

**INTERNATIONAL ENERGY INSURANCE PLC**

**Unaudited/Management Accounts**

**for the year ended 31 December 2020**

# INTERNATIONAL ENERGY INSURANCE PLC

## UNAUDITED/MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

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## INTERNATIONAL ENERGY INSURANCE PLC

## CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2020

	Note	Group		Company	
		31-Dec-20 =N='000	31-Dec-19 =N='000	31-Dec-20 =N='000	31-Dec-19 =N='000
<b>Assets</b>					
Cash and cash equivalents	1	258,916	255,323	139,532	136,093
Financial assets	2		-		
- Fair value through profit or loss	2.1	106,282	108,556	106,282	108,556
- Fair value through other comprehensive income	2.2	136,288	136,288	136,288	136,288
- Debt instruments at amortised cost	2.3	207	57,882	207	57,882
Trade receivables	3	133,686	120,891	1,496	79
Other receivables and prepayments	4	421,272	353,055	1,997	13,910
Reinsurance assets	5	305,084	268,466	305,084	268,466
Deferred acquisition costs	6	10,550	4,384	10,550	4,384
Investment in subsidiary	7	-	-	1,000,000	1,000,000
Investment properties	8	3,490,000	3,315,000	3,490,000	3,315,000
Property, plant and equipment	10	3,518,035	3,795,603	3,078,536	3,273,065
Statutory deposit	11	322,500	322,500	322,500	322,500
<b>Total assets</b>		<b>8,720,954</b>	<b>8,755,366</b>	<b>8,592,472</b>	<b>8,636,224</b>
<b>Liabilities</b>					
Insurance contract liabilities	12	4,072,575	4,053,715	4,072,575	4,053,715
Trade payables	13	29,617	62,317	26,121	16,053
Provision and other payables	14	1,320,335	1,134,019	1,151,988	1,077,959
Current income tax payable	15	551,261	505,593	536,213	497,936
Deferred tax liabilities	16	752,718	810,606	813,059	792,608
Borrowings	17.2	12,454,954	12,505,434	12,454,954	12,454,934
Deposit for shares	18	318,127	318,127	318,127	318,127
<b>Total liabilities</b>		<b>19,499,587</b>	<b>19,389,811</b>	<b>19,373,037</b>	<b>19,211,332</b>
<b>Equity</b>					
Share capital	19	642,043	642,043	642,043	642,043
Share premium	20	963,097	963,097	963,097	963,097
Statutory contingency reserve	21	1,639,642	1,607,980	1,583,096	1,566,206
Capital reserve	22	7,926,398	7,926,399	7,926,398	7,926,399
Accumulated losses	23	(23,664,976)	(23,500,235)	(23,421,017)	(23,198,670)
Property revaluation reserve	24	1,501,419	1,501,417	1,482,917	1,482,917
Fair value reserve	25	42,901	42,901	42,901	42,901
<b>Equity attributable to the owners of the parent</b>		<b>(10,949,477)</b>	<b>(10,816,399)</b>	<b>(10,780,565)</b>	<b>(10,575,108)</b>
Non-controlling interest	26	170,847	181,954	-	-
<b>Total deficit</b>		<b>(10,778,630)</b>	<b>(10,634,445)</b>	<b>(10,780,565)</b>	<b>(10,575,108)</b>
<b>Total liabilities and equity</b>		<b>8,720,956</b>	<b>8,755,366</b>	<b>8,592,472</b>	<b>8,636,224</b>

These financial statements were approved by the Board on February 12, 2021 and signed on its behalf by:



**Mr. Emmanuel Bassey**  
Chief Financial Officer  
FRC/2013/ICAN/0000000635



**Mr. Egunolu Ayeni**  
Ag. Managing Director  
FRC/2015/CIIN/00000011052

See accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements which form an integral part of these consolidated and separate financial statements.

INTERNATIONAL ENERGY INSURANCE PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 DECEMBER, 2020

	Note	Group		Company	
		31-Dec-20 =N='000	31-Dec-19 =N='000	31-Dec-20 =N='000	31-Dec-19 =N='000
Gross written premium	27	563,007	525,947	563,007	525,947
Gross premium income	27	529,837	403,098	529,837	403,098
Reinsurance expenses	28	(80,600)	(78,917)	(80,600)	(78,917)
Net premium income		449,237	324,181	449,237	324,181
Commission income	29	14,334	12,328	14,334	12,328
<b>Net underwriting income</b>		<b>463,571</b>	<b>336,509</b>	<b>463,571</b>	<b>336,509</b>
<b>Underwriting expenses</b>					
Claims expenses	30	(62,559)	(121,772)	(62,559)	(121,772)
Acquisition costs	31	(22,547)	(35,251)	(22,547)	(35,251)
Maintenance costs	32	(123,105)	(76,191)	(123,105)	(76,191)
<b>Total underwriting expenses</b>		<b>(208,210)</b>	<b>(233,214)</b>	<b>(208,210)</b>	<b>(233,214)</b>
Underwriting results		255,361	103,296	255,361	103,296
Interest revenue calculated using effective interest method	33.1	62,139	59,111	59,738	48,758
Other investment income	33.2	1,969	2,557	1,969	746
Net realised (loss)/gains	34	3,229	5,347	3,229	5,347
Net fair value loss	35	(2,274)	501,885	(2,274)	501,885
Other income	36	748,643	1,150,379	121,104	302,385
Charge on impairment of assets	37	(693)	(906)	(693)	(906)
Management expenses	38	(1,201,451)	(1,506,131)	(605,614)	(685,281)
Results from operating activities		(133,077)	315,537	(167,180)	276,229
Finance costs	39	(6,535)	(7,423)	-	-
Profit/(Loss) before income tax expense		(139,612)	308,114	(167,180)	276,229
Income tax expense	15	(38,276)	(32,726)	(38,276)	(8,816)
Profit/(Loss) for the year		(177,888)	275,388	(205,456)	267,413
<b>Profit/(Loss) for the year attributable to:</b>					
Equity holders of the parent		(166,781)	273,873	(205,456)	267,413
Non-controlling interests		(11,107)	1,515	-	-
		(177,888)	275,388	(205,456)	267,413

See accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements which form an integral part of these consolidated and separate financial statements.

INTERNATIONAL ENERGY INSURANCE PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER, 2020

	Note	Group		Company	
		31-Dec-20 =N='000	31-Dec-19 =N='000	31-Dec-20 =N='000	31-Dec-19 =N='000
<b>Profit/(Loss) for the year</b>		<b>(177,888)</b>	<b>275,388</b>	<b>(205,456)</b>	<b>267,413</b>
<b>Other comprehensive income (OCI)</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Net (loss)/gain on available-for-sale financial assets	41	-	4,775	-	4,775
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Net loss on equity instrument designated at fair value through other comprehensive income		-	53,752	-	53,752
Revaluation surplus on property			587,538	-	587,538
Income tax relating to items not to be reclassified to profit or loss	16	-	(176,261)	-	(176,261)
OCI for the year, net of tax		-	469,804	-	469,804
<b>Total comprehensive profit/(loss) for the year</b>		<b>(177,888)</b>	<b>745,192</b>	<b>(205,456)</b>	<b>737,217</b>
<b>Total comprehensive profit/(loss) attributable to:</b>					
Equity holders of the parent		(166,781)	743,677	(205,456)	737,217
Non-controlling interests		(11,107)	1,515	-	-
		<b>(177,888)</b>	<b>745,192</b>	<b>(205,456)</b>	<b>737,217</b>
<b>Profit/(Loss) per share:</b>					
Basic and diluted loss for the year attributable to equity holders of the parent	40	(10.36)	24.57	(13.02)	21.51

See accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements which form an integral part of these consolidated and separate financial statements.

