
Insurance receivables	65,346	39,638	65,346	39,637
Other receivables (From subsidiary)	9,515	110,369	-	-
Impairment on Subsidiary	(44,670)	(70,300)	-	-
	30,191	79,707	65,346	39,637

8.1 Age Analysis of Trade receivables

Within 30 days	65,346	39,638	65,346	39,638
Above 30 days	(35,155)	40,069	-	-
	30,191	79,707	65,346	39,638

8.2 Premium receivable from agents, brokers and intermediaries

Due from agents	-	-	-	-
Due from brokers	33,570	33,509	33,570	33,509
Due from insurance companies	31,776	6,128	31,776	6,128
	65,346	39,637	65,346	39,637

8.3	Movement in allowance for impairment during the year				
	At beginning of year JANUARY 1	(70,300)	(69,985)	-	-
	Provision for impairment	(44,670)	(70,300)	-	-
	Amount written off during the year as uncollectible	70,300	69,985	-	-
	At end of year Dec 31	(44,670)	(70,300)	-	-

		GROUP		COMPANY	
		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
9	Reinsurance Assets				
	Reinsurance Share of UPR	223,411	232,169	223,411	232,169
	Reinsurance Share of Outstanding Claims	84,450	26,495	84,450	26,495
	Reinsurance Share of IBNR	77,530	94,742	77,530	94,742
	Total Reinsurance Assets	385,391	353,406	385,391	353,406
	Prepaid Minimum and Deposit (M&D) on Oil & Gas	52,312	56,788	52,312	56,788
		437,703	410,194	437,703	410,194
9.1	Movements in Reinsurance share of UPR				
	At the beginning of the year	232,169	182,586	232,169	182,586
	Increase/(Decrease) during the year	(8,757)	49,583	(8,757)	49,583
	Balance at the end of the year	223,412	232,169	223,412	232,169
9.2	Movement in Reinsurance Share of outstanding Claims				
	Balance at the beginning of the year	26,493	133,878	26,493	133,878
	Increase/(Decrease) during the year	57,957	(107,385)	57,957	(107,385)
	Balance at the end of the year	84,450	26,493	84,450	26,493
9.3	Movement in Reinsurance Share of IBNR				
	Balance at the beginning of the year	94,742	124,414	94,742	124,414
	Increase/(Decrease) during the year	(17,212)	(29,672)	(17,212)	(29,672)
	Allowance for impairment	-	-	-	-
	Balance at the end of the year	77,530	94,742	77,530	94,742
9.4	Movement in Reinsurance Share of Prepaid (M&D)				
	Balance at the beginning of the year	56,788	12,465	56,788	12,465
	M&D Premium Paid during the year	52,312	56,788	52,312	56,788
	M&D Premium Amortized during the year	(56,788)	(12,465)	(56,788)	(12,465)
	Balance at the end of the year	52,312	56,788	52,312	56,788

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:

	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 N'000
Motor	20,806	11,892	20,806	11,892
Fire	34,189	26,666	34,189	26,666
General accident	18,261	15,826	18,261	15,826
Bond	9,243	7,389	9,243	7,389
Engineering	19,223	6,860	19,223	6,860
Oil & Gas	28,707	15,848	28,707	15,848
Aviation	7,676	5,537	7,676	5,537
Marine	14,352	19,044	14,352	19,044
Agric Insurance	637	-	637	-
Additional (DCA) per acturial Valuation Report	-	-	-	-
	153,093	109,062	153,093	109,062

10.1 Movement in deferred acquisition cost

At beginning of year	109,061	89,172	109,061	89,172
Changes during the year	44,032	19,889	44,032	19,889
At end of year	153,093	109,061	153,093	109,061
Due within 12 months	153,093	109,061	153,093	109,061
Due after more than 12 months	-	-	-	-

11 Other Receivables, Prepayments

The balance is analysed as follow:	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Prepayments	357,409	251,547	267,578	251,547
Due from Related Parties	51,120	49,620	51,120	49,620
Increase/(Decrease) in Impairment of due from related parties	(19,450)	3,073	(19,450)	(3,073)
Staff Debtors	46,124	33,585	46,124	33,585
Impairment Charges on Staff loan	(238)	(649)	(238)	(649)
Staff Share Loan	-	-	-	-
Deposit for properties (reclassified from inv. Properties) (11(v))	720,000	720,000	720,000	720,000
Increase/(Decrease) lin Deposit for Properties	(720,000)	(728,292)	(720,000)	(738,695)
Other receivables	4,267	3,725	4,267	3,725
Stock of Raw Materials	1,127	-	-	-
	440,358	1,058,477	349,401	1,058,477
	440,358	1,058,477	349,401	316,060
Current	440,358	1,058,477	349,401	316,060
Non-current				

Movement in staff share loan	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 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	-	-	-	-

11.1	**Inventories**				
	Stock of raw materials	1,127	681	-	-
		1,127	681	-	-
		440,358	1,058,477	349,401	316,060
11.2	**Prepayments**				
	Other Prepayments	121,903	30,597	32,072	30,597
	Prepaid Rent	27,091	28,251	27,091	28,251
	Recapitalization Expenses	142,169	129,000	142,169	129,000
	Dividend/Interest Payables(Lease)	39,800	37,257	39,800	37,257
	FIRS WTH A/C	26,445	26,441	26,445	26,441
		357,409	251,546	267,578	251,546
11.2.a	**Other Prepayments**				
	Intercompany Receivables	119,048	27,742	29,217	27,742
	Advance Debtors	10	10	10	10
	Prepayment (ITF)	2,845	2,845	2,845	2,845
		121,903	30,597	32,072	30,597
11.2.b	**Recapitalization Expenses**				
	Prepaid Merger Expenses	50,000	50,000	50,000	50,000
	Recapitalization Expenses	92,169	79,000	92,169	79,000
		142,169	129,000	142,169	129,000
11.3	**Staff Debtors**				
	Prepaid Staff Personal Loan	46,124	33,585	46,124	33,585

		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
11.3.1	**Movement in staff Debtors**				
	Balance as at January 1	33,465	4,148	33,465	4,148
	Addition in the year	12,659	39,231	12,659	39,231
	Interest earned during the year	-	815	-	815
	Repayments during the year	-	(10,729)	-	(10,729)
	Balance as at 31 Dec	46,124	33,465	46,124	33,465

11.4 Movement in impairment allowance as at December 31,2021

GROUP

	Prepayment N'000	Due from related N'000	Staff Debtors N'000	Staff Share N'000	Deposit for N'000	Other N'000	Total N'000
Gross Amount as at December 31	357,409	51,120	46,124	-	720,000	4,267	1,178,919
ECL as at January 1	(15,370)	(3,073)	(649)	-	(720,000)	(3,325)	(742,417)
Increase/(Decrease) in Impairment Allowances during the year	-	5,828	887	-	(1,218)	-	5,497
Write back/write off/Reversal during the year	(1,640)	-	-	-	-	-	(1,640)
Reclassification	-	-	-	-	-	-	-
Carrying Amount as at December 31	340,399	53,875	46,362	-	(1,218)	942	440,359

11.4.1 COMPANY

Movement in impairment allowance as at December 31,2021

	Prepayment N'000	Due from related N'000	Staff Debtors N'000	Staff Share N'000	Deposit for N'000	Other N'000	Total N'000
Gross Amount as at December 31	267,578	51,120	46,124	-	720,000	4,267	1,089,088
ECL as at January 1	(15,370)	(3,073)	(649)	-	(720,000)	(3,325)	(742,417)
Increase/(Decrease) in Impairment Allowances during the year	-	5,828	887	-	(22,915)	-	(16,200)
Write back/write off/Reversal during the year	(1,242)	-	-	-	-	-	(1,242)
Reclassification	-		-	-	-	-	-
Carrying Amount as at December 31	250,966	53,875	46,362	-	(22,915)	942	329,229

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.

		GROUP		COMPANY	
		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
12	Investment in subsidiaries				
	This comprises of investment in:				
	Universal Hotels Limited (Note 12(i))	-	-	2,449,516	2,449,516
	Impairment charge on Universal Hotel	-	-	-	-
	Investment in subsidiaries	-	-	2,449,516	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.

		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
13	Investment properties				
	Oyigbo Garden Avenue estate	548,400	532,000	548,400	543,000
	Rumudumu For Model Estate	816,000	816,000	816,000	816,000
	UHE Complex	3,349,696	3,349,696.0	-	-
	Others (Nigeria Cement company; Progress Bank Ltd; Nigeria Tobacco Ltd;	-	-	-	-
	Ferdinand Oil Ltd)	-	-	-	-
	Molit Mall	537,430	543,000	537,430	532,000
		5,251,526	5,240,696	1,901,830	1,891,000
	Impairment loss on investment properties	-	-	-	-
		5,251,526	5,240,696	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. Valuation was carried out at point of purchase and this value has been carried at transition as fair value of the investment. Vine Estate investment as project development is yet to commence.

