

INTERNATIONAL ENERGY INSURANCE PLC
Unaudited/Management Accounts
for the period ended 30 September, 2020

INTERNATIONAL ENERGY INSURANCE PLC

UNAUDITED/MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 30th SEPTEMBER, 2020

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INTERNATIONAL ENERGY INSURANCE PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER, 2020

	Note	Group		Company	
		30-Sep-20 =N='000	31-Dec-19 =N='000	30-Sep-20 =N='000	31-Dec-19 =N='000
Assets					
Cash and cash equivalents	1	258,504	255,323	129,154	136,093
Financial assets	2		-		
- Fair value through profit or loss	2.1	108,556	108,556	108,556	108,556
- Fair value through other comprehensive income	2.2	122,912	136,288	122,912	136,288
- Debt instruments at amortised cost	2.3	56,831	57,882	56,831	57,882
Trade receivables	3	151,324	120,891	98	79
Other receivables and prepayments	4	396,850	353,055	16,113	13,910
Reinsurance assets	5	279,085	268,466	279,085	268,466
Deferred acquisition costs	6	4,924	4,384	4,924	4,384
Investment in subsidiary	7	-	-	1,000,000	1,000,000
Investment properties	8	3,315,000	3,315,000	3,315,000	3,315,000
Intangible assets	9	16,478	17,417	-	-
Property, plant and equipment	10	3,863,319	3,795,603	3,257,124	3,273,065
Statutory deposit	11	322,500	322,500	322,500	322,500
Total assets		8,896,283	8,755,366	8,612,296	8,636,224
Liabilities					
Insurance contract liabilities	12	4,201,604	4,053,715	4,201,604	4,053,715
Trade payables	13	15,700	62,317	15,700	16,053
Provision and other payables	14	1,420,661	1,134,019	1,157,659	1,077,843
Current income tax payable	15	478,467	505,593	463,164	497,936
Deferred tax liabilities	16	810,058	810,606	792,722	792,724
Borrowings	17.2	12,466,004	12,505,434	12,454,954	12,454,934
Deposit for shares	18	318,127	318,127	318,127	318,127
Total liabilities		19,710,622	19,389,811	19,403,931	19,211,332
Equity					
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	1,578,993	1,566,206
Capital reserve	22	7,926,398	7,926,399	7,926,398	7,926,399
Accumulated losses	23	(23,720,856)	(23,500,235)	(23,427,983)	(23,198,670)
Property revaluation reserve	24	1,501,417	1,501,417	1,482,917	1,482,917
Fair value reserve	25	42,901	42,901	42,901	42,901
Equity attributable to the owners of the parent		(11,005,358)	(10,816,399)	(10,791,634)	(10,575,108)
Non-controlling interest	26	191,020	181,954	-	-
Total deficit		(10,814,338)	(10,634,445)	(10,791,634)	(10,575,108)
Total liabilities and equity		8,896,282	8,755,366	8,612,296	8,636,224

These financial statements were approved by the Board on October 30, 2020 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 30 SEPTEMBER, 2020

	Note	Group				Company			
		3 months 30-Sep-20 =N='000	9 months 30-Sep-20 =N='000	3 months 30-Sep-19 =N='000	9 months 30-Sep-19 =N='000	3 months 30-Sep-20 =N='000	9 months 30-Sep-20 =N='000	3 months 30-Sep-19 =N='000	9 months 30-Sep-19 =N='000
Gross written premium	27	171,987	426,227	148,942	358,098	171,987	426,227	148,942	358,098
Gross premium income	27	88,613	350,001	63,720	322,772	88,613	350,001	63,720	322,772
Reinsurance expenses	28	(14,843)	(44,411)	(27,349)	(65,079)	(14,843)	(44,411)	(27,349)	(65,079)
Net premium income		73,771	305,590	36,372	257,694	73,771	305,590	36,372	257,694
Commission income	29	(661)	1,092	5,465	9,845	(661)	1,092	5,465	9,845
Net underwriting income		73,109	306,683	41,836	267,538	73,109	306,683	41,836	267,538
Underwriting expenses									
Claims expenses	30	(61,304)	(78,264)	(29,935)	48,738	(61,304)	(78,264)	(29,935)	48,738
Acquisition costs	31	(6,651)	(28,656)	(4,608)	(26,502)	(6,651)	(28,656)	(4,608)	(26,502)
Maintenance costs	32	(32,263)	(87,000)	(1,565)	(22,466)	(32,263)	(87,000)	(1,565)	(22,466)
Total underwriting expenses		(100,219)	(193,919)	(36,108)	(230)	(100,219)	(193,919)	(36,108)	(230)
Underwriting results		(27,109)	112,763	5,728	267,308	(27,109)	112,763	5,728	267,308
effective interest method									
	33.1	7,892	34,203	3,627	30,048	7,083	31,802	279	21,469
Other investment income	33.2	78	1,742	(0)	187	78	1,742	(0)	187
Net realised (loss)/gains	34	1,500	2,206	-	-	1,500	2,206	-	-
Net fair value loss	35	-	(35,580)	(13)	(86,602)	-	(35,580)	(13)	(86,602)
Other income	36	219,510	697,093	216,692	670,110	6,715	69,554	2	50,000
Charge on impairment of assets	37	(693)	(693)	-	(747)	(693)	(693)	-	(747)
Management expenses	38	(325,141)	(969,246)	(283,234)	(905,560)	(106,732)	(373,409)	(147,096)	(381,838)
Results from operating activities		(123,963)	(157,512)	(57,199)	(25,256)	(119,158)	(191,615)	(141,101)	(130,224)
Finance costs	39	(6,535)	(6,535)	-	-	-	-	-	-
Loss before income tax expense		(130,498)	(164,047)	(57,199)	(25,256)	(119,158)	(191,615)	(141,101)	(130,224)
Income tax expense	15	(15,491)	(24,910)	(18,539)	(3,157)	(15,491)	(24,910)	(18,539)	(32,556)
Loss for the year		(145,988)	(188,957)	(75,738)	(28,413)	(134,648)	(216,525)	(159,641)	(162,781)
Loss for the year attributable to:									
Equity holders of the parent		(150,714)	(201,076)	(73,052)	(25,727)	(134,648)	(216,525)	(159,641)	(162,781)
Non-controlling interests		4,726	12,119	(2,686)	(2,686)	-	-	-	-
		(145,988)	(188,957)	(75,738)	(28,413)	(134,648)	(216,525)	(159,641)	(162,781)