## INTERNATIONAL ENERGY INSURANCE PLC

## CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER, 2020

Group	Attributable to owners of the parent										
	Share capital =N='000	Share premium =N='000	Statutory contingency reserve =N='000	Capital reserve =N='000	Accumulated losses =N='000	Property revaluation reserve =N='000	Fair value reserve =N='000	Available-for-sale reserve =N='000	Total =N='000	Non-controlling interests =N='000	Total equity =N='000
<b>As at 1 January 2019</b>	<b>642,043</b>	<b>963,097</b>	<b>1,545,677</b>	<b>7,926,398</b>	<b>(24,198,471)</b>	<b>1,090,140</b>	<b>(15,626)</b>	<b>-</b>	<b>(12,046,742)</b>	<b>176,099</b>	<b>(11,870,643)</b>
<i>Impact of adopting IFRS 9*</i>					-				-		-
Loss for the year	-	-	-	-	275,389	-	-	-	275,389	1,515	276,904
Other comprehensive income	-	-	-	-	-	411,279	58,527	-	469,806	4,340	474,146
Transfer between reserves	-	-	62,303	-	(62,303)	-	-	-	-	-	-
Adjustment made to write off Balances	-	-	-	-	485,148	-	-	-	485,148	-	485,148
Reclassification on Interest on Borrowing	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2019</b>	<b>642,043</b>	<b>963,097</b>	<b>1,607,980</b>	<b>7,926,398</b>	<b>(23,500,237)</b>	<b>1,501,419</b>	<b>42,901</b>	<b>-</b>	<b>(10,816,399)</b>	<b>181,954</b>	<b>(10,634,445)</b>
Loss for the year	-	-	-	-	(133,077)	-	-	-	(133,077)	(11,107)	(144,184)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(133,077)	-	-	-	(133,077)	(11,107)	(144,184)
Transfer between reserves	-	-	31,662	-	(31,662)	-	-	-	-	-	-
<b>At 31 December, 2020</b>	<b>642,043</b>	<b>963,097</b>	<b>1,639,642</b>	<b>7,926,398</b>	<b>(23,664,976)</b>	<b>1,501,419</b>	<b>42,901</b>	<b>-</b>	<b>(10,949,477)</b>	<b>170,847</b>	<b>(10,778,630)</b>

See accompanying notes to the consolidated and separate financial statements which forms an integral part of these financial statements.

## INTERNATIONAL ENERGY INSURANCE PLC

## CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY - CONTINUED

FOR THE PERIOD ENDED 31 DECEMBER, 2020

Company	Attributable to owners of the parent								Total =N='000
	Share capital =N='000	Share premium =N='000	Statutory contingency reserve =N='000	Capital reserve =N='000	Accumulated losses =N='000	Property revaluation reserve =N='000	Fair value reserve =N='000	Available- for-sale reserve =N='000	
<b>As at 1 January 2019</b>	<b>642,043</b>	<b>963,097</b>	<b>1,512,723</b>	<b>7,926,398</b>	<b>(23,897,749)</b>	<b>1,071,640</b>	<b>(15,626)</b>	<b>-</b>	<b>(11,797,474)</b>
Profit/(Loss) for the year	-	-	-	-	267,414	-	-	-	267,414
Other comprehensive income	-	-	-	-	-	411,270	58,527	-	469,797
Total comprehensive loss	-	-	-	-	267,414	411,270	58,527	-	737,211
Transfer between reserves	-	-	53,483	-	(53,483)	-	-	-	-
Adjustment made to write off Balances	-	-	-	-	485,148	-	-	-	485,148
Reclassification on Interest on Borrowing	-	-	-	-	-	-	-	-	-
<b>At 31 December 2019</b>	<b>642,043</b>	<b>963,097</b>	<b>1,566,206</b>	<b>7,926,398</b>	<b>(23,198,670)</b>	<b>1,482,910</b>	<b>42,901</b>	<b>-</b>	<b>(10,575,116)</b>
Loss for the year	-	-	-	-	(205,664)	-	-	-	(205,664)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(205,664)	-	-	-	(205,664)
Transfer between reserves	-	-	16,890	-	(16,890)	-	-	-	-
<b>At 31 December, 2020</b>	<b>642,043</b>	<b>963,097</b>	<b>1,583,096</b>	<b>7,926,398</b>	<b>(23,421,224)</b>	<b>1,482,910</b>	<b>42,901</b>	<b>-</b>	<b>(10,780,780)</b>

See accompanying notes to the consolidated and separate financial statements which forms an integral part of these financial statements.

INTERNATIONAL ENERGY INSURANCE PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER, 2020

	Note	Group		Company	
		31-Dec-20 =N='000	31-Dec-19 =N='000	31-Dec-20 =N='000	31-Dec-19 =N='000
<b>Operating activities</b>					
Premium received from policy holders		561,511	525,968	561,511	479,847
Reinsurance premium paid		(80,600)	(78,917)	(80,600)	(182,487)
Commission received		14,334	12,328	14,334	7,762
Commission paid		(28,713)	(35,354)	(28,713)	(56,554)
Claims paid		(88,872)	(59,370)	(88,872)	(489,376)
Claims recoverable from re-insurers		12,075	28,194	12,075	262,012
Other operating cash payments	44	(1,300,499)	(1,306,358)	(728,962)	(760,201)
Other operating income		748,643	870,990	121,104	47,421
Cash used in operating activities	43	(162,122)	(42,520)	(218,124)	(691,576)
Income tax paid	15	(1,421)	(10,554)	-	(6,002)
<b>Net cash used in operating activities</b>		<b>(163,543)</b>	<b>(53,074)</b>	<b>(218,124)</b>	<b>(697,578)</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment	10	(41,079)	(79,441)	(1,217)	-
Proceeds from disposal of property, plant and equipment		178,227	6,610	178,229	5,727
Purchase of financial assets	2.1	-	-	-	-
Purchase of Intangible assets		-	(3,959)	-	-
Proceeds from disposal of financial assets	2.1	-	1,053	-	-
Gain on disposal of financial asset		-	2,557	-	499,433
Dividend income		1,969	59,110	1,969	213
Interest income		45,604	-	42,587	70,685
<b>Cash provided by investing activities</b>		<b>184,721</b>	<b>(14,069)</b>	<b>221,569</b>	<b>576,058</b>
<b>Financing activities</b>					
Repayment of borrowings		(11,050)	(9,500)	(0)	(2,461)
Receipts of loan received from loan obtained during the year		-	60,000		
Interest paid		(6,535)	(7,423)		
Repayment of deposit for shares		-	-		
<b>Cash used in financing activities</b>		<b>(17,585)</b>	<b>43,077</b>	<b>(0)</b>	<b>(2,461)</b>
Net decrease in cash and cash equivalents		3,593	(24,066)	3,445	(123,981)
Cash and cash equivalents at beginning of the year		255,324	279,390	136,093	260,074
Effect of foreign exchange differences		-	-	-	-
<b>Cash and cash equivalents at end of the period</b>		<b>258,917</b>	<b>255,324</b>	<b>139,538</b>	<b>136,093</b>

See accompanying notes to the consolidated and separate financial statements which forms an integral part of these financial statements



## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Cash-in-hand	918	1,235	365	357
Balances with banks (Note 1.1)	54,449	107,246	48,208	90,259
Short-term placements (Note 1.2)	204,242	147,554	91,652	46,190
	259,609	256,035	140,225	136,805
Less: Allowance for credit losses	(693)	(712)	(693)	(712)
Cash and cash equivalents (per statement of cash flows)	258,916	255,323	139,532	136,093

## 1.1 Balances with banks are made up of the following:

Cash held with banks in naira	(8,006)	86,422	24,482	69,435
Cash held with banks in foreign currencies	62,455	20,824	23,726	20,824
	54,449	107,246	48,208	90,259
Less: Allowance for credit losses	(258)	(191)	(258)	(191)
Total balance with banks	54,191	107,055	47,950	90,068

## 1.2 Short term placements are made up of:

Call deposits	324	2,082	239	2,082
Term deposits	203,918	145,472	91,413	44,108
	204,242	147,554	91,652	46,190
Less: Allowance for credit losses	(435)	(521)	(435)	(521)
Total short term placements	203,807	147,033	91,217	45,669

Short-term placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. All deposits are subject to an average variable interest rate of 6.4% (2017:17.8%) per annum. All amounts included as part of cash and cash equivalents are current.