			Balance as at Jan 1	Addition	Disposal	Reclassi fication	Transfer	Revalua tion Gain	Balance as at 31	Status in Title
13.a	Movement of Assets									
	1	Oyigbo Garden Avenue Estate	543,000	-	-	-	-	5,400	548,400	Yes
	2	Rumudumu For Model Estate	816,000	-	-	-	-	-	816,000	NO
	3	Molit Mall	532,000	-	-	-	-	5,430	537,430	Yes
		Total	1,891,000	-	-	-	-	10,830	1,901,830	

		31-Dec-21 N'000 Amount	31-Dec-20 N'000 Amount	31-Dec-21 N'000 Amount	31-Dec-20 N'000 Amount
13.b	Assets In The Name of Conau Limited:				
	Rumudumu Model Estate Portharcourt	816,000	816,000	816,000	816,000

These assets were introduced by Conau Limited in 2007 during the recapitalisation exercise, with deeds assigning the properties to Universal Insurance Plc

Status of Perfection of Title:
The firm of IBOM Partners, a firm of attorneys, solicitors, fraud examiners & legal consultants have been appointed to commence the process of perfecting the title to the properties in the name of Universal Insurance Plc.

14 INTANGIBLE ASSETS (2021)

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Cost				
Balance, beginning of period	115,319	92,259	115,319	92,259
Additions	25,394	23,060	25,394	23,060
Transferred from PPE (Computer)	-	-	-	-
Balance, end of period	140,713	115,319	140,713	115,319
Accumulated amortisation				
Balance, beginning of period	53,089	37,016	53,089	37,016
Amortisation expense/impairment charge	19,080	16,073	19,080	16,073
Transferred from PPE (computer)	-		-	-
Balance, end of period	72,169	53,089	72,169	53,233
Net book amount				
End of period	68,544	62,229	68,544	62,229

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

14 INTANGIBLE ASSETS (2020)

	GROUP		COMPANY	
	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-20 N'000	31-Dec-19 N'000
Cost				
Balance, beginning of period	92,259	66,883	92,259	66,883
Additions	23,060	25,376	23,060	25,376
Transferred from PPE (Computer)	-	-	-	-
Balance, end of period	115,319	92,259	115,319	92,259
Accumulated amortisation				
Balance, beginning of period	37,016	23,969	37,016	23,969
Amortisation expense/impairment charge	16,073	13,047	16,073	13,047
Transferred from PPE (computer)			-	-
Balance, end of period	53,089	37,016	53,089	37,016
Net book amount				
End of period	62,230	55,243	62,230	55,243

15 PROPERTY PLANTS AND EQUIPMENTS

15.a(i) GROUP (2021)

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Computer Hardware N'000	Total N'000
Cost/Revalued amount							
Balance, beginning of period	257,500	3,146,149	81,004	194,850	375,156	29,820	4,084,479
Additions during the year	1,360	13,044	5,205	6,134	15,000	5,535	46,278
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	258,860	3,159,193	86,209	200,984	390,156	35,355	4,130,757
Accumulated depreciation							
Balance, beginning of period	-	838,622	49,305	144,847	312,587	12,693	1,358,054
Charge for the year	-	62,196	7,319	9,187	13,668	3,116	95,486
On Disposal		-	-	-	-		-
Balance, end of period	-	900,818	56,624	154,035	326,255	15,809	1,453,540
Netbook value as at 31 December 2021	258,860	2,258,375	29,586	46,949	63,901	19,546	2,677,217
Netbook value as at 1 JANUARY 2021	257,500	2,307,527	31,700	50,002	64,032	17,126	2,726,425

15.a(ii) Movement in Land & Building (Group)

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at 31 Dec
Property at Ridgeway Station Road Enugu	370,685	-	-	-	-	3,707	10,114	364,278
Property at New Owerri Road Behind CBN, Owerri	963,253	-	-	-	-	733	25,956	938,030
Property at no 2 Emole Street Enugu	73,260	-	-	-	-	5,913	2,010	77,163
49A,50A,51A,52A and 53A city Layout Enugu	591,302	-	-	-	-	2,691	16,100	577,893
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	269,125	-	-	-	-	-	7,114	262,011
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Hotel Buildng at Aguler Rd, Enugu	39,902	1,360	-	-	-	-	902	40,360
Total	2,565,027	1,360	-	-	-	13,044	62,196	2,517,235

PROPERTY PLANTS AND EQUIPMENTS

15.b(i) GROUP (2020)

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture N'000		Motor N'000	Computer N'000	Total N'000
Cost/Revalued amount								
Balance, beginning of period	257,500	3,141,100	77,915	189,484		357,956	28,501	4,052,456
Additions during the year	-	5,050	3,090	5,366		17,200	1,319	32,025
Disposals	-	-	-	-		-	-	-
Revaluation	-	-	-	-		-	-	-
Balance, end of period	257,500	3,146,150	81,005	194,850	-	375,156	29,820	4,084,481
Accumulated depreciation								
Balance, beginning of period	-	776,400	41,910	136,831	-	301,210	10,116	1,266,467
Charge for the year	-	62,223	7,395	8,017		9,914	2,578	90,127
On Disposal		-	-	-	-	-		-
Balance, end of period	-	838,623	49,305	144,848		311,124	12,694	1,356,594
Netbook value as at 31 December, 2020	257,500	2,307,527	31,700	50,002		64,032	17,126	2,727,887
Netbook value as at 1 JANUARY 2020	257,500	2,364,700	36,005	52,653		56,746	18,385	2,785,989

15.b(ii) Movement in Land & Building (Group)

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	31 Dec
Property at Ridgeway Station Road Enugu	-	-	-	-	-	-	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	607,408	-	-	-	-	-	16,100	591,308
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	276,244	-	-	-	-	-	7,114	269,130
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Hotel Bulding at Aguleri Rd, Enugu	34,214	5,050	-	-	-	-	-	39,264
Total	2,622,203	5,050	-	-	-	-	61,294	2,526,695

PROPERTY PLANTS AND EQUIPMENTS

COMPANY (2021)

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture and Fittings N'000		Motor Vehicles N'000	Computer Hardware N'000	Total N'000
Cost/Revalued amount								
Balance, beginning of period	257,500	3,103,175	37,077	135,019		360,451	29,820	3,923,040
Additions during the year	1,360	13,044	1,484	3,721		15,000	5,535	40,144
Disposals	-	-	-	-		-	-	-
Revaluation	-	-	-	-		-	-	-
Balance, end of period	258,860	3,116,218	38,561	138,740	-	375,451	35,355	3,963,184
Accumulated depreciation								
Balance, beginning of period	-	835,550	17,301	87,102	-	297,882	12,693	1,250,529
Charge for the year	-	62,064	3,254	7,238		13,668	3,116	89,339
On Disposal		-	-	-	-	-	-	-
Balance, end of period	-	897,613	20,555	94,340		311,550	15,809	1,339,868
Netbook value as at 31 December 2021	258,860	2,218,605	18,006	44,399		63,901	19,546	2,623,317
Netbook value as at 1 JANUARY 2021	257,500	2,267,625	19,775	47,916		62,569	17,126	2,672,512

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

	Balance as at Jan 1	Addition	Disposal	Reclassificati	Transfer	Revaluatio	Depreciation	Balance as at
Property at Ridgeway Station Road Enugu	370,685	-	-	-	-	3,707	10,114	364,278
Property at New Owerri Road Behind CBN, Owerri	963,253	1,360	-	-	-		26,726	937,887
Property at no 2 Emole Street Enugu	73,260	-	-	-	-	733	2,010	71,983
49A,50A,51A,52A and 53A city Layout Enugu	591,302	-	-	-	-	5,913	16,100	581,115
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	269,125	-	-	-	-	2,691	7,114	264,702
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Total	2,525,125	1,360	-	-	-	13,044	62,064	2,477,465

PROPERTY PLANTS AND EQUIPMENTS

15.d(i) COMPANY (2020)

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture N'000		Motor N'000	Computer N'000	Total N'000
Cost/Revalued amount								
Balance, beginning of period	257,500	3,103,175	33,987	129,679		343,251	28,501	3,896,093
Additions during the year	-	-	3,090	5,340		17,200	1,319	26,949
Disposals	-	-	-	-		-	-	-
Revaluation	-	-	-	-		-	-	-
Balance, end of period	257,500	3,103,175	37,077	135,019	-	360,451	29,820	3,923,042
Accumulated depreciation								
Balance, beginning of period	-	773,459	13,972	80,553	-	287,968	10,116	1,166,068
Charge for the year	-	62,091	3,330	6,550		9,914	2,578	84,463
On Disposal		-	-	-	-	-	-	-
Balance, end of period	-	835,550	17,302	87,103		297,882	12,694	1,250,531
Netbook value as at 31 December 2020	257,500	2,267,625	19,775	47,916		62,569	17,126	2,672,511
Netbook value as at 1 JANUARY 2020	257,500	2,329,716	20,015	49,126		55,283	18,385	2,730,025

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

	Balance as at Jan 1	Addition	Disposal	Reclassificati	Transfer	Revaluatio	Depreciation	Balance as at
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-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Statutory deposit	335,000	335,000	335,000	335,000
Total	335,000	335,000	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

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Aggregate Insurance Contract Liabilities				
Unearned Premium	974,080	687,341	974,080	687,341
Outstanding Claims	311,420	404,704	311,420	404,704
IBNR	273,008	326,753	273,008	326,753
Total	1,558,508	1,418,798	1,558,508	1,418,798

17.(i) Insurance Contract Liabilities

	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Movement in Unearned Premium (UPR)				
Balance as at January 1	687,341	613,151	687,341	613,151
Increase/(Decrease) during the year	286,739	74,190	286,739	74,190
Balance as at 31 Dec	974,080	687,341	974,080	687,341
Movement in Outstanding Claims				
Balance as at January 1	404,704	309,427	404,704	309,427
Increase/(Decrease) during the year	(93,285)	95,277	(93,285)	95,277
Balance as at 31 Dec	311,419	404,704	311,419	404,704
Movement in IBNR				
Balance as at January 1	326,753	238,768	326,753	238,768
Increase/(Decrease) during the year	(53,745)	87,985	(53,745)	87,985
Balance as at 31 Dec	273,008	326,753	273,008	326,753

17.a(1) Age Analysis of Outstanding Claims

Outstanding Claims (Days)	0-90	91-180	181-270	271-360	Above 360	Total
Number of Claimants	19	28	37	46	55	185
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting Support Documents	6,228	9,343	12,457	15,571	18,685	62,284
Awaiting Settlement decision from Lead Assurers	9,343	14,014	18,685	23,356	28,028	93,426
Claims awaiting Payment	15,571	23,356	31,142	38,927	46,713	155,710
Total	31,142	46,713	62,284	77,855	93,426	311,420

The latest valuation of the fund was as at 4 May, 2022 by Ernest & Young. At that date, the gross book value of the fund was stated above for each of the years.