INTERNATIONAL ENERGY INSURANCE PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

	Note	Group				Company			
		3 months 30-Sep-20 =N='000	9 months 30-Sep-20 =N='000	3 months 30-Sep-19 =N='000	9 months 30-Sep-19 =N='000	3 months 30-Sep-20 =N='000	9 months 30-Sep-20 =N='000	3 months 30-Sep-19 =N='000	9 months 30-Sep-19 =N='000
Loss for the year		(145,988)	(188,957)	(75,738)	(28,413)	(134,648)	(216,525)	(159,641)	(162,781)
Other comprehensive income (OCI)									
<i>reclassified to profit or loss in</i>									
financial assets	41	-	-	-	-	-	-	-	-
<i>reclassified to profit or loss in</i>									
<i>subsequent periods:</i>									
net loss on equity instrument designated at fair value through other comprehensive		-	-	-	-	-	-	-	-
Revaluation surplus on property		-	-	-	-	-	-	-	-
Income tax relating to items not to be reclassified to profit or loss	16	-	-	-	-	-	-	-	-
OCI for the year, net of tax		-	-	-	-	-	-	-	-
Total comprehensive loss for the year		(145,988)	(188,957)	(75,738)	(28,413)	(134,648)	(216,525)	(159,641)	(162,781)
Total comprehensive loss attributable to:									
Equity holders of the parent		(155,054)	(201,076)	(73,052)	(30,165)	(134,648)	(216,525)	(159,641)	(162,781)
Non-controlling interests		9,066	12,119	(2,686)	1,752	-	-	-	-
		(145,988)	(188,957)	(75,738)	(28,413)	(134,648)	(216,525)	(159,641)	(162,781)
Loss per share:									
Basic and diluted loss for the year	40	-	(15.66)	-	(5.69)	-	(16.86)	-	(12.43)

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 30 SEPTEMBER, 2020

Group	Attributable to owners of the parent										Total equity =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 reserve =N='000	Available-for-sale reserve =N='000	Total =N='000	Non-controlling interests =N='000	
As at 1 January 2019	642,043	963,097	1,545,677	7,926,399	(24,198,471)	1,090,140	(15,626)		(12,046,741)	176,099	(11,870,642)
Loss for the year	-	-	-	-	275,389	-	-	-	275,389	1,515	276,904
Other comprehensive income	-	-	-	-	-	411,277	58,527	-	469,804	4,340	474,144
Total comprehensive loss	-	-	-	-	275,389	411,277	58,527	-	745,193	5,855	751,048
Transfer between reserves	-	-	62,303	-	(62,303)	-	-	-	-	-	-
At 31 December 2019	642,043	963,097	1,607,980	7,926,399	(23,985,385)	1,501,417	42,901		(11,301,548)	181,954	(11,119,594)
<i>Adjustment made to write off Balances</i>	-	-	-	-	-	-	-	-	-	-	-
Adjustment made to write off Balances	-	-	-	-	485,148	-	-	-	485,148	-	485,148
Restated opening balance under IFRS 9	642,043	963,097	1,607,980	7,926,399	(23,500,237)	1,501,417	42,901	-	(10,816,400)	181,954	(10,634,446)
Loss for the year	-	-	-	-	(188,957)	-	-	-	(188,957)	4,726	(184,231)
Other comprehensive income	-	-	-	-	-	-	-	-	-	4,340	4,340
Total comprehensive loss	-	-	-	-	(188,957)	-	-	-	(188,957)	9,066	(179,891)
Transfer between reserves	-	-	31,662	-	(31,662)	-	-	-	-	-	-
At 30 September 2020	642,043	963,097	1,639,642	7,926,399	(23,720,856)	1,501,417	42,901		(11,005,357)	191,020	(10,814,336)