## 1.3 Impairment loss on cash and cash equivalents

An analysis of the gross carrying amount and corresponding ECLs is as follows:

Group	Stage 1 Individual N'000	Stage 2 Individual N'000	Stage 3 Individual N'000	Total N'000
<b>Gross carrying amount</b>				
Cash on hand	918	-	-	918
Balances held with local banks and domiciliary accounts	54,449	-	-	54,449
Call deposits	324	-	-	324
Term deposits	203,918	-	-	203,918
	259,609	-	-	259,609
<b>Expected credit losses</b>				
Cash on hand	-	-	-	-
Balances held with local banks and domiciliary accounts	258	-	-	258
Call deposits	-	-	-	-
Term deposits	452	-	-	452
	710	-	-	710
<b>Company</b>				
<b>Gross carrying amount</b>				
Cash-in-hand	365	-	-	365
Balances held with local banks and domiciliary accounts	48,208	-	-	48,208
Call deposits	239	-	-	239
Term deposits	91,413	-	-	91,413
	140,225	-	-	140,225
<b>Expected credit losses</b>				
Cash on hand	-	-	-	-
Balances held with local banks and domiciliary accounts	258	-	-	258
Call deposits	-	-	-	-
Term deposits	452	-	-	452
	710	-	-	710

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1 Cash and cash equivalents - continued

1.3 Impairment loss on cash and cash equivalents - continued

An analysis of changes in the gross carrying amount and corresponding ECLs is as follows:

	Stage 1 Individual ₹'000	Stage 2 Individual ₹'000	Stage 3 Individual ₹'000	Total ₹'000
<b>Group</b>				
Gross carrying amount as at 1 January 2020	254,800	-	-	254,800
New assets purchased	-	-	-	-
Transfer between stages	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(76,726)	-	-	(76,726)
Foreign exchange adjustments	9,342	-	-	9,342
At 31 December 2018	187,415	-	-	187,415
ECL allowance at 1 January 2020	769	-	-	769
Impact of net-remeasurement of ECL at year-end	(278)	-	-	(278)
Amount written off	-	-	-	-
Foreign exchange adjustments	268	-	-	268
At 31 December 2020	759	-	-	759
<b>Company</b>				
Gross carrying amount as at 1 January 2020	136,449	-	-	136,449
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(108,470)	-	-	(108,470)
Transfers	-	-	-	-
Foreign exchange adjustments	9,342	-	-	9,342
At 31 December 2020	37,321	-	-	37,321
ECL allowance at 1 January 2020	1,067	-	-	1,067
Impact of net-remeasurement of ECL at year-end	(308)	-	-	(308)
Amount written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2020	759	-	-	759

2 Financial assets

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
- Fair value through profit or loss (Note 2.1)	106,282	108,556	106,282	108,556
- Fair value through other comprehensive income (Note 2.2)	136,288	136,288	136,288	136,288
- Debt instruments at amortised cost (Note 2.3)	207	57,882	207	57,882
	242,777	327,976	242,777	302,726

2.1 Fair value through profit or loss/Held-for-trading

At 1 January	108,556	236,320	108,556	236,320
Purchase during the year	-	-	-	-
Adjustment	-	-	-	-
Acquisition of shares	-	-	-	-
*Reclassification/ during the year/Redemption	(2,274)	(899)	(2,274)	(899)
Net fair value (loss)/gain (Note 35)	-	(126,865)	-	(126,865)
At 31 December 2020	106,282	108,556	106,282	108,556

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Financial assets	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
<b>2.2 Fair value through OCI/Available-for-sale</b>				
Heritage Banking Company Limited	-	-	-	-
WAICA RE	38,361	43,136	38,361	43,136
Nig. Energy Ins. Pool	97,927	93,152	97,927	93,152
	<u>136,288</u>	<u>136,288</u>	<u>136,288</u>	<u>136,288</u>
<i>Movement in FVOCI/AFS</i>				
At 1 January	136,288	38,361	136,288	38,361
Disposal of Pabod Breweries Ltd ( Intl. Breweries Ltd	-	-	-	-
Addition	-	93,152	-	93,152
Impairment loss (Note 41)	-	4,775	-	4,775
Fair value change	-	-	-	-
At 31 December	<u>136,288</u>	<u>136,288</u>	<u>136,288</u>	<u>136,288</u>

The Group's FVTOCI/available-for-sale (AFS) financial assets consists of equities that are not quoted in an active market.

2.3 Debt securities at amortised cost/Loans and receivables	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Treasury bills	-	57,073	-	57,073
Staff loans	207	809	207	809
	<u>207</u>	<u>57,882</u>	<u>207</u>	<u>57,882</u>
<i>Treasury bills</i>				
Gross	-	57,267	-	57,267
Impairment loss on treasury bills	-	(194)	-	(194)
	<u>-</u>	<u>57,073</u>	<u>-</u>	<u>57,073</u>
Staff loans*	248,764	249,175	248,764	249,175
Payment received	(248,557)	-	(248,557)	-
Impairment allowance on loans and receivables (written off)	-	(248,366)	-	(248,366)
Bad debt	207	809	207	809
	<u>207</u>	<u>809</u>	<u>207</u>	<u>809</u>

**Impairment loss on treasury bills**

An analysis of changes in gross carrying amount and corresponding ECLs is as follows:

	Stage 1 Individual N='000	Stage 2 Individual N='000	Stage 3 Individual N='000	Total N='000
Gross carrying amount as at 1 January 2018	-	-	-	-
New assets purchased	52,255	-	-	52,255
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Amounts written off	-	-	-	-
At 31 December 2018	<u>52,255</u>	<u>-</u>	<u>-</u>	<u>52,255</u>
ECL allowance as at 1 January 2018	-	-	-	-
New assets purchased	194	-	-	194
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Amounts written off	-	-	-	-
At 31 December 2018	<u>194</u>	<u>-</u>	<u>-</u>	<u>194</u>

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

**3 Trade receivables**

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Insurance receivables (Note 3.1)	1,496	2,713,466	1,496	2,713,466
Fees receivable	151,226	125,769	-	-
	152,722	2,839,235	1,496	2,713,466
Allowance for impairment on insurance receivables (Note 3.2)	-	(2,718,344)	-	(2,713,387)
At 31 December	152,722	120,891	1,496	79

3.1 Insurance receivables comprise amount due from:

Brokers	-	2,713,466	-	2,713,466
Insurers	-	-	-	-
	-	2,713,466	-	2,713,466

3.2 Allowance for impairment on insurance receivables

At 1 January	-	2,713,466	-	2,713,387
Written off during the year	-	4,957	-	-
	-	2,718,423	-	2,713,387

All insurance receivables carrying values approximate fair value at the reporting date. The Group reviews individual receivable account to determine its collectivity. The Group issues policies only to clients who pay in advance or are backed by registered brokers' credit notes that are payable within thirty days. All uncollected amounts after due date are deemed impaired.