17 a(ii) Cummulative Claims Development table as at Dec 2021 (stated in N'000)

In addition to the testing, the development of Insurance liabilities provided a measure of the claims. The tables below illustrate how the group's estimates

Motor	Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9
2008	6,844	9,914	3,320	-	-	-	-	-	-
2009	13,252	9,851	270	6	-	-	-	-	-
2010	4,014	4,046	3,861	170	-	-	-	-	-
2011	5,422	3,444	938	128	-	42	-	90	56
2012	3,376	5,308	725	-	-	1,500	-	214	188
2013	4,861	3,581	3,220	-	-	-	-	-	-
2014	3,999	8,207	12	-	-	-	-	-	-
2015	9,740	7,273	903	-	591	6,404	-	-	-
2016	9,534	8,922	711	-	-	-	-	-	-
2017	15,374	3,581	236	-	-	-	-	-	-
2018	24,039	10,082	769	-	-	-	-	-	-
2019	37,497	26,840	4,093	-	-	-	-	-	-
2020	47,990	27,411	-	-	-	-	-	-	-
	[illegible]	-	-						

Fire	Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9
2008	-	3,046	-	-	-	-	-	-	-
2009	12	-	-	-	-	-	-	-	-
2010	1,449	272	99	635	3,500	-	-	-	-
2011	-	70	5,875	-	694	-	-	-	39
2012	237	655	1,913	308	-	-	-	3,678	-
2013	139	2,135	2,496	-	-	-	-	-	-
2014	936	771	91	943	-	-	-	-	-
2015	1,489	457	108	28	-	-	-	-	-
2016	1,575	5,393	1,559	778	-	-	-	-	-
2017	2,430	20,886	10	-	6	-	-	-	-
2018	15,094	1,963	4,348	1,524	-	-	-	-	-
2019	11,279	73,266	15,042	-	-	-	-	-	-
2020	19,152	35,407	-	-	-	-	-	-	-
2021	30,640		-	-	-	-	-	-	-

Marine	Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9
2008	1,984	600	55	-	-	-	-	-	-
2009	1,434	1,565	460	500	1,966	-	-	-	-
2010	-	1,731	19	-	-	-	-	-	-
2011	487	3,785	-	-	438	-	-	-	-
2012	1,153	1,640	-	-	-	-	-	-	-
2013	624	255	-	-	-	-	-	-	-
2014	-	3,816	-	-	-	-	-	-	-
2015	1,113	3,742	1,476	-	-	-	-	-	-
2016	622	554	-	-	-	-	-	-	-
2017	4,340	140	-	-	-	-	-	-	-
2018	5,544	6,851	184	-	-	-	-	-	-
2019	2,879	4,011	2,143	-	-	-	-	-	-
2020	9,535	6,705	-	-	-	-	-	-	-
2021	2,843	-							

General Accident	Incremental Chain Ladder--Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9
2008	316	1,772	296	-	25	1,083	-	-	-
2009	2,581	3,275	1,316	276	4,462	62	-	-	-
2010	1,824	2,115	50	784	68	-	-	-	-
2011	408	6,677	82	-	501	23	-	-	3,187
2012	634	4,574	-	68	12	87	13	-	-
2013	7,012	5,580	258	-	-	-	-	4,721	-
2014	1,893	5,932	438	84	-	-	-	-	-
2015	10,356	6,301	592	112	123	-	-	-	-
2016	18,957	67,883	6,489	144	-	-	-	-	-
2017	12,246	13,470	1,094	2,291	273	-	-	-	-
2018	15,941	22,542	15,418	117	-	-	-	-	-
2019	14,310	32,617	5,362	-	-	-	-	-	-
2020	37,903	30,087	-	-	-	-	-	-	-
2021	40,722	-	-	-	-	-	-	-	-

17 b. Hypothetication of investment/assets

	31-Dec-21 Total Funds N'000	31-Dec-21 Policy Holder's Funds N'000	31-Dec-21 Shareholder's Funds N'000	31-Dec-20 Total Funds N'000	31-Dec-20 Policy Funds N'000	31-Dec-20 Shareholder's Funds N'000
Cash and Cash Equivalents	192,818	95,000	97,818	250,867	95,000	155,867
Financial Assets: Quoted	2,285,185	779,254	1,505,931	2,005,454	633,354	1,372,100
Financial Assets: UnQuoted	40,000		40,000	40,000		40,000
Trade Receivable	65,346		65,346	39,638		39,638
Reinsurance Assets	437,703	294,627	143,076	410,194	260,526	149,668
Deferred Acquisition cost	153,093		153,093	109,061		109,061
Other Receivable	349,401		349,401	316,060		316,060
Investment in Subsidiaries	2,449,516		2,449,516	2,449,516		2,449,516
Investment Properties	1,901,830	389,627	1,512,203	1,891,000	429,918	1,461,082
Intangible Asset	68,544		68,544	62,229		62,229
Property, Plant and Equipment	2,623,317		2,623,317	2,672,512		2,672,512
Statutory Deposits	335,000		335,000	335,000		335,000
Total Assets	10,901,752	1,558,508	9,343,244	10,581,531	1,418,798	9,162,733
Insurance Contract Liabilites		1,558,508			1,418,798	

18 BORROWINGS

- -

19 Trade payables

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

	GROUP 31-Dec-21	GROUP 31-Dec-20	COMPANY 31-Dec-21	COMPANY 31-Dec-20
Reinsurance payable	206,119	194,355	206,119	194,355
Insurance payable	-	-	-	-
Other trade creditors	28,423	27,221	-	-
Balance at year end	234,542	221,576	206,119	194,335
Current	262,965	221,576	206,119	194,355
19.(i) Other trade creditors				
Due to Suppliers	28,423	27,221	-	-

20 Other payables

This is analysed as follow:

	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 N'000
Due to related parties	15,418	14,328	14,328	14,328
Deferred Fees and Commission (note 27b)	38,832		38,832	
Provisions and accruals	74,436	92,216	74,436	74,602
Rent Received in Advance	2,364	2,937	2,364	2,937
	131,051	109,481	129,961	91,867
Current	131,051	109,481	129,961	91,867
Non-current				-

20.1 Due to related companies

Conau Limited	-	-	-	-
African Alliance Insurance Plc	-	-	-	-
Due to other related parties	15,418	14,328	14,328	14,328
	15,418	14,328	14,328	14,328

		GROUP		COMPANY	
		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
20.2	Provisions and accruals				
	Lease Rentals	-	-	-	-
	Accrued Expenses	69,867	87,647	69,867	70,033
	Payable to Associate	4,569	4,569	4,569	4,569
		74,436	92,216	74,436	74,602
20.3	Rent Received in Advance				
	Rent from Molit Mall in Advance	2,364	2,937	2,364	2,937
		2,364	2,937	2,364	2,937

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(2021) and NIL(2020).

		GROUP		COMPANY	
		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
	Staff pension scheme	-	-	-	-
	Current	-	-	-	-
	Balance as per January 1				
	Current Service Cost	-	-	-	-
	Payment during the year	-	-	-	-
	Interest Expense				
	Acturial Re-Measurement	-	-	-	-
	Balance as per 30 Sep	-	-	-	-
22	Income tax payable	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
22.1	Per Profit and Loss Account				
	Income Tax	6,587	10,443	5,626	9,557
	Education Tax	2,813	2,549	2,813	2,549
	Provision for NITDA Tax	1,407	382	1,407	382
		10,807	13,374	9,846	12,488
	Deferred Taxation	-	-	-	-
	Profit and Loss Account	10,807	13,374	9,846	12,488
22.2	Per Balance Scheet				
	Taxation				
	At beginning of year	6,961	18,902	6,075	18,902
	Charge for the Year	10,807	13,374	9,846	12,488
	Payment during the Year	(10,129)	(25,315)	(10,000)	(25,315)
	At year end	7,639	6,961	5,921	6,075
23	Deferred Tax Liability				
	At beginning of year	386,668	296,875	296,875	296,875
	Derecognised on Reclassication of AFS FA	-	-	-	-
	Charged to profit and loss	-	89,793	-	-
	At year end	386,668	386,668	296,875	296,875
	To be recovered after more than 12 months	386,668	386,668	296,875	296,875
	To be recovered in 12 months		-		-

23.a Deferred Tax Assets

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

	403,685	403,685	403,685	403,685
	403,685	403,685	403,685	403,685

24 EQUITY

24. 1. Share capital

The share capital comprises:	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Authorised -				
30,000,000,000 Ordinary shares of 50k each	15,000,000	15,000,000	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	8,000,000	8,000,000

24. 2. Share premium

Share premium is made up of payments in excess of par value of paid-in capital. This reserve is not ordinarily available for distribution.