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 30 SEPTEMBER, 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 reserve =N='000	Available- for-sale reserve =N='000	
As at 1 January 2019	642,043	963,097	1,512,723	7,926,398	(23,897,749)	1,071,640	(15,626)	-	(11,797,474)
Profit/(Loss) for the year	-	-	-	-	267,414	-	-	-	267,414
Other comprehensive income	-	-	-	-	-	411,277	58,527	-	469,804
Total comprehensive loss	-	-	-	-	267,414	411,277	58,527	-	737,218
Transfer between reserves	-	-	53,483	-	(53,483)	-	-	-	-
At 31 December 2019	642,043	963,097	1,566,206	7,926,398	(23,683,818)	1,482,917	42,901	-	(11,060,256)
<i>Impact of adopting IFRS 9*</i>	-	-	-	-	-	-	-	-	-
Adjustment made to write off Balances	-	-	-	-	485,148	-	-	-	-
Restated opening balance	642,043	963,097	1,566,206	7,926,398	(23,198,670)	1,482,917	42,901	-	(10,575,108)
Loss for the year	-	-	-	-	(216,525)	-	-	-	(216,525)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(216,525)	-	-	-	(216,525)
Transfer between reserves	-	-	12,787	-	(12,787)	-	-	-	-
At 30 September 2020	642,043	963,097	1,578,993	7,926,398	(23,427,984)	1,482,917	42,901	-	(10,791,633)

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 30 SEPTEMBER, 2020

	Note	Group		Company	
		30-Sep-20 =N='000	31-Dec-19 =N='000	30-Sep-20 =N='000	31-Dec-19 =N='000
Operating activities					
Premium received from policy holders		171,968	525,968	171,968	525,968
Reinsurance premium paid		(44,411)	(78,917)	(44,411)	(78,917)
Commission received		(661)	12,328	(661)	12,328
Commission paid		(22,180)	(35,354)	(22,180)	(35,354)
Claims paid		(30,600)	(59,370)	(30,600)	(59,370)
Claims recoverable from re-insurers		(13,980)	28,194	(13,980)	28,194
Other operating cash payments	44	(109,959)	(1,306,358)	(145,237)	(608,240)
Other operating income		75,160	870,990	50,150	135,910
Cash used in operating activities	43	25,337	(42,520)	(34,951)	(79,483)
Income tax paid	15	(1,421)	(10,554)	-	(6,002)
Net cash used in operating activities		23,916	(53,074)	(34,951)	(85,485)
Investing activities					
Purchase of property, plant and equipment	10	(30,419)	(79,441)	(1,217)	(654)
Proceeds from disposal of property, plant and equipment		(1,630)	6,610	2,206	5,193
Purchase of financial assets	2.1	-	-	-	-
Purchase of Intangible assets		-	-	-	-
Proceeds from disposal of financial assets	2.1	-	(3,959)	-	-
Gain on disposal of financial asset		-	1,053	-	1,053
Dividend income		1,742	2,557	1,742	746
Interest income		27,156	59,110	25,286	48,758
Cash provided by investing activities		(3,151)	(14,069)	28,017	55,096
Financing activities					
Repayment of borrowings		(11,050)	(9,500)	-	-
Receipts of loan received from loan obtained during the ye.		(6,535)	60,000	-	-
Interest paid		-	(7,423)	-	-
Repayment of deposit for shares		-	-	-	-
Cash used in financing activities		(17,585)	43,077	-	-
Net decrease in cash and cash equivalents		3,180	(24,066)	(6,934)	(30,389)
Cash and cash equivalents at beginning of the year		255,324	279,390	136,088	166,477
Effect of foreign exchange differences		-	-	-	-
Cash and cash equivalents at end of the period		258,503	255,324	129,154	136,088

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

1 Cash and cash equivalents

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Cash-in-hand	3,656	1,235	3,650	357
Balances with banks (Note 1.1)	123,574	107,246	106,820	90,259
Short-term placements (Note 1.2)	131,967	147,554	19,377	46,190
	259,197	256,035	129,847	136,805
Less: Allowance for credit losses	(693)	(712)	(693)	(712)
Cash and cash equivalents (per statement of cash flows)	258,504	255,323	129,154	136,093

1.1 Balances with banks are made up of the following:

Cash held with banks in naira	61,119	86,422	47,453	69,435
Cash held with banks in foreign currencies	62,455	20,824	59,367	20,824
	123,574	107,246	106,820	90,259
Less: Allowance for credit losses	(258)	(191)	(258)	(191)
Total balance with banks	123,316	107,055	106,562	90,068

1.2 Short term placements are made up of:

Call deposits	324	2,082	239	2,082
Term deposits	131,643	145,472	19,138	44,108
	131,967	147,554	19,377	46,190
Less: Allowance for credit losses	(435)	(521)	(435)	(521)
Total short term placements	131,532	147,033	18,942	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	Stage 2	Stage 3	Total
	Individual	Individual	Individual	
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount				
Cash on hand	3,656	-	-	3,656
Balances held with local banks and domiciliary accounts	123,574	-	-	123,574
Call deposits	324	-	-	324
Term deposits	131,643	-	-	131,643
	259,197	-	-	259,197
Expected credit losses				
Cash on hand	-	-	-	-
Balances held with local banks and domiciliary accounts	258	-	-	258
Call deposits	-	-	-	-
Term deposits	452	-	-	452
	710	-	-	710
Company				
Gross carrying amount				
Cash-in-hand	3,650	-	-	3,650
Balances held with local banks and domiciliary accounts	106,820	-	-	106,820
Call deposits	239	-	-	239
Term deposits	19,138	-	-	19,138
	129,847	-	-	129,847
Expected credit losses				
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
Group				
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 end of period	187,415	-	-	187,415
ECL allowance at 1 January 2020	769	-	-	769
Impact of net-remeasurement of ECL at year-end (Note XX)	(278)	-	-	(278)
Amount written off	-	-	-	-
Foreign exchange adjustments	268	-	-	268
At end of period	759	-	-	759
Company				
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 end of period	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 end of period	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)	72,976	108,556	108,556	108,556
- Fair value through other comprehensive income (Note 2.2)	122,912	136,288	122,912	136,288
- Debt instruments at amortised cost (Note 2.3)	56,831	57,882	56,831	57,882
	252,719	327,976	288,299	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	-	(899)	-	(899)
Net fair value (loss)/gain (Note 35)	(35,580)	(126,865)	(35,580)	(126,865)
At end of period	72,976	108,556	108,556	108,556