3.3 Below is the aging analysis of trade receivables

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
0-30 days	152,722	120,891	1,496	79

**4 Other receivables and prepayments**

Investment receivables	-	10,427	-	10,427
Withholding tax receivable	384,561	307,752	-	-
Prepayments	17,804	17,357	157	3,483
Sundry receivables	21,585	19,722	12,018	2,203
	423,951	355,258	12,176	16,113
Allowance for impairment on investment receivables	(10,179)	(2,203)	(10,179)	(2,203)
	413,772	353,055	1,997	13,910

**5 Reinsurance assets**

Reinsurance share of outstanding claims	258,884	241,133	289,554	226,814
Reinsurance share of IBNR on OCR/Recovery	23,760	62,422	-	27,696
Outstanding claims recoverable	282,644	303,555	289,554	254,510
Prepaid reinsurance expenses	7,331	15,530	15,530	13,956
	289,975	319,085	305,084	268,466

*Movement in outstanding claims recoverable*

Balance at beginning of the year	254,510	303,555	289,554	303,555
Recovery from reinsurance during the year	(15,525)	(69,894)	(69,894)	(31,340)
Increase during the year (Note 30)	43,659	69,894	69,894	(17,705)
Balance at end of the year	282,644	303,555	289,554	254,510

*Movement in prepaid reinsurance expenses*

Balance at beginning of the year	13,957	15,530	37,589	15,530
Reinsurance cost during the year	88,800	204,546	182,487	77,343
Increase during the year	(91,395)	(204,546)	(204,546)	(78,916)
Balance at end of the year	11,362	15,530	15,530	13,957

Reinsurance assets represent the extent of credit risk related to reinsurance and its obligations to policy holders. Reinsurance assets are carried at amortised cost. The carrying amount is not significantly different from fair value.

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

## 6 Deferred acquisition costs

These represents commission paid to brokers on unearned premium relating to the unexpired tenure of risks.

Group and Company	Fire =N='000	Motor =N='000	General accident =N='000	Marine =N='000	Oil and energy =N='000	Total =N='000
At 1 January 2019	3,454	4,928	2,442	1,420	2,210	14,454
Commission incurred during the year (Note 31)	1,979	5,275	9,454	3,378	5,096	25,181
Amortisation	(4,861)	(8,604)	(10,492)	(4,153)	(7,141)	(35,251)
At 31 December 2019	572	1,599	1,404	644	165	4,384
Commission incurred during the year (Note 31)	4,064	15,549	2,604	3,582	2,912	28,713
Amortisation to profit or loss (see note 31)	(3,346)	(12,716)	(3,143)	(3,342)	-	(22,547)
At 31 December, 2020	1,291	4,432	865	885	3,077	10,550
<b>2020</b>						
Current	1,291	4,432	865	885	3,077	10,550
Non-current	-	-	-	-	-	-
	1,291	4,432	865	885	3,077	10,550
<b>2019</b>						
Current	572	1,599	1,404	644	165	4,384
Non-current	-	-	-	-	-	-
	572	1,599	1,404	644	165	4,384

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

7 Investment in subsidiary	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
IEI Anchor Pension Managers Limited	-	-	1,000,000	1,000,000
	-	-	1,000,000	1,000,000

Impairment testing

The Group performed its annual impairment test as at December 2019 on its various investments in its subsidiary. The Group considers the relationship between their value in use (VIU) and its book value, among other factors, when reviewing for indicators of impairment. As 31 at December 2019, the value in use (which approximate fair value) of the subsidiary was above the carrying value, indicating no potential impairment on the investments in the Group's subsidiary.

Subsidiary	Equity interest %		Country of incorporation	Business operation
	2020	2019		
IEI Anchor Pension Managers Limited	81	81	Nigeria	Pension assets management

**Non-controlling interest in subsidiary**

The Group's subsidiary does not have a material non-controlling interest.

8 Investment properties	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
At 1 January	3,490,000	2,686,250	3,490,000	2,686,250
Net fair value adjustments (Note 35)	-	-	-	-
<b>At 31 December</b>	<b>3,490,000</b>	<b>2,686,250</b>	<b>3,490,000</b>	<b>2,686,250</b>

Further analysis and details of the investment properties including their location are stated below. These includes the carrying amount and the corresponding fair value adjustments recognized in the profit or loss.

**8.1 Description of properties**

8.1 Description of properties	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
IEI Ibadan Estate, Liberty Road, Oke Ado, Ibadan	1,350,000	1,350,000	1,350,000	1,350,000
No 3. Oshunkeye Crescent, Gbagada Industrial Scheme, Lagos	1,400,000	1,400,000	1,400,000	1,400,000
7 Onitsha-Aba Benin Expressway, Asaba, Delta State	475,000	475,000	475,000	475,000
Ugbo-Enyi-Nike, Enugu Local Government	90,000	90,000	90,000	90,000
Rabbah Road, Kaduna, Kaduna State	175,000	-	175,000	-
	<b>3,490,000</b>	<b>3,315,000</b>	<b>3,490,000</b>	<b>3,315,000</b>

**Valuation techniques used for fair valuation of investment properties**

This represents the Company's investment in building and landed property for the purpose of capital appreciation. The investment properties are stated at fair value, which has been determined based on valuations performed by a qualified estate surveyor. The investment properties were independently valued by Messrs Humprey Oronsanye & co. (a registered estate surveyor & valuer) as at 31 December 2019, based on valuation model in accordance with that recommended by the International Valuation Standards Committee. The determination of fair value of the investment property was supported by market evidence.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

## 8 Investment properties - continued

**Details of the valuer**

The investment properties were independently valued as at 31 December 2019 by Messrs Humprey Orosanye & Co.(an estate surveyor & valuer) duly registered with the Financial Reporting Council of Nigeria. The valuer, which is located at Suite 108, Dolphin Plaza, Dolphin Estate, Ikoyi, Lagos, is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers with FRC No. FRC/2017/NIESV/000000016090

<b>Location of property</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
IEI Ibadan Estate, Liberty Road, Oke Ado Ibadan	Depreciated Replacement cost and income capitalisation. Valuation was also based the market value of similar properties in the neighbourhood as well as sale of similar property within the area.	Rent per annum ranges from N1.2million to N1.5million. Property has approximate total area of 2.6 hectares i.e. 26,000 square meters.
No 3 Oshunkeye Crescent, Gbagada Industrial Scheme, Lagos	Valuation was also based the market value of similar properties in the neighbourhood as well as sale of similar property within the area.	Approximate total area is 951 square meters. Rental value ranges between N3million to N6million per annum.
7 Onitsha-Aba Benin Expressway, Asaba, Delta State	Valuation was also based the market value of similar properties in the neighbourhood as well as sale of similar property within the area.	Rental values in the area ranges between N4million to N8million per annum. The property is regular in shape and has approximate total area of 2,940 square meters.
Ugbo-Enyi-Nike, Enugu Local Government	Income Capitalisation approach was used in arriving at the fair value of the property. Valuation was also based on direct market comparison of recent sale of similar properties with same taste , finishings and location.	Site consists of warehouse and office complex on a total area of 1,280 square meters. Rental values range from N2million to N3.5million.

**Investment properties carried at fair value**

Investment properties are fair valued as determined by an independent valuer. The valuation is based on open market capital valuation using the market comparison approach through analysis of recent transactions of sale of comparable properties in the neighborhood to arrive at the value of the property. Investment properties are categorised as level 3 assets based on the methodology adopted in determining the fair value.

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

**Investment properties carried at fair value using market approach**

Under this approach, fair value of investment properties was determined using the market comparable method. The valuation have been performed by the valuer and are based on proprietary data basis or prices of transaction for properties of similar nature, location and condition.