24. 3. Contingency Reserve

Balance, beginning of period	609,704	484,775	609,704	484,775
Transfer from profit and loss	104,193	124,929	104,193	124,929
Balance, end of period	713,897	609,704	713,897	609,704
Gross Written Premiun	3,396,005	3,396,005	3,473,084	3,396,005
Percentage Rate for transfer	3%	3%	3%	3%
Increase in Contingency	101,880	101,880	104,193	101,880
20% of Profit after tax	124,929	124,929	26,161	124,929

In accordance with the Insurance act, a contigency 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 accummulated 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	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	6,460	6,460

24. 5. Revaluation Reserve

	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Balance, beginning of period	2,524,040	2,524,040	768,329	768,329
Revaluation Surplus	-	-	-	-
Balance as at period end	2,524,040	2,524,040	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.

Retained Earnings	GROUP		COMPANY	
	N'000	N'000	N'000	N'000
Balance as at January 2021	(2,115,416)	(2,654,885)	(1,232,264)	(1,731,982)
Profit or Loss	151,427	624,647	130,806	624,647
Transfer to contingency reserve	(104,193)	(124,929)	(104,193)	(124,929)
	(2,068,181)	(2,115,416)	(1,205,650)	(1,232,264)

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

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Gross premium written				
Direct Premium:				
Motor	442,691	367,904	442,691	367,904
Fire	517,826	967,390	517,826	967,390
General Accident	349,450	294,833	349,450	294,833
Bond	109,211	87,989	109,211	87,989
Engineering	212,318	115,749	212,318	115,749
Oil & Gas	735,190	583,923	735,190	583,923
Aviation	252,437	121,880	252,437	121,880
Agric Insurance	10,180	-	10,180	-
Marine	211,427	228,921	211,427	228,921
	2,840,730	2,768,589	2,840,730	2,768,589
Inward Reinsurance Premium:				
Motor	24,026	45,175	24,026	45,175
Fire	128,726	283,983	128,726	283,983
General Accident	35,507	38,073	35,507	38,073
Bond	3,195	695	3,195	695
Engineering	34,777	23,098	34,777	23,098
Oil & Gas	259,347	183,837	259,347	183,837
Aviation	-	-	-	-
Agric Insurance	7,729	-	7,729	-
Marine	139,047	52,555	139,047	52,555
	632,354	627,416	632,354	627,416
Gross premium written	3,473,084	2,858,318	3,473,084	2,858,318
Changes in unearned premium	-			
Motor	(74,057)	(16,045)	(74,057)	(16,045)
Fire	(49,413)	(61,825)	(49,413)	(61,825)
General Accident	(16,877)	6,645	(16,877)	6,645
Bond	(15,751)	5,109	(15,751)	5,109
Engineering	(69,716)	(11,476)	(69,716)	(11,476)
Oil & Gas	(159,632)	98,257	(159,632)	98,257
Aviation	84,797	(48,393)	84,797	(48,393)
Agric Insurance	(3,179)		(3,179)	
Marine	17,088	(46,462)	17,088	(46,462)
Net change in unearned premium	(286,739)	(74,190)	(286,739)	(74,190)

Change in UPR per Actuarial Valuation	-	-	-	-
Net change in unearned premium	(286,739)	(74,190)	(286,739)	(74,190)
Gross premium earned	3,186,345	3,321,815	3,186,345	3,321,815
Reinsurance expenses	(782,642)	(707,504)	(782,642)	(707,504)
Net insurance premium income	2,403,703	2,614,311	2,403,703	2,614,311

25(1) Net Premium Income

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Gross Premium Written	3,473,084	3,396,005	3,473,084	3,396,005
Changes in Unearned Premium	(286,739)	(74,190)	(286,739)	(74,190)
Gross Premium Earned	3,186,345	3,321,815	3,186,345	3,321,815
Reinsurance expenses	(782,642)	(707,504)	(782,642)	(707,504)
Net Insurance Premium Income	2,403,703	2,614,311	2,403,703	2,614,311

26 Reinsurance expenses

Reinsurance costs				
Motor	31,091	20,129	31,091	20,129
Fire	139,277	314,725	139,277	314,725
General Accident	83,583	77,408	83,583	77,408
Bond	19,240	22,184	19,240	22,184
Engineering	48,949	3,357	48,949	3,357
Oil & Gas	335,838	192,276	335,838	192,276
Aviation	-	-	-	-
Agric Insurance	6,041		6,041	-
Marine	109,866	97,008	109,866	97,008
Movement in Reinsurance Share of UPR	8,757	(49,583)	8,757	(49,583)
	782,642	707,504	782,642	707,504
	782,642	707,504	782,642	707,504

27 Fees and Commission Income

	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Motor	71,148	1,151	71,148	1,151
Fire	15,217	76,328	15,217	76,328
General Accident	9,617	17,771	9,617	17,771
Bond	1,182	6,151	1,182	6,151
Engineeering	5,348	10,007	5,348	10,007
OIL & GAS	3,430	3,308	3,430	3,308
Agric Insurance	-	-	-	-
Marine	6,865	19,158	6,865	19,158
	112,805	133,874	112,805	133,874

Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.

27.a	**Fees and Commision Earned for the year:**				
	Motor	1,425	-	1,425	-
	Fire	24,588	-	24,588	-
	General Accident	14,701	-	14,701	-
	Bond	2,095	-	2,095	-
	Engineeering	7,114	-	7,114	-
	OIL & GAS	8,401	-	8,401	-
	Agric Insurance	1,016	-	1,016	-
	Marine	14,633	-	14,633	-
		73,973	-	73,973	-
27.b	**Fees and Commision Deferred for the year:**				
	Motor	2,867	-	2,867	-
	Fire	5,592	-	5,592	-
	General Accident	6,881	-	6,881	-
	Bond	1,869	-	1,869	-
	Engineeering	7,530	-	7,530	-
	OIL & GAS	4,644	-	4,644	-
	Agric Insurance	193	-	193	-
	Marine	9,256	-	9,256	-
		38,832	-	38,832	-

		GROUP		COMPANY	
28	**Claims expenses**	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
	Direct claims paid during the year	645,947	492,138	645,947	492,138
	Changes in outstanding claims	(93,285)	95,277	(93,285)	95,277
	Changes in Outstanding claims (IBNR)	(53,745)	87,985	(53,745)	87,985
	Changes in Outstanding claims (IBNR)				-
	Gross claims incurred	498,917	675,401	498,917	675,401
	Reinsurance claims recoverable(Note 28(a))	217,954	137,055	217,954	137,055
	Reinsurance recovery per Actuarial Valuation	(101,762)	(113,784)	(101,762)	(113,784)
	Movement in Reinsurance Recovery (IBNR) per actuarial valuation	17,212	36,727	17,212	36,727
		632,322	735,399	632,322	735,399
28.a	**Claims Ceded to Reinsurer**				
	Reinsurance claim received	195,046	297,047	195,046	297,047
	Increase/(Decrease) in Reinsurer's share of Outstandng claims recoverable	57,957	(107,385)	57,957	(107,385)
	Increase/(Decrease) in Reinsurer's share of IBNR	(17,212)	(29,672)	(17,212)	(29,672)
	Increase/(Decrease) in Recovarable on claims paid	235,791	159,990	235,791	159,990

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

Underwriting expenses

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Gros commission paid	532,682	558,742	532,682	558,742
Changes in deferred acquisition cost(Note 10.1)	(44,032)	(19,889)	(44,032)	(19,889)
Acquisition expenses	488,651	538,853	488,651	538,853
Maintenance expenses	630,072	752,349	630,072	752,349
Underwriting expenses	1,118,723	1,291,202	1,118,723	1,291,202

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Gross commision paid				
Motor	49,191	40,859	49,191	40,859
Fire	135,296	259,860	135,296	259,860
General Accident	75,061	69,582	75,061	69,582
Bond	20,589	16,515	20,589	16,515
Engineering	41,642	16,306	41,642	16,306
Oil & Gas	112,515	76,454	112,515	76,454
Aviation	-	-	-	-
Marine	94,805	79,165	94,805	79,165
Agric Insurance	3,583	-	3,583	-
Total Commission paid	532,682	558,742	532,682	558,742
Changes in differed commission				
Motor	(8,914)	(2,936)	(8,914)	(2,936)
Fire	(7,523)	(46,917)	(7,523)	(46,917)
General Accident	(2,435)	(26)	(2,435)	(26)
Bond	(1,854)	5,280	(1,854)	5,280
Engineering	(12,362)	(1,581)	(12,362)	(1,581)
Oil & Gas	(12,859)	(415)	(12,859)	(415)
Aviation	(2,139)	7,795	(2,139)	7,795
Marine	4,692	6,885	4,692	6,885
Agric Insurance	(637)	-	(637)	-
Additional (DCA) per acturial Report	-	12,022	-	12,022
Changes in differed commission	(44,032)	(19,893)	(44,032)	(19,893)
Acquisition expenses	488,651	538,848	488,651	538,848
Maintenance expenses	630,072	752,349	630,072	752,349
Underwriting expenses	1,118,723	1,291,198	1,118,723	1,291,198