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Financial assets

2.2 Fair value through OCI/Available-for-sale

	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Heritage Banking Company Limited	-	-	-	-
WAICA RE	38,361	43,136	38,361	43,136
Nig. Energy Ins. Pool	84,551	93,152	84,551	93,152
	<u>122,912</u>	<u>136,288</u>	<u>122,912</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 end of period	<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	55,556	57,073	55,556	57,073
Staff loans	1,276	809	1,276	809
	<u>56,831</u>	<u>57,882</u>	<u>56,831</u>	<u>57,882</u>
<i>Treasury bills</i>				
Gross	55,556	57,267	55,556	57,267
Impairment loss on treasury bills	-	(194)	-	(194)
	<u>55,556</u>	<u>57,073</u>	<u>55,556</u>	<u>57,073</u>
Staff loans*	249,846	249,175	249,846	249,175
Payment received	(248,570)	-	(248,570)	-
Impairment allowance on loans and receivables (written off)	-	(248,366)	-	(248,366)
Bad debt	-	-	-	-
	<u>1,276</u>	<u>809</u>	<u>1,276</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 #'000	Stage 2 Individual #'000	Stage 3 Individual #'000	Total #'000
Gross carrying amount as at 1 January 2020	-	-	-	-
New assets purchased	52,255	-	-	52,255
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Amounts written off	-	-	-	-
At end of period	<u>52,255</u>	<u>-</u>	<u>-</u>	<u>52,255</u>
ECL allowance as at 1 January 2020	-	-	-	-
New assets purchased	194	-	-	194
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Amounts written off	-	-	-	-
At end of period	<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)	2,713,485	2,713,466	2,713,485	2,713,466
Fees receivable	151,226	125,769	-	-
	2,864,711	2,839,235	2,713,485	2,713,466
Allowance for impairment on insurance receivables (Note 3.2)	(2,713,387)	(2,718,344)	(2,713,387)	(2,713,387)
At end of period	151,324	120,891	98	79

3.1 Insurance receivables comprise amount due from:

Brokers	2,713,485	2,713,466	2,713,485	2,713,466
Insurers	-	-	-	-
	2,713,485	2,713,466	2,713,485	2,713,466

3.2 Allowance for impairment on insurance receivables

At 1 January	2,713,387	2,713,466	2,713,387	2,713,387
Written off during the year	-	4,957	-	-
	2,713,387	2,718,423	2,713,387	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	151,324	120,891	98	79

4 Other receivables and prepayments

Investment receivables	10,427	10,427	10,427	10,427
Withholding tax receivable	307,752	307,752	-	-
Prepayments	17,357	17,357	3,483	3,483
Sundry receivables	19,722	19,722	-	-
	355,258	355,258	16,113	16,113
Allowance for impairment on investment receivables	-	(2,203)	-	(2,203)
	355,258	13,910	16,113	13,910

5 Reinsurance assets

Reinsurance share of outstanding claims	241,133	226,814	241,133	226,814
Reinsurance share of IBNR on OCR	22,422	27,696	22,422	27,696
Outstanding claims recoverable	263,555	254,510	263,555	254,510
Prepaid reinsurance expenses	15,530	13,956	15,530	13,956
	279,085	268,466	279,085	268,466

Movement in outstanding claims recoverable

Balance at beginning of the year	254,510	303,555	254,510	303,555
Recovery from reinsurance during the year	(60,849)	(31,340)	(60,849)	(31,340)
Increase during the year (Note 30)	69,894	(17,705)	69,894	(17,705)
At end of period	263,555	254,510	263,555	254,510

Movement in prepaid reinsurance expenses

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

6 Deferred acquisition Cost

	4,924	4,384	4,924	4,384
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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 2018 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 2018, 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	3,315,000	2,686,250	3,315,000	2,686,250
Net fair value adjustments (Note 35)	-	-	-	-
At 31 December	3,315,000	2,686,250	3,315,000	2,686,250

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

	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	-	-	-	-
Ugbo-Enyi-Nike, Enugu Local Government	475,000	475,000	475,000	475,000
Rabbah Road, Kaduna, Kaduna State	90,000	90,000	90,000	90,000
	3,315,000	3,315,000	3,315,000	3,315,000

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 Oronsaye & 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 Oronsaye & Co.(an estate surveyor & valuer) duly registered with the Financial Reporting Council of Nigeria. The valuer, which is located at Lagos, is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers with FRC No. FRC/2017/NIESV/00000016090.