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

## 8 Investment properties - continued

	Level 1 =N='000	Level 2 =N='000	Level 3 =N='000	Total =N='000
<b>31 December 2018</b>				
Investment properties	-	-	3,490,000	3,490,000
<b>31 December 2017</b>				
Investment properties	-	-	3,315,000	3,315,000

## 9 Intangible assets

	Group =N='000	Company =N='000
<b>Cost:</b>		
At 1 January 2019	82,992	10,790
Additions	481	-
At 31 December 2019	83,473	10,790
Additions	1,683	-
At 31 December 2020	85,156	10,790
<b>Accumulated amortisation:</b>		
At 1 January 2019	65,576	10,790
Charge for the year (Note 38)	-	-
At 31 December 2019	65,576	10,790
Charge for the year (Note 38)	1,447	-
At 31 December 2020	67,023	10,790
<b>Carrying amount:</b>		
At 31 December 2020	18,133	-
At 31 December 2019	19,098	-

The Intangible assets consist wholly of computer software

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

## 10 Property, plant and equipment

Group	Land =N='000	Buildings =N='000	Leasehold improve- ments =N='000	Plant and machinery =N='000	Motor vehicles =N='000	Furniture fittings office and computer equipment =N='000	Total =N='000
<b>Cost/valuation:</b>							
At 1 January 2019	1,123,184	1,997,773	19,000	136,334	399,446	425,114	4,100,851
Additions	-	-	-	2,937	55,250	21,256	79,443
Disposals	-	-	-	(15,367)	-	(3,421)	(18,788)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	528,043	-	-	(8,000)	(960)	519,083
At 31 December 2019	1,123,184	2,525,816	19,000	123,904	446,696	441,989	4,680,589
Additions	-	-	-	805	-	40,274	41,079
Disposals	-	(175,000)	-	-	-	-	(175,000)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 31 December 2020	1,123,184	2,350,816	19,000	124,709	446,696	482,263	4,546,668
<b>Accumulated depreciation:</b>							
At 1 January 2019	-	43,408	19,000	132,986	335,977	357,275	888,646
Charge for the year (Note 38)	-	20,268	-	2,216	21,437	39,973	83,894
Disposals	-	-	-	(15,367)	(4,833)	(3,839)	(24,039)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 31 December 2019	-	63,676	19,000	119,835	352,581	393,409	948,501
Charge for the year (Note 38)	-	25,210	-	2,071	23,109	27,660	78,051
Disposals	-	-	-	-	-	(2)	(2)
Write-off/retired	-	-	-	-	-	2,082	2,082
At 31 December 2020	-	88,886	19,000	121,906	375,690	423,150	1,028,632
<b>Net book value:</b>							
At 31 December 2020	1,123,184	2,261,930	-	2,802	71,006	59,113	3,518,035
At 31 December 2019	1,123,184	2,462,139	-	2,937	44,691	85,019	3,717,970

**Revaluation of land and building**

The revalued land and buildings consists of the head office building at Victoria Island, Lagos and other properties at D Line in Portharcourt, Aba Road, Portharcourt and GRA Kaduna. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property. Fair value of the property was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property. As at the date of revaluation on 31 December 2017, the property's fair value was based on valuations performed by Messrs E. Bassey and Associates, an accredited independent valuer who has valuation experience for similar offices.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

## 10 Property, plant and equipment - continued

Company	Land =N='000	Buildings =N='000	Leasehold improve- ment =N='000	Plant and machinery =N='000	Motor vehicles =N='000	Furniture fittings office and computer equipment =N='000	Total =N='000
<b>Cost/valuation:</b>							
At 1 January 2019	1,123,184	1,608,773	-	123,124	200,745	216,405	3,272,231
Additions	-	-	-	329	-	325	654
Disposals	-	-	-	(15,367)	-	(3,421)	(18,788)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	528,043	-	-	-	-	528,043
At 31 December 2019	1,123,184	2,136,816	-	108,086	200,745	213,309	3,782,140
Additions	-	-	-	-	-	1,217	1,217
Disposals	-	(175,000)	-	-	-	-	(175,000)
At 31 December 2020	1,123,184	1,961,816	-	108,086	200,745	214,526	3,608,357
<b>Accumulated depreciation:</b>							
At 1 January 2019	-	43,408	-	121,987	200,540	195,574	561,509
Charge for the year (Note 38)	-	16,088	-	418	101	9,239	25,846
Disposals	-	(59,496)	-	(15,367)	-	(3,421)	(18,788)
At 31 December 2019	-	(0)	-	107,038	200,641	201,392	509,071
Charge for the year (Note 38)	-	19,618	-	1,037	94	-	20,750
Disposals	-	-	-	-	-	-	-
At 31 December 2020	-	19,618	-	108,075	200,735	201,392	529,821
<b>Net book value:</b>							
At 31 December 2020	1,123,184	1,942,198	-	10	10	13,134	3,078,536
At 31 December 2019	1,123,184	2,077,320	-	1,048	104	11,917	3,213,572

There is no restriction on the realisability of the land and building or the remittance of income and proceeds of disposal. The company pleaded none of its assets as security. The Group has no contractual obligations to purchase, construct or develop the property or for repairs or enhancement.

## 11 Statutory deposit

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Minimum statutory deposit	322,500	322,500	322,500	322,500

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 9 (1) and Section 10 (3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost and attract interest rate at a rate determined by the Central Bank of Nigeria.

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

## 12 Insurance contract liabilities

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
<i>Insurance contract liabilities consist of the following:</i>				
Provision for reported claims	3,763,595	3,657,385	3,763,595	3,709,223
Provision for incurred but not reported claims	34,967	181,498	34,967	103,649
Reserve for outstanding claims	3,798,562	3,838,883	3,798,562	3,812,872
Reserve for unearned premium	274,013	117,994	274,013	240,843
	<u>4,072,575</u>	<u>3,956,877</u>	<u>4,072,575</u>	<u>4,053,715</u>
<b>Movement in reserve for outstanding claims</b>				
At 1 January	3,812,872	3,838,883	3,812,872	3,838,883
Claims incurred in the current accident year (Note 30)	74,563	592,288	74,563	104,067
Claims paid during the year	(88,872)	(592,288)	(88,872)	(130,078)
At 31 December	<u>3,798,563</u>	<u>3,838,883</u>	<u>3,798,563</u>	<u>3,812,872</u>
<b>Movement in reserve for unearned premium</b>				
At 1 January	240,843	117,994	240,843	117,994
Premium written in the year (Note 27)	563,007	463,059	563,007	525,947
Premium earned during the year (Note 27)	(529,837)	(463,059)	(529,837)	(403,098)
At 31 December	<u>274,013</u>	<u>117,994</u>	<u>274,013</u>	<u>240,843</u>
Current	4,072,575	3,956,877	4,072,575	4,053,715
Non-current	-	-	-	-
	<u>4,072,575</u>	<u>3,956,877</u>	<u>4,072,575</u>	<u>4,053,715</u>

## 13 Trade payables

This represents the amount payable to insurance companies on facultative placements.

	<u>29,617</u>	<u>19,362</u>	<u>26,121</u>	<u>16,053</u>
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This represents the amount payable to insurance companies as at year end. The carrying amounts of trade payable as disclosed above approximate their fair value at the reporting date. Trade payables are derecognised when the obligation under the liability is settled, cancelled or expired.