30 INVESTMENT INCOME

	GROUP		COMPANY	
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Dividend - Quoted and unquoted investments	97,422	155,222	97,422	155,222
Interest on call deposits	10,416	45,823	10,416	45,823
Profit/(loss) on disposal of non-current assets	10	75	10	75
Other income	10,323	11,031	10,323	11,031
	118,171	212,151	118,171	212,151

30.a ANALYSIS OF INVESTMENT INCOME

Investment income attributable to policyholders		-	-	-
Investment income attributable to shareholders	118,171	212,151	118,171	212,151
	118,171	212,151	118,171	212,151

30.b	Investment income attributable to shareholders				
	Dividend - Quoted and unquoted investments	97,422	155,222	97,422	155,222
	Interest on call deposits	10,416	45,823	10,416	45,823
	Profit/(loss) on disposal of non-current assets	10	75	10	75
	Other Income	10,323	11,031	10,323	11,031
		118,171	212,151	118,171	212,151
30.c	Investing Activities				
	Dividend - Quoted and unquoted investments	97,422	155,222	97,422	155,222
	Interest on call deposits	10,416	45,823	10,416	45,823
		107,837	201,045	107,837	201,045
30.d	Operating Activities				
	Other Income	10,323	11,031	10,323	11,031
		10,323	11,031	10,323	11,031
30.e	Sundry Income		-	-	-
	Profit/(loss) on disposal of non-current assets	10	75	10	75
		10	75	10	75

		GROUP		COMPANY	
		31-12-2021	31-12-2020	31-12-2021	31-12-2020
31	ECL Impairment Loss Allowance				
	ECL Impairment loss allowance during the year are as follows:				
	Cash and cash equivalents	5	255	5	255
	Other loans and receivables from related parties	318	(2,760)	318	(2,760)
	Staff debtors	411	(119)	411	(119)
	Other loans and receivables	(8,403)	1,123	2,000	1,123
	Other receivables(For subsidiary)	25,630	(315)	-	-
		17,961	(1,816)	2,734	(1,501)

		GROUP		COMPANY	
		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
32	Other operating and administrative expenses				
(i)	Employee benefits expense				
	Staff cost	271,442	259,033	260,445	254,823
	Contributions to defined pension scheme	15,705	14,832	15,705	14,832
	Other staff costs (Notes 32.(i.a))	301,042	297,125	299,162	295,824
		588,190	570,990	575,313	565,479
(i.a)	Other staff costs				
	Temporary Staff Salaries	76,622	44,223	76,457	44,223
	Staff Training & Entertainment	7,475	4,966	7,460	3,665
	Staff other benefits	171,160	197,040	169,460	197,040
	Leave Allowance	38,420	39,230	38,420	39,230
	Staff Gratuity	-	7,291	-	7,291
	Nigeria Social Ins Trust Fund	2,803	-	2,803	-
	Staff GPA Insurance	4,562	4,375	4,562	4,375
		301,042	297,125	299,162	295,824

(ii)	Management expenses comprise;				
	Bank charges	10,389	7,218	10,187	7,218
	Other charges and expenses (Note 32.(iia))	391,683	167,892	379,732	167,892
	General maintenance and running costs	103,732	81,411	93,371	81,411
	Legal and professional fees	67,346	61,970	66,627	61,970
	Audit fees	8,000	8,000	8,000	8,000
	Insurance supervision fees	35,650	20,017	35,650	20,017
	Depreciation	95,486	84,462	89,339	84,462
	Amortisation of Intangible Assets	19,080	16,073	19,080	16,073
	Impairment gain/(loss)	-	-	-	-
	Interest on overdrafts	-	-	-	-
	Cost of sales - Hotels	-	-	-	-
	Other operating expenses	731,366	447,043	701,986	447,043
	Other operating and administrative expenses	1,319,555	1,012,291	1,277,298	1,012,291

(ii.a) Other charges and expenses	GROUP 31-Dec-21 N'000	GROUP 31-Dec-20 N'000	COMPANY 31-Dec-21 N'000	COMPANY 31-Dec-20 N'000
OTHER PROFESSIONAL CHARGES	369	-	-	-
TRANSPORT ALLOWANCE	5,413	529	5,057	529
TERMINAL PAY	10,043	-	10,043	-
HOTEL ACCOMMODATION	10,134	1,384	10,134	1,384
SECURITY EXPENSES	1,163	589	1,163	589
ENTERTAINMENT	21,696	13,665	21,696	13,665
BUSINESS PROMOTION	-	-	-	-
ADVERTISEMENT	46,245	8,014	45,312	8,014
NEWSPAPERS & PERIODICALS	205	77	205	77
TELEPHONE BILLS	3,546	2,438	2,805	2,438
INTERNET CONNECTIVITY	15,425	7,488	15,425	7,488
PRINTING COST	23,700	21,510	23,700	21,510
STATIONERY COST	13,046	1,103	12,809	1,103
LOCAL GOVT. LEVIES	1,646	756	1,066	756
VALUE ADDED TAX/STAMP DUTIES	4,482	742	4,482	742
LEVY/FEE/PENALTY	2,858	4,785	2,858	4,785
DIRECTORS EXPENSES	-	-	-	-
DIRECTORS SITTING ALLOWANCES	17,811	10,450	16,510	10,450
ASSETS INSURANCE EXPENSES	7,922	140	7,922	140
FILING FEE	550	250	550	250
DIRECTORS FEES	16,330	21,000	16,330	21,000
GIFTS	39,911	9,902	39,902	9,902
OFFICE CLEANING EXPENSES	6,770	829	6,536	829
CHRISTMAS GIFT/SUNDRY	19,174	7,526	19,174	7,526
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	4,352	6,058	3,988	6,058
MEDICAL EXPENSES	19,836	11,105	19,824	11,105
WATER BILL	5,263	194	836	194
COOKING GAS	-	-	-	-
ENTERTAINMENT ALLOWANCE	-	-	-	-
EXCHANGE VARIANCE A/C	-	(4,217)	-	(4,217)
POSTAGES & COURIER	1,913	1,811	1,913	1,811
INTEREST ON LOANS	-	-	-	-
OVERSEAS TRAVEL EXPENSES	70,957	19,927	70,957	19,927
SERVICE CHARGE - ABUJA	-	-	-	-
RENT & RATES	846	1,206	845.83	1,206
NIA LEVIES	-	3,147	-	3,147
INDUSTRIAL TRAINING FUND LEVY	-	3,820	-	3,820
ANNUAL GENERAL MEETING	15,503	9,040	15,503	9,040
TRAINING	-	-	-	-
REPAIRS AND MAINTENANCE TV SET + RADIO	2,573	10	185	10
SEVERANCE PACKAGE	2,000	2,000	2,000	2,000
REPAIRS AND MAINTENANCE TV SET + RADIO	-	360	-	360
RENT & RATES - ABAKALIKI	-	25	-	25
FUEL	-	-	-	-
	391,683	167,893	379,732	167,893

33 Interest expense

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

Earnings per share	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Profit attributable to equity holders	151,427	624,647	130,806	624,647
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000	16,000,000	16,000,000
34 Basic earnings per share (kobo per share)	0.946	3.904	0.818	3.904

The calculation of basic earnings per share at 31 Dec 2020 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares

35 RELATED PARTIES INTEREST

Related party transactions				
Other Loans and Receivables	51,120	49,620	51,120	49,620
Other payables	4,569	4,569	4,569	4,569
Due to Related Parties	15,418	14,328	14,328	14,328
	71,107	68,517	70,017	68,517

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	49,620	51,120	49,620
Frenchies Foods Nig. Ltd	4,569	4,569	4,569	4,569
Due to Related Parties	15,418	14,328	14,328	14,328
	71,107	68,518	70,018	68,518

36 Employees

The average number of persons employed by the Company during the year was	GROUP		COMPANY	
	31-Dec-21 Number	31-Dec-20 Number	31-Dec-21 Number	31-Dec-20 Number
Executive directors	3	3	3	3
Management	27	27	24	24
Non-management	90	90	70	70
	120	120	97	97

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 penalty by the National Insurance Comission (NAICOM) for any contravention of any section of the Insurance Act 2003 and circulars as issued by the NAICOM.