<i>Location of property</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>
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
31 December 2020				
Investment properties	-	-	3,315,000	3,315,000
31 December 2019				
Investment properties	-	-	3,315,000	3,315,000

9 Intangible assets

	Group =N='000	Company =N='000
Cost:		
At 1 January 2019	79,032	10,790
Additions	3,959	-
At 31 December 2019	82,991	10,790
Additions	-	-
At 30 September 2020	82,991	10,790
Accumulated amortisation:		
At 1 January 2019	59,903	10,790
Charge for the year (Note 38)	5,671	-
At 31 December 2019	65,574	10,790
Charge for the year (Note 38)	937	-
At 30 September 2020	66,511	10,790
Carrying amount:		
At 30 September 2020	16,480	-
At 31 December 2019	17,417	-

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
Cost/valuation:							
At 1 January 2019	1,123,184	1,997,773	19,000	136,334	399,446	425,114	4,100,851
Additions	-	-	-	2,935	55,250	21,256	79,441
Disposals	-	-	-	(15,367)	(8,000)	(4,381)	(27,748)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	528,043	-	-	-	-	528,043
At 31 December 2019	1,123,184	2,525,816	19,000	123,902	446,696	441,989	4,680,587
Additions	-	-	-	224	-	30,195	30,419
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 30 September 2020	1,123,184	2,525,816	19,000	124,126	446,696	472,184	4,711,006
Accumulated depreciation:							
At 1 January 2019	-	43,408	19,000	132,982	335,977	354,563	885,930
Charge for the year (Note 38)	-	20,268	-	2,216	20,023	39,971	82,478
Disposals	-	-	-	(15,367)	(4,833)	(3,836)	(24,036)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	(59,496)	-	-	-	-	(59,496)
At 31 December 2019	-	4,180	19,000	119,831	351,167	390,698	884,876
Charge for the year (Note 38)	-	-	20,268	-	2,216	20,023	39,971
Disposals	-	-	-	-	(15,367)	(4,833)	(3,836)
Write-off/retired	-	-	-	-	-	-	-
At 30 September 2020	-	4,180	(20,228)	119,831	338,016	405,888	847,687
Net book value:							
At 30 September 2020	1,123,184	2,521,636	39,228	4,295	108,680	66,296	3,863,319
At 31 December 2019	1,123,184	2,521,636	-	4,071	72,131	74,582	3,795,604

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 Humprey Orosanye & Co, 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
Cost/valuation:							
At 1 January 2019	1,123,184	1,608,773	-	123,124	200,745	216,405	3,272,231
Additions	-	-	-	329	-	325	654
Disposals	-	-	-	(15,369)	-	(3,421)	(18,790)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	528,043	-	-	-	-	528,043
At 31 December 2019	1,123,184	2,136,816	-	108,084	200,745	213,309	3,782,138
Additions	-	-	-	-	-	1,217	1,217
Disposals	-	-	-	-	-	-	-
At 30 September 2020	1,123,184	2,136,816	-	108,084	200,745	214,526	3,783,355
Accumulated depreciation:							
At 1 January 2019	-	43,408	-	121,987	200,540	195,574	561,509
Charge for the year (Note 38)	-	16,088	-	420	101	9,239	25,846
Disposals	-	-	-	(15,367)	-	(3,420)	(18,788)
At 31 December 2019	-	-	-	107,040	200,641	201,393	509,074
Charge for the year (Note 38)	-	16,026	-	1,037	94	-	17,157
Disposals	-	-	-	-	-	-	-
At 30 September 2020	-	16,026	-	108,077	200,735	201,393	526,231
Net book value:							
At 30 September 2020	1,123,184	2,120,790	-	7	10	13,133	3,257,124
At 31 December 2019	1,123,184	2,136,816	-	1,046	102	11,917	3,273,065

There is no restriction on the realisability of the land and building or the remittance of income and proceeds of disposal. The company pledged 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	3,761,716	3,709,223	3,761,716	3,709,223
Provision for incurred but not reported claims	180,791	103,649	180,791	103,649
Reserve for outstanding claims	3,942,507	3,812,872	3,942,507	3,812,872
Reserve for unearned premium	259,098	240,843	259,098	240,843
	<u>4,201,604</u>	<u>4,053,715</u>	<u>4,201,604</u>	<u>4,053,715</u>
Movement in reserve for outstanding claims				
At 1 January	3,812,872	3,838,883	3,812,872	3,838,883
Claims incurred in the current accident year (Note 30)	263,990	104,067	263,990	104,067
Claims paid during the year	(30,600)	(130,078)	(30,600)	(130,078)
At 31 December	<u>4,046,262</u>	<u>3,812,872</u>	<u>4,046,262</u>	<u>3,812,872</u>
Movement in reserve for unearned premium				
At 1 January	240,843	117,994	240,843	117,994
Premium written in the year (Note 27)	171,987	533,075	171,987	533,075
Premium earned during the year (Note 27)	(153,732)	(410,227)	(153,732)	(410,227)
At 31 December	<u>259,098</u>	<u>240,843</u>	<u>259,098</u>	<u>240,843</u>
Current	4,201,604	4,053,715	4,201,604	4,053,715
Non-current	-	-	-	-
	<u>4,201,604</u>	<u>4,053,715</u>	<u>4,201,604</u>	<u>4,053,715</u>

13 Trade payables

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

	<u>15,700</u>	<u>19,362</u>	<u>15,700</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.