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

14 Provisions and other payables	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Staff pension	157,808	132,608	157,808	132,608
Pay-As-You-Earn	181,987	148,884	154,750	122,636
Accruals (Note 14.1)	486,449	470,088	453,956	439,774
NAICOM Levy	14,193	14,193	14,193	14,193
Sundry creditors (Note 14.2)	260,330	148,728	151,713	148,726
Deposit premium	155,358	155,811	155,358	155,811
Unclaimed dividend	64,211	64,211	64,211	64,211
	<u>1,320,335</u>	<u>1,134,523</u>	<u>1,151,988</u>	<u>1,077,959</u>
<b>14.1 Accruals comprise:</b>				
Accrued expense	159,820	188,329	163,588	182,902
Salaries and allowances payable	128,253	106,848	126,700	105,119
National Housing Fund	271	206	-	-
Accrued Rental Income	20,808	3,529	20,808	3,529
Professional fees	64,528	64,528	64,528	64,528
WHT payable	56,218	48,722	43,558	39,783
VAT payable	32,405	24,641	10,628	10,628
Industrial Training Fund (ITF)	17,599	17,599	17,599	17,599
Audit fee	5,160	14,300	5,160	14,300
Accrued claims	1,387	1,387	1,387	1,387
	<u>486,449</u>	<u>470,088</u>	<u>453,956</u>	<u>439,774</u>
<b>14.2 Sundry creditors comprise:</b>				
Anchor pension limited	-	-	46,180	46,180
Staff cooperative	66,823	66,823	66,823	66,823
WHT FGN	31,059	31,059	31,059	31,059
Other creditors	162,448	50,846	7,651	4,664
	<u>260,330</u>	<u>148,728</u>	<u>151,713</u>	<u>148,726</u>
<b>15 Taxation</b>				
<b>Per statement of profit or loss:</b>				
Company income tax	8,269	-	-	-
Minimum tax	25,077	24,395	25,077	20,155
Education tax	543	-	-	-
Information technology development levy	13,199	3,359	13,199	3,108
	<u>47,088</u>	<u>27,754</u>	<u>38,276</u>	<u>23,263</u>
Over provision	-	-	-	-
Deferred tax expense	(9,788)	(175,542)	-	(193,422)
Income tax expense	<u>37,300</u>	<u>(147,788)</u>	<u>38,276</u>	<u>(170,159)</u>
<b>Per statement of financial position:</b>				
<b>Current income tax payable</b>				
At 1 January	505,594	506,779	497,937	480,676
Charge to profit or loss	47,088	29,293	38,276	23,263
Over provision	-	-	-	-
Withholding tax credit notes utilised	-	(19,924)	-	-
Payment during the year	(1,421)	(10,554)	-	(6,002)
	<u>551,261</u>	<u>505,594</u>	<u>536,213</u>	<u>497,937</u>
<b>Reconciliation of tax charge</b>				
Loss before income tax expense	342,689	342,689	(167,180)	310,804
Tax at Nigeria income tax rate of 30%	102,807	102,807	(50,154)	93,241
Non-deductible expenses	1,125,824	1,125,824	1,032,830	1,032,830
Tax exempt income	(376,732)	(376,732)	(238,790)	(238,790)
Minimum tax	24,395	24,395	20,155	20,155
Education tax	-	-	-	-
Information technology development levy	3,359	3,359	3,108	3,108
Over provision	-	-	-	-
Utilisation of previously unrecognised tax losses	(954,952)	(954,952)	(954,952)	(954,952)
Tax rate differential on fair value gains on investment properties	(125,751)	(125,751)	(125,751)	(125,751)
	<u>(201,050)</u>	<u>(201,050)</u>	<u>(313,554)</u>	<u>(170,159)</u>

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

16 Deferred taxation	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Deferred income tax assets/(liabilities) are attributable to the following items:				
<b>Deferred tax liabilities</b>				
Accelerated depreciation	(228,937)	(228,937)	(149,531)	(149,531)
Revaluation gain on land and building	(528,043)	(528,043)	(528,043)	(528,043)
Unutilised tax credit	271,046	271,046	271,046	271,046
Fair value gains on investment properties	48,377	48,377	(31,029)	(31,029)
Losses carried forward	-	-	-	-
Impairment on financial assets	-	-	-	-
	<u>(437,557)</u>	<u>(437,557)</u>	<u>(437,557)</u>	<u>(437,557)</u>
<b>Movement in temporary differences during the year:</b>				
At 1 January	437,557	630,908	437,557	630,908
<i>Recognised in profit or loss:</i>				
Accelerated depreciation	97,119	97,119	79,238	79,238
Unutilised tax credit	(207,213)	(207,213)	(207,213)	(207,213)
Fair value gains on investment properties	(34,796)	(34,796)	(34,796)	(34,796)
Impairment on financial assets	585,245	585,245	(30,433)	(30,433)
Losses carried forward	(14,227)	(14,227)	-	-
Impairment on financial assets	9	9	9	9
	<u>426,137</u>	<u>426,137</u>	<u>106,698</u>	<u>(193,195)</u>
<i>Recognised in other comprehensive income:</i>				
Revaluation surplus on property	-	9,788	-	-
Amount recorded in accumulated losses impacting from IFRS 9	-	-	-	-
At 31 December	<u>752,718</u>	<u>810,058</u>	<u>813,059</u>	<u>792,722</u>

A deferred tax asset has not been recognised in respect of a tax loss carry forward of N (2017: 402,012,000) relating to its subsidiary, as there is insufficient certainty as to the availability of future profits. This tax loss has no expiry date.

17 Borrowings	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Book overdrafts	-	-	-	-
Daewoo Securities (Europe) Limited (Note 17.1)	12,454,954	12,454,954	12,454,954	12,454,954
Term loan - Fidelity Bank	-	50,500	-	-
	<u>12,454,954</u>	<u>12,505,454</u>	<u>12,454,954</u>	<u>12,454,954</u>
<b>17.1 Daewoo Securities (Europe) Limited</b>				
At 1 January	12,454,954	12,454,954	12,454,954	12,454,954
Interest	-	-	-	-
Exchange rate differences	-	-	-	-
Book balance	<u>12,454,954</u>	<u>12,454,954</u>	<u>12,454,954</u>	<u>12,454,954</u>

International Energy Insurance Plc issued a bond valued at 1,850,000,000 Japanese Yen (JPY) to Daewoo Securities (Europe) Limited who have acted as the foreign agent. The bond has a tenor of 20 years commencing on 24 January 2008 and maturing on 23 January 2028. The bond was issued at a zero coupon interest rate. A premium of 29% of the face value of the bond is payable on the maturity date.

The bond has options to subscribe to the equity of the Company for the period commencing on 25 January 2009 and closing on 24 January 2028. The option rights under clause 3 of the option agreement states that the Naira equivalent value of the bond held shall form the consideration for the shares for which the option rights are being issued.

The bond is now a subject of litigation.

The Company instituted litigation against the bond issuer on the ground that the bonds were to be issued for long term finance from multiple individual and institutional investors and also that it never anticipated that Daewoo who acted as her Financial Adviser, Fund Arranger and Lead Manager would be the Sole Financer, Assignee or Beneficiary of the Global Bonds/options.

With the declaration of dispute, the terms and conditions of the bonds are no longer being complied with by both the issuer and the subscriber. The implication for non-compliance with the terms and conditions by the Company are that in the event that the outcome of litigation is unfavourable penalties may be awarded.

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

18 Deposit for shares	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Private placement	289,072	289,072	289,072	289,072
Staff	29,055	29,055	29,055	29,055
	<u>318,127</u>	<u>318,127</u>	<u>318,127</u>	<u>318,127</u>

<b>18.1 Deposit for shares</b>				
Opening Balance- 1st January	279,360	279,360	318,127	318,127
Additions	9,712	9,712	-	-
Written off to accumulated loss	-	-	-	-
Closing Balance- 31st December	<u>289,072</u>	<u>289,072</u>	<u>318,127</u>	<u>318,127</u>

Deposit for shares relates to monies received for purchase of shares in the Company awaiting allotments and approvals.

<b>18.2 Deposit for shares - Staff</b>				
Opening Balance - 1st January	94,207	94,207	94,207	94,207
Additions	-	-	-	-
Refunds/ Written off to accumulated loss	(65,152)	(65,152)	(65,152)	(65,152)
Closing Balance-31st December	<u>29,055</u>	<u>29,055</u>	<u>29,055</u>	<u>29,055</u>

19 Share capital	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
<i>Authorised:</i>				
5,136,341,957 ordinary shares of 50 kobo each	2,568,171	2,568,171	2,568,171	2,568,171
1,600,000,000 redeemable preference shares of N2.5 kobo each	4,000,000	4,000,000	4,000,000	4,000,000
<i>Issued and fully paid:</i>				
1,284,085,489 ordinary shares of 50 kobo each	642,043	642,043	642,043	642,043

<b>20 Share premium</b>				
At 1 December	<u>963,097</u>	<u>963,097</u>	<u>963,097</u>	<u>963,097</u>

Premium from issue of shares are reported in share premium account.