Underwriting Revenue Account

	MOTOR	FIRE	GENERAL ACCIDENT	BOND	ENGINEERING	OIL & GAS	AVIATION	AGRIC INS	MARINE	Dec-21	Dec-20
	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	442,691	517,826	349,450	109,211	212,318	735,190	252,437	10,180	211,427	2,840,730	2,768,589
Reinsurance Accepted	24,026	128,726	35,507	3,195	34,777	259,347	-	7,729	139,047	632,354	627,416
Gross Premium Written	466,716	646,552	384,957	112,406	247,095	994,537	252,437	17,909	350,474	3,473,084	3,396,005
Changes in Reserve for Unexpired Risk (*)	(74,057)	(49,413)	(16,877)	(15,751)	(69,716)	(159,632)	84,797	(3,179)	17,088	(286,739)	(74,190)
Gross Premium Earned	392,660	597,139	368,080	96,655	177,379	834,906	337,234	14,730	367,563	3,186,345	3,321,815
Net Reinsurance Recovery (UPR) per actuarial valuation	(9,592)	84,269	(4,032)	1,338	(5,738)	(55,469)	(3,083)	(813)	1,877	8,757	49,583
Reinsurance cost	(31,091)	(139,277)	(83,583)	(19,240)	(48,949)	(335,838)	-	(6,041)	(109,866)	(773,885)	(757,087)
Net Premium Written	351,977	542,131	280,465	78,752	122,692	443,599	334,151	7,876	259,574	2,421,217	2,614,311
Commission Receiveed	1,425	24,588	14,701	2,095	7,114	8,401	-	1,016	14,633	73,973	133,874
Net Income	353,402	566,719	295,166	80,847	129,806	452,000	334,151	8,892	274,207	2,495,190	2,748,185
Claims Incurred:											
Direct Claims Paid	130,168	218,717	114,280	70,297	48,319	37,486	6,256	-	20,425	645,947	492,138
Provision for Outstanding claims (IBNR)	4,217	(62,588)	16,774	(21,426)	642	(14,946)	11,922	1,473	10,187	(53,745)	87,985
Changes in Provision for Outstanding Claims (**)	5,305	(65,877)	17,680	(53,142)	18,900	(4,840)	(3,584)	-	(7,727)	(93,285)	95,277
Gross Claims Incurred	139,690	90,251	148,734	(4,272)	67,861	17,700	14,594	1,473	22,885	498,917	675,401
Increase/(Decrease) in claims and IBNR reserves per actuarial valuation	(19,822)	(104,421)	(4,818)	1,700	(9,859)	(30,599)	(22,735)	(1,473)	(25,928)	(217,954)	137,055
Movement in Reinsurance Recovery (IBNR) per actuarial valuation	8,735	(3,756)	(11,142)	8,661	(253)	12,831	-	(884)	3,020	17,212	(36,727)
Movement in Reinsurance Recovery (CLAIMS) per actuarial valuation	20,755	(3,172)	(14,756)	(17,625)	(19,319)	(10,667)	-	-	(13,171)	(57,955)	-
Reinsurance Claims Recovery	(9,407)	(44,604)	(26,208)	(5,500)	(1,297)	(584)		-	(14,162)	(101,762)	(113,784)
Net Claims Incured	139,951	(65,701)	91,810	(17,036)	37,133	(11,319)	(8,140)	(884)	(27,355)	138,458	661,945
Underwriting Expenses:											
Commission Paid	49,191	135,296	75,061	20,589	41,642	112,515	-	3,583	94,805	532,682	558,742
Changes in deferred commission	(8,914)	(7,523)	(2,435)	(1,854)	(12,362)	(12,859)	(2,139)	(637)	4,692	(44,032)	(31,915)
Additional (DCA) per actuarial valuation report										-	12,022
Maintenance expenses	78,316	77,174	77,493	77,078	77,174	77,078	77,078	-	88,679	630,072	752,349
Total Underwriting Expenses	118,593	204,948	150,119	95,814	106,454	176,735	74,939	2,946	188,176	1,118,723	1,291,198
Total Expenses	258,544	139,246	241,929	78,778	143,586	165,416	66,799	2,062	160,820	1,257,181	1,953,143
Underwriting Result	94,857	427,472	53,237	2,070	(13,780)	286,584	267,352	6,830	113,387	1,238,009	795,043
Provision for Unexpired Risk- 1 JANUARY 2021	133,910	123,437	78,612	31,939	52,886	39,589	126,134	-	100,834	687,341	613,151
Provision for Unexpired Risk- 31 Dec. 2021	207,967	172,850	95,490	47,690	122,601	199,221	41,337	3,179	83,746	974,080	761,043
Additional charge (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-	-	(73,702)
Provision for Unexpired Risk- 31 Dec. 2021	207,967	172,850	95,490	47,690	122,601	199,221	41,337	3,179	83,746	974,080	687,341
* Changes in reserve for unexpired Risk	(74,057)	(49,413)	(16,877)	(15,751)	(69,716)	(159,632)	84,797	(3,179)	17,088	(286,739)	(74,190)
Gross Claims Outstanding											
Provision for Outsanding Claims- 1 JANUARY 2021	50,286	101,980	83,324	88,393	3,673	44,987	5,987	-	26,074	404,704	309,427
Provision for Outsanding Claims- 31 Dec. 2021	55,590	36,102	101,005	35,251	22,573	40,147	2,404	-	18,348	311,420	404,704
** Changes in provision for outstanding claims	5,305	(65,877)	17,680	(53,142)	18,900	(4,840)	(3,584)	-	(7,727)	(93,285)	95,277

Computation of Solvency Marging

			TOTAL N'000	Inadmissible N'000	Admissible N'000
I	ASSETS				
	Cash and bank balances		192,818	45,520	147,298
	Financial Assets - Quoted		2,285,185		2,285,185
	Financial Assets - Unquoted		40,000	-	40,000
	Trade Receivable		65,346		65,346
	Reinsurance Assets		437,703		437,703
	Deferred Acquisition cost		153,093		153,093
	Deferred tax assets		403,685	403,685	0
	Other Receivable		349,401	303,277	46,124
	Investment in Subsidiaries		2,449,516	627,905	1,821,611
	Investment Properties		1,901,830	512,203	1,389,627
	Intangible Asset		68,544	-	68,544
	Property, Plant and Equipment		2,623,317	2,477,465	145,852
	Statutory Deposits		335,000		335,000
	A		11,305,437	3,920,850	6,935,382
	LIABILITIES				
	Insurance Contract Liabilities		1,558,508		1,558,508
	Trade payable		206,119		206,119
	Other payable		129,961		129,961
	Employee benefit liability		-		-
	Income Tax liabilities		5,921		5,921
	Deferred tax liabilities		296,875	296,875	(0)
		B	2,197,383	296,875	1,900,508
	Excess of total admissible assets over				-
	admissible liabilities (A - B)				5,034,874

Higher of:		
Gross premium written		3,186,345
Less: Reinsurance expenses		(782,642)
Net Premium		2,403,703
15% of Net Premium	C	360,555
Solvency Margin	D	5,034,874
Minimum Paid up Capital	E	3,000,000
Excess of solvency margin over minimum capital base		2,034,874

Basis for conclusion:

The solvency margin arrived at in D above shall not be less than 15 per centum of the net premium income C or the minimum paid-up capital E which ever is greater.

Conclusion:

The company is solvent since its solvency margin of N5.035billion is higher than the minimum paid up capital of N3.00 billion.

FORM 19

(Under the Insurance Act 2003)
AUDITORS CERTIFICATES OF SOLVENCY ON OATH IN RESPECT OF A REGISTERED INSURER IN NIGERIA

We certify that (a) Universal Insurance Plc has during the period covered by our Audit report for the year ended (b) 31 December, 2021 dated 4, May 2022 complied with section 24 of the Insurance Act 2003. This is to say that the company has in respect of its insurance business, other than life, maintained at all times a margin of solvency (as defined under section 24 (1) and (2) of the Act). The solvency margin maintained is N 5,034,874 (Five Billion, thirty-four Million eight hundred and seventy-four thousand) Naira

The accounts and financial position are in accordance with information given to us and with the provisions of the Insurance Act 2003 and reflect a true and fair view of the financial position of the Insurer.

Every information we require has been supplied and the books appear to us to have been properly kept.

Signed:

AUDITORS

Date: 4 May, 2022

Name and address of Auditors

UKWUEGBU, OGBELEJE & CO,
23 RASAKI SHITTU STREET, ISHERI - OSHUN,
LAGOS - NIGERIA.

Sworn to at ....