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	134,611	132,608	134,611	132,608
Pay-As-You-Earn	169,346	148,498	142,109	122,636
Accruals (Note 14.1)	799,418	469,882	517,473	439,774
NAICOM Levy	14,193	14,193	14,193	14,193
Sundry creditors (Note 14.2)	104,626	148,932	150,806	148,726
Deposit premium*	134,257	155,695	134,257	155,695
Unclaimed dividend	64,211	64,211	64,211	64,211
	<u>1,420,661</u>	<u>1,134,019</u>	<u>1,157,659</u>	<u>1,077,843</u>
14.1 Accruals comprise:				
Accrued expenses	525,852	295,177	267,618	288,021
Professional fees	155,954	64,528	154,291	64,528
Accrued rental income	12,979	3,529	12,708	3,529
WHT payable	42,614	48,722	42,614	39,783
VAT payable	10,628	24,641	10,628	10,628
Industrial Training Fund (ITF)	17,599	17,599	17,599	17,599
Audit fee	32,405	14,300	10,628	14,300
Accrued claims	1,387	1,387	1,387	1,387
	<u>799,418</u>	<u>469,882</u>	<u>517,473</u>	<u>439,774</u>
14.2 Sundry creditors comprise:				
Anchor pension limited	-	46,180	46,180	46,180
Staff cooperative	67,288	66,823	67,288	66,823
WHT FGN	35,981	31,059	35,981	31,059
Other creditors	1,357	4,870	1,357	4,664
	<u>104,626</u>	<u>148,932</u>	<u>150,806</u>	<u>148,726</u>
15 Taxation				
Per statement of profit or loss:				
Company income tax	8,269	8,269		
Minimum tax	64,581	64,581	64,581	64,581
Education tax	13,115	13,115	12,572	12,572
Information technology development levy	-	-	-	-
	<u>85,965</u>	<u>85,965</u>	<u>77,153</u>	<u>77,153</u>
Over provision	-	-	-	-
Deferred tax expense	96,910	96,910	106,698	106,698
Income tax expense	<u>182,875</u>	<u>182,875</u>	<u>183,851</u>	<u>183,851</u>
Per statement of financial position:				
Current income tax payable				
At 1 January	468,080	467,691	474,674	480,676
Charge to profit or loss	24,303	8,812	15,491	
Over provision	-	-	-	-
Withholding tax credit notes utilised	-	-	-	-
Payment during the year	(28,421)	(8,423)	(27,000)	(6,002)
	<u>463,961</u>	<u>468,080</u>	<u>463,164</u>	<u>474,674</u>
Reconciliation of tax charge				
Loss before income tax expense	(130,498)	(3,994,334)	(119,158)	(72,114)
Tax at Nigeria income tax rate of 30%	(39,149)	(1,198,300)	(35,747)	(21,634)
Non-deductible expenses	1,300,459	1,300,459	1,285,468	1,285,468
Tax exempt income	(120,133)	(120,133)		
Minimum tax	64,581	64,581	64,581	64,581
Education tax	13,115	13,115	12,572	12,572
Information technology development levy	-	-	-	-
Over provision	-	-	-	-
Utilisation of previously unrecognised tax losses	(208,333)	(208,333)	(223,503)	(223,503)
Tax rate differential on fair value gains on investment properties	(17,201)	(17,201)	(17,201)	(17,201)
	<u>993,339</u>	<u>(165,812)</u>	<u>1,086,170</u>	<u>1,100,283</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:				
Deferred tax liabilities				
Accelerated depreciation	(241,943)	(232,193)	(180,418)	(180,418)
Revaluation gain on land and building	(448,805)	(458,553)	(448,805)	(448,805)
Unutilised tax credit	63,833	63,833	63,833	63,833
Fair value gains on investment properties	(4,300)	(65,825)	(65,825)	(65,825)
Losses carried forward	61,525	61,525	305	305
Impairment on financial assets	760	760	305	305
	<u>(569,690)</u>	<u>(630,453)</u>	<u>(630,910)</u>	<u>(630,910)</u>
Movement in temporary differences during the year:				
At 1 January	524,515	524,515	524,515	524,515
<i>Recognised in profit or loss:</i>				
Accelerated depreciation	20,049	20,049	20,358	20,358
Unutilised tax credit	(1,845)	(1,845)	(1,845)	(1,845)
Fair value gains on investment properties	-	-	8,600	8,600
Impairment on financial assets	88,145	88,145	79,585	79,585
Losses carried forward	(9,439)	(9,439)	-	-
Impairment on financial assets	236	236	15	15
	<u>97,146</u>	<u>97,146</u>	<u>106,698</u>	<u>106,698</u>
<i>Recognised in other comprehensive income:</i>				
Revaluation surplus on property	9,788	9,788	-	-
Amount recorded in accumulated losses impacting from IFRS 9	(996)	(996)	(320)	(320)
At 31 December	<u>810,058</u>	<u>810,058</u>	<u>792,722</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	11,050	-	-	-
	<u>12,466,004</u>	<u>12,454,954</u>	<u>12,454,954</u>	<u>12,454,954</u>

17.1 Daewoo Securities (Europe) Limited

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	279,360	279,360	279,360	279,360
Staff	38,767	38,767	38,767	38,767
	<u>318,127</u>	<u>318,127</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.