21 Statutory contingency reserve	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
At 1 January	1,607,980	1,545,677	1,566,206	1,512,723
Transfer from profit or loss	31,662	62,303	16,890	53,483
At end of period	<u>1,639,642</u>	<u>1,607,980</u>	<u>1,583,096</u>	<u>1,566,206</u>

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap I17 LFN 2004.

22 Capital reserve	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
At end of period	<u>7,926,398</u>	<u>7,926,398</u>	<u>7,926,398</u>	<u>7,926,398</u>

This represents the surplus nominal value which arose from the share reconstruction exercise done in previous years.

23 Accumulated losses	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
At 1 January	(23,500,237)	(24,198,471)	(23,198,670)	(23,897,749)
Transfer to contingency reserves	(31,662)	(62,303)	(16,890)	(53,483)
Transfer from profit or loss	(133,077)	275,389	(205,456)	267,414
Adjustment made to write off balances		485,148		485,148
At 31 December	(23,664,977)	(23,500,237)	(23,421,017)	(23,198,670)

This comprise the undistributed losses from previous years, which have not been reclassified to other reserves in equity.

## INTERNATIONAL ENERGY INSURANCE PLC

### NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

24 Property revaluation reserve	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
At 1 January	1,501,417	1,090,140	1,482,917	1,071,640
Transfer from OCI	-	411,277	-	411,277
0	1,501,417	1,501,417	1,482,917	1,482,917

This reserve contains surplus on revaluation of Property, Plant and Equipment. A revaluation surplus is recorded in Other Comprehensive Income and credited to the property revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve

25 Fair value reserve	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
At 1 January	42,901	(15,626)	42,901	(15,626)
Transfer from OCI	-	58,527	-	58,527
	42,901	42,901	42,901	42,901

The fair value reserve shows the effects from the fair value measurement of financial instruments. Any gains or losses on disposal are not recognised in profit or loss remains in equity.

### 26 Non-controlling interest

International Energy Insurance Plc has a controlling interest of 81% (2016: 81%) in IEI Anchor Pension Managers Limited, which gives rise to a non-controlling interest of 19% in the entity. The balance represents the amount attributable to the non-controlling shareholders of IEI Anchor Pension Managers Limited.

	GROUP	
	31 Dec-2020	31 Dec-2019
	Opening balance	181,954
Share from total comprehensive income	(11,107)	5,855
Closing balance	170,847	181,954

27 Gross premium income	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Gross premium written:				
<i>Direct</i>	555,440	457,756	555,440	505,725
<i>Inward</i>	7,567	5,303	7,567	20,222
Total gross written premium (Note 12)	563,007	463,059	563,007	525,947
Change in unearned premium	(33,170)	207,628	(33,170)	(122,848)
Gross premium income (Note 12)	529,837	670,687	529,837	403,098

Gross premium income represents the total premium that the Group realised for the year. The amount of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in reserve for unearned premiums in insurance contract liabilities.

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

28 Reinsurance expenses	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Outward reinsurance	80,600	77,343	80,600	77,343
Decrease in prepaid reinsurance (Note 5)	(1,574)	1,574	(1,574)	1,574
	<u>79,026</u>	<u>78,917</u>	<u>79,026</u>	<u>78,917</u>

Reinsurance expenses represent outward premium paid to reinsurance companies.

29 Commission income	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Commission income	14,334	12,328	14,334	12,328

Commission income represents commission received on transactions ceded to reinsurance during the year under review.

30 Claims expenses	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Gross claims paid	88,872	592,288	88,872	130,078
Change in outstanding claims reserve	(14,309)	-	(14,309)	51,838
Changes in IBNR	34,967	-	34,967	(77,849)
	<u>109,530</u>	<u>592,288</u>	<u>109,530</u>	<u>104,067</u>
Recoverable from reinsurance (Note 30.1)	(12,004)	(69,894)	(12,004)	17,705
	<u>97,526</u>	<u>522,394</u>	<u>97,526</u>	<u>121,772</u>

**30.1 Recoverable from reinsurance:**

Reinsurance share of claims paid (Note 5)	12,075	69,894	12,075	(31,340)
Change in reinsurance share of outstanding claims	(62,740)	-	(62,740)	14,319
Changes in reinsurance share of IBNR	27,696	-	27,696	34,726
	<u>(22,969)</u>	<u>69,894</u>	<u>(22,969)</u>	<u>17,705</u>

**31 Acquisition costs**

Deferred acquisition costs at 1 January	4,384	14,454	4,384	14,454
Commission for the year (Note 6)	28,713	56,554	28,713	25,181
Gross commission	33,097	71,007	33,097	39,635
Deferred acquisition costs at 31 December	(10,550)	(14,454)	(10,550)	(4,384)
	<u>22,547</u>	<u>56,554</u>	<u>22,547</u>	<u>35,251</u>

**32 Maintenance costs**

These are underwriting expenses incurred in servicing existing policies or contract. The costs include, but are not limited to, supervisory levy, superintending fees and other technical expenses.

33.1 Interest revenue calculated using effective interest method	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Short term investment income	-	15,989	-	5,636
Rental Income	17,151	1,871	17,151	1,871
Interest on bank and statutory deposits	45,604	41,250	42,587	41,250
	<u>62,755</u>	<u>59,111</u>	<u>59,738</u>	<u>48,758</u>

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

33.2 Other investment income	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Dividend income	1,969	433	1,969	746
<b>34 Net realised gains</b>				
On disposal of property, plant and equipment	3,229	5,193	3,229	5,193
Recycled to profit or loss	-	-	-	-
(Loss)/gain on disposal of financial asset	-	-	-	154
	<u>3,229</u>	<u>5,193</u>	<u>3,229</u>	<u>5,347</u>
<b>35 Net fair value loss</b>				
Financial assets (FVPOL) (Note 2.1)	(2,274)	(127,918)	(2,274)	(126,865)
On investment properties (Note 8)	-	628,750	-	628,750
	<u>(2,274)</u>	<u>500,832</u>	<u>(2,274)</u>	<u>501,885</u>
<b>36 Other income</b>				
Fee based income	861,525	774,016	-	-
Recovery on financial asset	-	-	-	-
Foreign exchange gains	-	-	-	-
Sundry income	121,104	302,385	121,104	302,385
	<u>982,629</u>	<u>1,076,401</u>	<u>121,104</u>	<u>302,385</u>
<b>37 Charge on impairment of assets</b>				
Impairment on cash and cash equivalents (Note 1.2)	734	712	693	712
Impairment on amortised costs (Note xx)	-	194	-	194
Impairment on FVOCI (Note 41)	-	-	-	-
	<u>734</u>	<u>906</u>	<u>693</u>	<u>906</u>
<b>38 Management expenses</b>				
Personnel cost (Note 47)	793,282	722,774	358,923	364,079
Directors emoluments	38,881	34,459	15,986	15,959
Auditors remuneration	5,800	5,800	4,300	4,300
Depreciation (note 10)	78,029	89,474	20,750	25,846
Amortisation (Note 9)	1,447	5,671	-	-
Legal and other professional fees	67,275	2,201	51,878	102,981
Bad debt written off	-	2,201	-	2,201
Motor running expenses	18,782	-	18,782	22,719
Subscription and donations	18,427	114,641	14,699	24,393
Corporate gift and miscellaneous	478	25,846	478	355
Repairs and maintenance	56,162	31,752	24,704	16,586
Rent and rates	33,145	355	13,647	13,292
Postage and telephone	17,983	56,355	3,303	4,283
Transport and travelling	13,111	30,932	6,703	11,399
Advertisements, sales and marketing	806	16,992	806	1,071
Printing and stationery	6,893	31,825	2,002	1,601
Security expenses	8,020	7,668	5,572	5,670
Oil and diesel	15,008	12,445	5,161	8,590
Insurance and license	11,549	8,087	8,007	7,253
State and local government levy	4,776	23,409	2,859	1,801
NAICOM Levy	5,630	5,330	5,630	5,330
Balance carried forward	<u>1,195,483</u>	<u>1,241,287</u>	<u>564,189</u>	<u>639,709</u>

## INTERNATIONAL ENERGY INSURANCE PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

38 Management expenses - continued	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Balance brought forward	1,195,483	1,240,886	564,189	639,709
Other operating expenses	111,472	130,220	14,412	18,974
ICT consumables	603	3,337	603	3,337
Internet subscription	30,837	25,432	19,939	15,046
Bank charges	1,022	1,929	688	1,236
Electricity and utilities	6,151	5,925	2,797	3,634
Fines and penalty	4,467	3,346	2,986	3,346
Sales and marketing	81,535	100,659	-	-
	<u>1,431,570</u>	<u>1,511,733</u>	<u>605,614</u>	<u>685,281</u>

**38.1 Non-audit service**

The Company did not engage the auditors for non-audit services during the year (2019: Nil).