This .... day of 2022

BEFORE ME

COMMISIONER FOR OATHS

Statement of Value Added

	GROUP				COMPANY			
	2021 N,000	%	2020 N,000	%	2021 N'000	%	2020 N'000	%
Underwriting income	2,477,676	259%	2,748,185	192%	2,477,676	271%	2,748,185	194%
Re-insurance,claims and commission and others	(1,639,285)	-171%	(1,529,883)	-107%	(1,679,891)	-183%	(1,541,872)	-109%
Investment and other income	118,171	12%	212,151	15%	118,171	13%	212,151	15%
Value Added	956,561	100%	1,430,453	100%	915,955	100%	1,418,464	100%
Applied as follows:								
Staff and other costs	588,190	61%	570,990	40%	575,313	63%	565,479	40%
Government								
Taxation	10,807	1%	13,374	1%	9,846	1%	12,488	1%
Retained in the business								
Depreciation and amortization	95,486	10%	90,126	6%	89,339	10%	84,462	6%
Retained Profit/(loss) for the year	151,427	16%	624,575	44%	130,806	14%	624,647	44%
Fair value reserve	6,460	1%	6,459	0%	6,460	1%	6,460	0%
Contingency reserve	104,193	11%	124,929	9%	104,193	11%	124,929	9%
Value added	956,562	100%	1,430,453	100%	915,956	100%	1,418,465	100%

Five Year Financial Summary

GROUP

STATEMENT OF FINANCIAL POSITION	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Cash and Cash Equivalent	197,139	252,236	113,378	421,033	298,867
Financial Assets	2,325,185	2,045,454	1,329,992	2,858,153	2,856,058
Trade Receivables	30,191	79,707	48,113	57,064	97,096
Reinsurance Assets	437,703	410,194	453,343	237,065	375,503
Deferred Acquisition Cost	153,093	109,061	89,168	96,592	31,090
Deferred tax assets	403,685	403,685	403,685		
Other Receivables	440,358	327,144	167,880	1,734,940	1,743,243
Investment in Subsidiary	-	-	-	-	-
Investment Properties	5,251,526	5,240,696	5,235,696	5,224,697	5,203,697
Intangible Assets	68,544	62,229	55,242	42,914	20,550
Property Plant and Equipmeny	2,677,217	2,727,886	2,770,513	2,874,540	2,854,211
Statutory Deposits	335,000	335,000	335,000	335,000	335,000
				-	-
Total Assets	12,319,641	11,993,292	11,002,010	13,881,998	13,815,316
Liabilities					
Insurance Contract Liabilities	1,558,508	1,418,798	1,161,345	1,018,179	497,301
Borrowing	-	-	-	-	-
Trade Payables	234,542	221,576	127,183	40,907	31,998
Other Payables	131,051	109,481	117,347	1,698,568	1,792,531
Employee benefits liability	-	-	-	2,178	5,043
Income tax liabilities	7,639	6,961	23,292	36,924	62,807
Deferred tax liabilities	386,668	386,668	387,435	791,120	787,005
liabilities associated with assets classified as	-	-	-	-	
Total Liabilities	2,318,407	2,143,484	1,816,602	3,587,876	3,176,685
Equity					
Issued and paid Shared capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Share Premium	825,018	825,018	825,018	825,018	825,018
Contingency Reserve	713,897	609,704	484,775	428,667	355,415
Fair value reserve	6,459	6,459	6,459	1,583,838	1,566,217
Revaluation reserve	2,524,040	2,524,040	2,524,040	2,513,040	2,513,040
Retained earning	(2,068,181)	(2,115,416)	(2,654,885)	(3,056,441)	(2,617,101)
Shareholders fund	10,001,232	9,849,805	9,185,407	10,294,122	10,642,589
Non-controlling interest					
TOTAL EQUITY & LIABILITIES	**12,319,640**	**11,993,290**	**11,002,009**	**13,881,998**	**13,819,274**

STATEMENT OF COMPREHENSIVE INCOME	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
GROSS Premium written	3,473,084	3,396,005	1,870,255	1,688,673	753,067
Premium earned	3,186,345	3,321,815	1,789,556	1,379,607	730,849
Profi before tax	162,234	637,949	(332,863)	(37,943)	668,345
Taxation	(10,807)	- 13,374	10,500	(8,993)	(32,407)
Profit after taxation	151,427	624,575	60,322	(46,936)	635,938
Transfer to contigency reserve	(104,193)	(101,880)	(56,108)	(50,660)	(22,592)
Retained earning	151,427	624,575	(693,122)	(46,936)	613,346
Earning per share	0.95	3.90	0.38	- 0.29	3.97