19 Share capital	Group		Company	
	2020	2019	2020	2019
	=N='000	=N='000	=N='000	=N='000
Authorised:				
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
Issued and fully paid:				
1,284,085,489 ordinary shares of 50 kobo each	642,043	642,043	642,043	642,043

20 Share premium

At 1 December	963,097	963,097	963,097	963,097
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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	12,787	53,483
At end of period	<u>1,639,642</u>	<u>1,607,980</u>	<u>1,578,993</u>	<u>1,566,206</u>

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap 117 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)	(12,787)	(53,483)
Transfer from profit or loss	(188,957)	275,389	(216,525)	267,414
Adjustment made to write off balances		485,148		485,148
At end of period	<u>(23,720,856)</u>	<u>(23,500,237)</u>	<u>(23,427,982)</u>	<u>(23,198,670)</u>

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
At end of period	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
At end of period	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	
	30 Sept-2020	31 Dec-2019
Opening balance	181,954	176,099
Share from total comprehensive income	9,066	5,855
Closing balance	191,020	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>	420,614	457,756	420,614	338,016
<i>Inward</i>	5,613	5,303	5,613	20,082
Total gross written premium (Note 12)	426,227	463,059	426,227	358,098
Change in unearned premium	(76,226)	207,628	(76,226)	(35,326)
Gross premium income (Note 12)	350,001	670,687	350,001	322,772

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	44,411	53,262	44,411	53,262
Decrease in prepaid reinsurance (Note 5)	(1,574)	-	(1,574)	-
	<u>42,837</u>	<u>53,262</u>	<u>42,837</u>	<u>53,262</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	1,092	9,845	1,092	9,845

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	30,600	592,288	30,600	54,666
Change in outstanding claims reserve	52,599	-	52,599	(88,963)
Changes in IBNR	180,791	-	180,791	-
	<u>263,990</u>	<u>592,288</u>	<u>263,990</u>	<u>(34,298)</u>
Recoverable from reinsurance (Note 30.1)	(4,935)	(69,894)	(4,935)	(14,440)
	<u>259,055</u>	<u>522,394</u>	<u>259,055</u>	<u>(48,738)</u>

30.1 Recoverable from reinsurance:

Reinsurance share of claims paid (Note 5)	13,980	69,894	13,980	14,440
Change in reinsurance share of outstanding claims	(14,319)	-	(14,319)	-
Changes in reinsurance share of IBNR	5,274	-	5,274	-
	<u>4,935</u>	<u>69,894</u>	<u>4,935</u>	<u>14,440</u>

31 Acquisition costs

Deferred acquisition costs at 1 January	14,666	14,454	14,666	12,269
Commission for the year (Note 6)	22,180	56,554	22,180	28,900
Gross commission	36,846	71,007	36,846	41,169
Deferred acquisition costs at 31 December	(4,924)	(14,454)	(4,924)	(14,666)
	<u>31,922</u>	<u>56,554</u>	<u>31,922</u>	<u>26,503</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	24,719	18,855	24,719	57,403
Rental Income	6,516	-	6,516	-
Interest on bank and statutory deposits	2,437	72,888	567	-
	<u>33,672</u>	<u>91,743</u>	<u>31,802</u>	<u>57,403</u>

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

33.2 Other investment income	Group		Company	
	2020 =N='000	2019 =N='000	2020 =N='000	2019 =N='000
Dividend income	1,742	433	1,742	504
34 Net realised gains				
On disposal of property, plant and equipment	2,206	5,727	2,206	408
Recycled to profit or loss	-	-	-	-
(Loss)/gain on disposal of financial asset	-	(19,620)	-	-
	<u>2,206</u>	<u>(13,893)</u>	<u>2,206</u>	<u>408</u>
35 Net fair value loss				
Financial assets (FVPOL) (Note 2.1)	(35,580)	(154,963)	(35,580)	(134,706)
On investment properties (Note 8)	-	86,000	-	-
	<u>(35,580)</u>	<u>(68,963)</u>	<u>(35,580)</u>	<u>(134,706)</u>
36 Other income				
Fee based income	557,713	774,016	-	-
Recovery on financial asset	-	-	-	-
Foreign exchange gains	-	10,160	-	-
Sundry income	69,554	55,021	69,554	61,077
Provision no longer required	-	-	-	-
	<u>627,267</u>	<u>839,197</u>	<u>69,554</u>	<u>61,077</u>
37 Charge on impairment of assets				
Impairment on cash and cash equivalents (Note 1.2)	734	712	693	712
Impairment on amortised costs (Note xx)	-	-	-	-
Impairment on FVOCI (Note 41)	-	-	-	-
	<u>734</u>	<u>712</u>	<u>693</u>	<u>712</u>
38 Management expenses				
Personnel cost	530,668	499,493	212,954	225,207
Directors emoluments	27,738	23,894	11,988	7,800
Auditors remuneration	1,000	1,125	-	-
Depreciation (note 10)	59,973	78,835	17,157	29,418
Amortisation (Note 9)	937	937	-	-
Legal and other professional fees	58,611	38,497	44,914	32,514
Motor running expenses	14,664	18,933	14,664	13,722
Subscription and donations	7,813	8,251	4,257	8,251
Corporate gift and miscellaneous	478	300	478	300
Repairs and maintenance	41,283	33,826	15,627	6,532
Rent and rates	18,363	13,580	3,977	2,208
Postage and telephone	12,916	13,587	2,539	2,188
Transport and travelling	8,668	20,911	4,455	5,272
Advertisements, sales and marketing	254	1,071	254	1,071
Printing and stationery	10,080	15,299	6,441	5,958
Security expenses	5,860	5,891	4,135	4,115
Oil and diesel	11,151	17,592	3,834	6,424
Insurance and license	8,901	8,861	6,460	3,877
State and local government levy	3,841	3,482	2,282	1,320
Balance carried forward	<u>823,199</u>	<u>804,365</u>	<u>356,416</u>	<u>356,177</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	823,199	804,365	356,416	356,177
Other operating expenses	70,974	14,238	10,215	14,238
ICT consumables	439	462	439	462
Internet subscription	13,295	11,701	5,173	4,130
Bank charges	784	958	530	449
Electricity and utilities	3,902	4,439	1,935	2,650
Fines and penalty	2,662	3,732	2,662	3,732
Sales and marketing	51,417	65,645	-	-
	<u>966,671</u>	<u>905,540</u>	<u>377,369</u>	<u>381,838</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	6,535	-	-	-
Other interest expense	-	-	-	-
Exchange loss on borrowings	-	-	-	-
	<u>6,535</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	(201,076)	(73,052)	(216,525)	(159,641)
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>(15.66)</u>	<u>(5.69)</u>	<u>(16.86)</u>	<u>(12.43)</u>