**39 Finance costs**

Interest on borrowings	8,712	7,423	-	-
Other interest expense	-	-	-	-
Exchange loss on borrowings	-	-	-	-
	<u>8,712</u>	<u>7,423</u>	<u>-</u>	<u>-</u>

**40 Basic and diluted loss per share**

Basic loss per share is calculated by dividing the results attributable to shareholders by the weighted average number of ordinary shares in issue at the reporting date.

The following reflects the loss and share data used in the basic loss per share computations:

	Group		Company	
	2020	2019	2020	2019
Net losses attributable to owners of the parent =N='000	(133,077)	315,537	(167,180)	276,229
Weighted average number of shares for the year ('000)	1,284,085	1,284,085	1,284,085	1,284,085
Basic and diluted loss per share	<u>(10.36)</u>	<u>24.57</u>	<u>(13.02)</u>	<u>21.51</u>

**41 Net (loss)/gain on available-for-sale financial assets**

Fair value loss on available-for-sale financial assets (Note 2.2)	-	(413,036)	-	(413,036)
Gain on disposal (note 34)	-	-	-	-
Impairment recycled through p or I (Note 37)	-	413,036	-	413,036
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**42 Outstanding litigations**

In the ordinary course of business, there are pending litigations involving the Company for which no provision has been made amounting to N28.631 million (2018:N28.631 million). However, the actions are being defended and the Directors are of the opinion that no material liability would arise therefrom.

**43 Capital commitments**

The Company has no capital commitment at the reporting date.

**44 Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) International Energy Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorised as insiders as to their dealing in the Company's securities. The Policy is periodically reviewed by the Board and updated. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period under review.

## 45 Shareholding Structure/Free Float Status

Description	31 DEC '20		31 DEC '19	
	Units	Percentage (in relation to Issued Share Capital)	Units	Percentage (in relation to Issued Share Capital)
<b>Substantial Shareholding (5% &amp; Above)</b>				
Rivers State Government	79,745,246	6.21%	79,745,246	6.21%
Pearlchrix Propertys Limited	140,990,312	10.98%	140,990,312	10.98%
Rivers State Government Min of Fin (MOFI)	250,000,000	21.81%	250,000,000	21.81%
<b>Substantial Shareholding</b>	<b>470,735,558</b>	<b>39.00%</b>	<b>470,735,558</b>	<b>39.00%</b>
<b>Directors' Shareholding (Direct and Indirect), excluding directors with substantial interests</b>				
Stanbic Nom./AMCON/BANK PHB PLC	13,572,642	1.06%	13,572,642	1.06%
SKI CONSULT	14,006,135	1.09%	14,006,135	1.09%
SNNL/ASSET MGMT CORPORATION OF NIG - MAIN	21,283,917	1.66%	21,283,917	1.66%
TRUSTBANC ASSET MGT. LTD	49,236,151	3.83%	49,236,151	3.83%
SKI CONSULT	51,065,848	3.98%	51,065,848	3.98%
<b>Total Directors' Shareholding</b>	<b>149,164,693</b>	<b>11.62%</b>	<b>149,164,693</b>	<b>11.62%</b>
<b>Details of Other influential shareholdings, if any (E.g. Government, Promoters)</b>				
<b>Total of Other influential shareholdings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Free Float in Units and Percentage</b>	<b>664,165,238</b>	<b>49%</b>	<b>664,165,238</b>	<b>49%</b>
<b>Total</b>	<b>1,284,065,489</b>	<b>100%</b>	<b>1,284,065,489</b>	<b>100%</b>
<b>Free Float in Value</b>	<b>N252,382,790.44K</b>		<b>N252,382,790.44K</b>	

## Declaration:

A) IEI Plc has a free float value of N252,382,790.44k as at 31 December 2020

A) IEI Plc has a free float value of N252,382,790.44K as at 31 December 2019

## Note:

\* Share Price as at 31 December 2020 N.38K

\* Share Price as at 31 December 2019 N.38K

## INTERNATIONAL ENERGY INSURANCE PLC

## NON LIFE REVENUE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER, 2020

REVENUE	Fire =N='000	Motor =N='000	General accident =N='000	Marine =N='000	Oil and energy =N='000	Total 2020 =N='000	Total 2019 =N='000
Direct premium	21,296	499,052	12,570	22,522	-	555,440	505,725
Inward premium	2,179	3,142	722	1,524	-	7,567	20,222
<b>Gross written premium</b>	<b>23,475</b>	<b>502,194</b>	<b>13,292</b>	<b>24,046</b>	-	<b>563,007</b>	<b>525,947</b>
Change in unearned premium	561	(43,153)	8,284	1,138	-	(33,170)	(122,848)
<b>Gross premium earned</b>	<b>24,036</b>	<b>459,042</b>	<b>21,576</b>	<b>25,184</b>	-	<b>529,837</b>	<b>403,098</b>
Outward reinsurance	(23,828)	(33,867)	(9,750)	(13,155)	-	(80,600)	(78,917)
<b>Net premium earned</b>	<b>209</b>	<b>425,175</b>	<b>11,825</b>	<b>12,029</b>	-	<b>449,237</b>	<b>324,181</b>
Commission received	6,553	1,810	2,248	3,724	-	14,334	12,328
<b>Net underwriting income</b>	<b>6,761</b>	<b>426,984</b>	<b>14,073</b>	<b>15,752</b>	-	<b>463,571</b>	<b>336,509</b>
<b>EXPENSES</b>							
Gross claims paid	48,498	30,899	209	9,131	135	88,872	130,078
Change in outstanding claims	(62,026)	2,037	32,966	25,987	(13,273)	(14,309)	(26,011)
<b>Gross claims incurred</b>	<b>(13,528)</b>	<b>32,936</b>	<b>33,175</b>	<b>35,118</b>	<b>(13,138)</b>	<b>74,563</b>	<b>104,067</b>
Reinsurance claims recovery	(2,786)	(3,209)	(1,031)	(4,978)	-	(12,004)	17,705
<b>Net claims incurred</b>	<b>(16,314)</b>	<b>29,727</b>	<b>32,144</b>	<b>30,140</b>	<b>(13,138)</b>	<b>62,559</b>	<b>121,772</b>
Acquisition costs	3,346	12,716	3,143	3,342	-	22,547	35,251
Maintenance costs	29	96,697	25,900	478	-	123,105	76,191
<b>Underwriting expenses</b>	<b>(12,939)</b>	<b>139,141</b>	<b>61,186</b>	<b>33,960</b>	<b>(13,138)</b>	<b>208,210</b>	<b>233,214</b>
<b>Underwriting (loss)/profit</b>	<b>19,700</b>	<b>287,844</b>	<b>(47,113)</b>	<b>(18,208)</b>	<b>13,138</b>	<b>255,361</b>	<b>103,296</b>