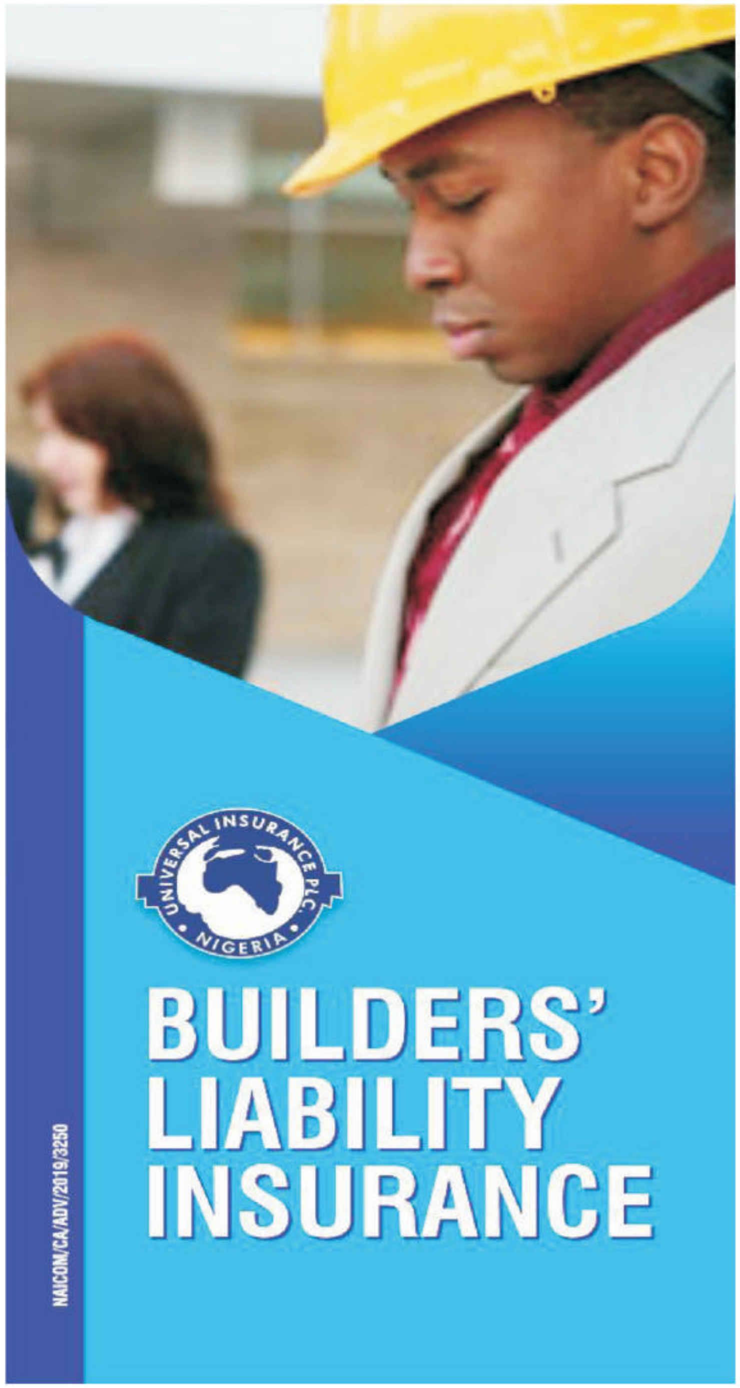
Five Year Financial Summary

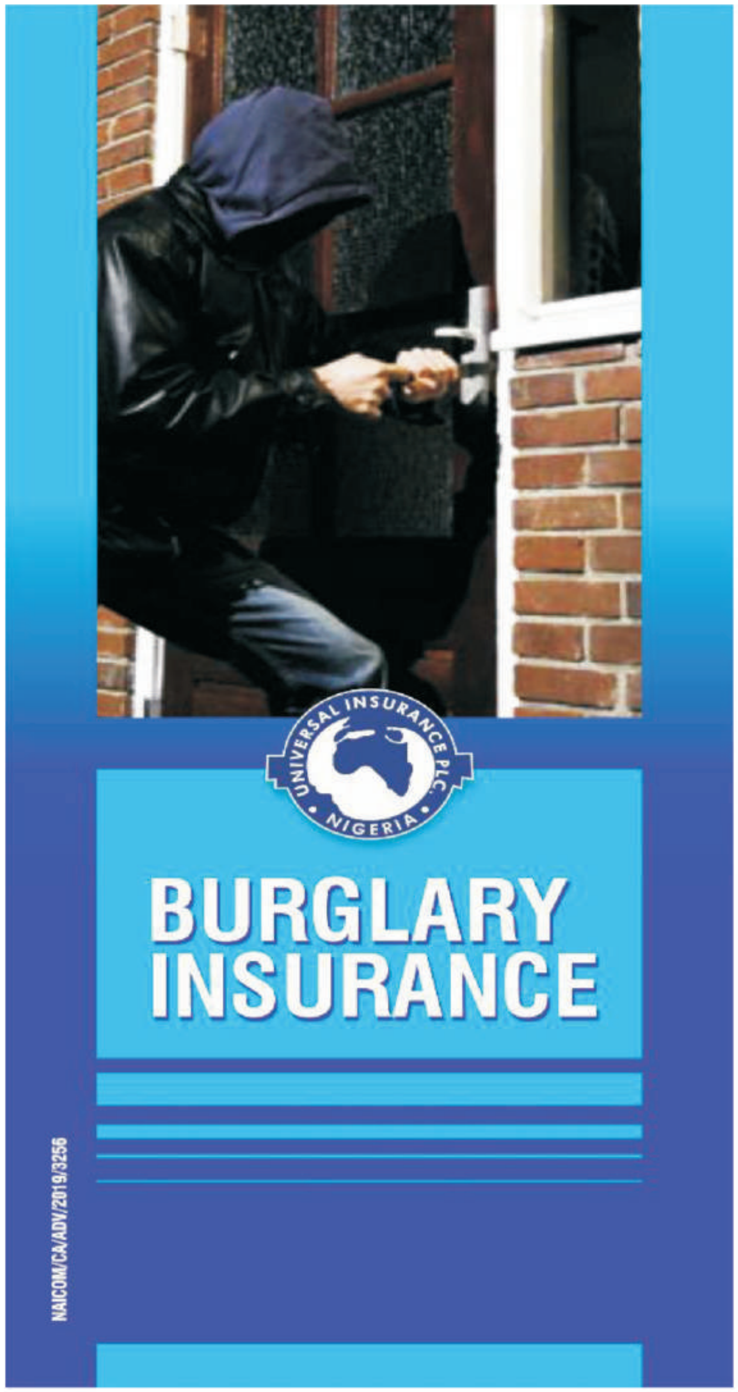
COMPANY

STATEMENT OF FINANCIAL POSITION	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Cash and Cash Equivalent	192,818	250,867	111,730	419,296	271,230
Financial Assets	2,325,185	2,045,454	1,329,992	2,858,153	2,856,058
Trade Receivables	65,346	39,638	8,735	10,931	6,773
Reinsurance Assets	437,703	410,194	453,343	237,065	375,503
Deferred Acquisition Cost	153,093	109,061	89,168	96,592	31,090
Deferred tax assets	403,685	403,685	403,685		
Other Receivables	349,401	316,060	174,747	1,744,652	1,753,153
Investment in Subsidiary	2,449,516	2,449,516	2,449,516	2,449,516	2,449,516
Investment Properties	1,901,830	1,891,000	1,886,000	1,875,000	1,854,000
Intangible Assets	68,544	62,229	55,242	42,914	20,550
Property Plant and Equipmeny	2,623,317	2,672,512	2,730,026	2,822,622	2,808,784
Statutory Deposits	335,000	335,000	335,000	335,000	335,000
Total Assets	11,305,437	10,985,217	10,027,184	12,891,741	12,761,657
Liabilities					
Insurance Conract Liabilities	1,558,508	1,418,798	1,161,345	1,018,179	787,275
Borrowing	-	-	-	-	-
Trade Payables	206,119	194,355	93,459	21,287	22,900
Other Payables	129,961	91,867	104,003	1,666,578	1,687,537
Employee benefits liability	-	-	-	2,178	2,178
Income tax liabilities	5,921	6,075	18,902	32,534	64,056
Deferred tax liabilities	296,875	296,875	296,875	700,560	700,560
Total Liabilities	2,197,383	2,007,970	1,674,584	3,441,316	3,264,506
Equity					
Issued and paid Shared capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Share Premium	825,018	825,018	825,018	825,018	825,018
Contingency Reserve	713,897	609,704	484,775	428,667	378,007
Fair value reserve	6,460	6,460	6,459	1,583,838	1,576,710
Revaluation reserve	768,329	768,329	768,329	757,329	757,329
Retained earning	(1,205,650)	(1,232,264)	(1,731,982)	(2,144,427)	(2,039,913)
Shareholders fund	9,108,053	8,977,247	8,352,599	9,450,425	9,497,151
Non-controlling interest				-	-
TOTAL EQUITY & LIABILITIES	11,305,436	10,985,217	10,027,183	12,891,741	12,761,657

STATEMENT OF COMPREHENSIVE INCOME	2020 N'000	2020 N'000	2019 N'000	2,018 N'000	2,017 N'000
GROSS Premium written	3,473,084	3,396,005	1,870,255	1,688,673	753,067
Premium earned	3,186,345	3,321,815	1,789,556	1,379,606	730,849
Profi before tax	140,652	637,135	(328,112)	(39,553)	666,208
Taxation	(9,846)	(12,488)	10,500	(7,120)	(32,024)
Profit after taxation	130,806	624,647	65,073	(46,673)	634,184
Transfer to contigency reserve	(104,193)	(101,880)	(56,045)	(50,660)	(22,592)
Retained earning	130,806	624,647	(691,401)	(33,398)	611,592
Earning per share	0.82	3.90	0.41	(0.29)	3.96

Our Products


UNIVERSAL INSURANCE PLC.
NIGERIA
BUILDERS' LIABILITY INSURANCE
NAICOM/CA/ADV/2019/3250


UNIVERSAL INSURANCE PLC.
NIGERIA
BURGLARY INSURANCE
NAICOM/CA/ADV/2019/3256


UNIVERSAL INSURANCE PLC.
NIGERIA
HOUSEHOLDER'S COMPREHENSIVE INSURANCE
NAICOM/CA/ADV/2019/3252


UNIVERSAL INSURANCE PLC. NIGERIA
COMPREHENSIVE
MOTOR INSURANCE
NAICOM/CA/ADV/2019/3255

Mandate Form

The Registrars
Carnation Registrars Limited
No. 2A, Gbagada Expressway,
Anthony Village, Lagos

Dear Sir,

Mandate Form for E-Bonus and E-dividend

I/we hereby mandate you to include my/our shareholding in The Universal Insurance Plc. among the e-bonus beneficiaries for future bonus issues. My/our Shareholding particular are:

Surname: ______________________________

Other Name: ______________________________

Signature: ______________________________

Telephone: ______________________________

CSCS Clearing House No.: ______________________________

Account Unmber: ______________________________

Note: please ensure that names are identical with those on you share certificates.

I/We will also like to receive my/our future dividends directly into my/our bank account electronically through e-dividend. My/Our bank details are as stated below:

Bank: ______________________________

Branch: ______________________________

Account Number: ______________________________

Bank Sort Code: ______________________________

Yours faithfully,

____

Signature(s) of the Shareholder(s)

Admission Form

Shareholder's full name: ______________________________

To be completed in advance by shareholder or his duly appointed proxy to the Annual General Meeting of THE UNIVERSAL INSURANCE PLC. which will be held at the

____

1. The admission card must be produced by the Shareholder or his proxy to obtain entrance to the meeting

2. Shareholders or proxies are requested to sign the admission card before the meeting

Number of shares held: ______________________________
(To be completed by the Company's Officials)

Chinedu A. Onyilimba
(Company Secretary)

THE UNIVERSAL INSURANCE PLC.

Annual General Meeting holding at the....Radisson Blu Hotel, Isaac John Street, Ikeja GRA, Lagos State.........
.... 13th October, 2022

Number of Shares held: ______________________________
(To be completed by the Company's Officials)

Shareholder's full name: ______________________________
(To be completed in advance by Shareholder)

____
Signature of person attending
(To be signed in the presence of the Company's Official at the entrance of the hall)

CSCS Account Notification

The Registrars
Carnation Registrars Limited
No. 2A, Gbagada Expressway,
Anthony Village, Lagos

Please credit my account at central securities cleaning system limited (CSCS) with all subsequent allotments and bounces due to me from holdings in the companies as indicated in the right hand colum

Personal Data

Surname: ______________________________

Other Name: ______________________________

Address: ______________________________

____

Mobile Phone: ______________________________
Email: ______________________________

SHAREHOLDER'S SIGNATURE

1. ______________________________

2. ______________________________

____
Corporate Seal/Stamp (for Corporate Shareholders)

CSCS DETAILS

Stockbroker

Clearing House Number: ______________________

____
Authorised Signature & Stamp of Stockbroker

Name of Company	Account Number

Please attach a copy of your CSCS statement to this form as evidence that a CSCS account has been opened for you.

Proxy Form

Annual General Meeting of THE UNIVERSAL INSURANCE PLC.

To be held at 9:00am on Thursday, 13th day of October, 2022 at Radisson hotel, Isaac John Street, Ikeja GRA, Lagos State.

I/WE...Being a member of **UNIVERSAL INSURANCE PLC.** hereby Appoint ....

From the list of person nominated as persons in the Notice of the 52nd AGM, as my/our proxy to attend and vote for me/us at the Annual General Meeting of the Company to be held on Thursday the 13th day of October, 2022

Dated this................................ Day of...................2022

RESOLUTION	FOR	AGAINST
1. To receive the Report of the Directors Auditors and Audit Committee Reports for the year ended 31st December 2021.		
2. To authorize the Directors to appoint External Auditors		
3. To authorize the Directors to fix the remuneration of the Auditors.		
4. To re-elect **Mr. Jasper Nduagwuike** as a Director.		
5. To ratify the appointment of **Mrs. Olufunmilayo Adebusola Balogun** as a Director.		
6. To elect members of the Audit Committee		

Please indicate with an X in the appropriate square how you wish to vote on the resolution set above.

Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

Shareholder's signature

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed to vote by proxy. The above proxy form has been prepared to enable you exercise your right to vote in case you cannot personally attend the meeting

2. Provision has been made on this form for appointment of a proxy from the list of proxies nominated to attend the meeting. Kindly fill in the name of any of the persons so listed to attend and vote on your behalf at the meeting.

3. Please sign the proxy form if you are not attending the meeting and post it so as to reach the Registrar carnation registrars limited No. 2a, Gbagada Expressway, Lagos. Not later than 48 hours the time of holing the meeting.

4. It is a legal requirement that all instrument of the proxy must bear appropriate stamp duty from the duties office and not adhesive postage stamps.