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

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

42 Contingencies and commitments

42.1 Interest and penalties on Daewoo's Loan

The Company had contingent liabilities as at 31st December, 2019 in respect of a disputed loan from Daewoo Securities (Europe) Limited for which there was no legally binding agreement,

The Company has disclaimed this liability and is currently obtaining a judicial precedence to this effect. It is not practical to estimate the potential effect of this claim, but initial legal advice indicates that it is not probable that a significant liability will arise.

The matter is currently being considered by the lawyers, and the Company expects a judicial precedence that can serve as a basis to negotiate for the principal amount as final settlement under the doctrine of money had and received. The Company considers it to be probable that any competent court of jurisdiction will give a judgement in its favour and has therefore not recognised a provision of penalty on the loan and interest in relation to this loan in 2019.

All previously accrued interest and penalty on the loan which are now statute barred have been reversed and disclosed as a contingent liabilities. The potential undiscounted amount of the total payments that the Company could be required to make, if there was an adverse decision related to the lawsuit, is estimated to be approximately N10,119,306.00k.

42.2 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 (2019:N28.631 million). However, the actions are being defended and the Directors are of the opinion that no material liability would arise therefrom.

42.3 Capital commitments

The Company has no capital commitment at the reporting date.

43 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.

44 Shareholding Structure/Free Float Status

Description	30 SEPT '20		30 SEPT '19	
	Units	Percentage (in relation to Issued Share Capital)	Units	Percentage (in relation to Issued Share Capital)
Substantial Shareholding (5% & Above)				
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%
Substantial Shareholding	470,735,558	39.00%	470,735,558	39.00%
Directors' Shareholding (Direct and Indirect), excluding directors with substantial interests				
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%
Total Directors' Shareholding	149,164,693	11.62%	149,164,693	11.62%
Details of Other influential shareholdings, if any (E.g. Government, Promoters)	-	-	-	-
Total of Other influential shareholdings	-	-	-	-
Free Float in Units and Percentage	664,165,238	49%	664,165,238	49%
Total	1,284,065,489	100%	1,284,065,489	100%
Free Float in Value	N252,382,790.44K		N252,382,790.44K	

Declaration:

A) IEI Plc has a free float value of N252,382,790.44k as at 30 September 2020

A) IEI Plc has a free float value of N252,382,790.44k as at 30 September 2019

Note:

* Share Price as at 30 September 2020 N.38K

* Share Price as at 30 September 2019 N.38K

INTERNATIONAL ENERGY INSURANCE PLC

NON LIFE REVENUE ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER, 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	9,975	374,108	21,231	15,300	-	420,614	338,016
Inward premium	2,023	2,332	74	1,184	-	5,613	20,082
Gross written premium	11,998	376,440	21,305	16,484	-	426,227	358,098
Change in unearned premium	207	(81,685)	(3,163)	2,017	6,398	(76,226)	(35,326)
Gross premium earned	12,205	294,755	18,142	18,501	6,398	350,001	322,772
Outward reinsurance	(9,896)	(30,062)	(2,403)	(2,050)	-	(44,411)	(65,079)
Net premium earned	2,309	264,694	15,739	16,451	6,398	305,590	257,694
Commission received	-	-	492	601	-	1,092	9,845
Net underwriting income	2,309	264,694	16,230	17,052	6,398	306,683	267,538
EXPENSES							
Gross claims paid	858	209	25,640	3,758	135	30,600	54,666
Change in outstanding claims	-	29,063	30,176	(6,640)	-	52,599	(88,963)
Gross claims incurred	858	29,272	55,816	(2,882)	135	83,199	(34,298)
Reinsurance claims recovery	(744)	(3,103)	(924)	(164)	-	(4,935)	(14,440)
Net claims incurred	115	26,169	54,891	(3,046)	135	78,264	(48,738)
Acquisition costs	4,483	18,764	2,266	3,142	-	28,656	26,502
Maintenance costs	-	77,490	9,220	290	-	87,000	22,466
Underwriting expenses	4,597	122,423	66,378	386	135	193,919	230
Underwriting (loss)/profit	(2,288)	142,270	(50,147)	16,666	6,263	112,763	267,308