

INTERNATIONAL ENERGY INSURANCE PLC

Management Accounts

for the period ended 31 March 2021

INTERNATIONAL ENERGY INSURANCE PLC

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 31 MARCH, 2021

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INTERNATIONAL ENERGY INSURANCE PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group		Company	
		31-Mar-21 =N='000	31-Dec-20 =N='000	31-Mar-21 =N='000	31-Dec-20 =N='000
Assets					
Cash and cash equivalents	1	253,307	266,589	145,809	147,204
Financial assets	2				
- Fair value through profit or loss	2.1	87,593	93,609	87,593	93,609
- Fair value through other comprehensive income	2.2	247,281	247,281	247,281	247,281
- Debt instruments at amortised cost	2.3	519	519	519	519
Trade receivables	3	156,090	132,908	1,145	-
Other receivables and prepayments	4	432,020	413,772	12,799	1,997
Reinsurance assets	5	294,005	294,005	294,005	294,005
Deferred acquisition costs	6	6,753	10,465	6,753	10,465
Investment in subsidiary	7	-	-	1,000,000	1,000,000
Investment properties	8	3,617,500	3,617,500	3,617,500	3,617,500
Intangible assets	9	18,292	17,652	-	-
Property, plant and equipment	10	3,571,980	3,576,091	3,068,433	3,072,362
Statutory deposit	11	322,500	322,500	322,500	322,500
Total assets		9,007,840	8,992,890	8,804,337	8,807,441
Liabilities					
Insurance contract liabilities	12	3,865,197	4,110,675	3,865,197	4,110,675
Trade payables	13	19,084	73,016	13,809	23,905
Provision and other payables	14	1,316,429	1,250,237	1,198,597	1,175,086
Current income tax payable	15	599,702	525,521	585,731	512,464
Deferred tax liabilities	16	246,476	246,476	206,209	206,209
Borrowings	17.2	13,537,660	13,576,160	13,537,660	13,537,660
Deposit for shares	18	317,233	317,233	317,233	317,233
Total liabilities		19,901,781	20,099,318	19,724,436	19,883,232
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	1,635,026	1,629,867	1,588,159	1,583,143
Capital reserve	22	7,926,398	7,926,399	7,926,398	7,926,399
Accumulated losses	23	(23,873,838)	(24,108,118)	(23,674,995)	(23,825,671)
Property revaluation reserve	24	1,501,417	1,501,417	1,482,917	1,482,917
Fair value reserve	25	152,283	152,283	152,283	152,283
Equity attributable to the owners of the parent		(11,053,574)	(11,293,013)	(10,920,098)	(11,075,790)
Non-controlling interest	26	159,635	186,587	-	-
Total deficit		(10,893,939)	(11,106,426)	(10,920,098)	(11,075,790)
Total liabilities and equity		9,007,840	8,992,891	8,804,337	8,807,442

These consolidated and separate financial statements were signed by:

Mr. Emmanuel Bassey
 Chief Financial Officer
 FRC/2013/ICAN/00000000635

Mr. Ebum Ayeni
 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 MARCH 2021

	Note	Group		Company	
		31-Mar-21 =N='000	31-Mar-20 =N='000	31-Mar-21 =N='000	31-Mar-20 =N='000
Gross written premium	27	167,202	162,173	167,202	162,173
Gross premium income	27	298,523	146,651	298,523	146,651
Reinsurance expenses	28	(29,515)	(27,358)	(29,515)	(27,358)
Net premium income		269,008	119,293	269,008	119,293
Commission income	29	5,058	2,094	5,058	2,094
Net underwriting income		274,066	121,387	274,066	121,387
Underwriting expenses					
Claims expenses	30	76,718	103,562	76,718	103,562
Acquisition costs	31	(12,402)	(14,031)	(12,402)	(14,031)
Maintenance costs	32	(41,364)	(31,791)	(41,364)	(31,791)
Total underwriting expenses		22,952	57,739	22,952	57,739
Underwriting results		297,018	179,127	297,018	179,127
Interest revenue calculated using effective interest method	33.1	3,394	17,356	3,394	17,356
Other investment income	33.2	6,526	2,277	6,526	2,277
Net realised (loss)/gains	34	(12)	173	(12)	173
Net fair value loss	35	(6,016)	-	(6,016)	-
Other income	36	284,432	150,960	54,500	-
Charge on impairment of assets	37	(693)	-	(693)	-
Management expenses	38	(345,209)	(335,465)	(125,757)	(128,677)
Results from operating activities		239,440	14,428	228,960	70,256
Finance costs	39	(2,178)	-	-	-
Profit/(Loss) before income tax expense		237,262	14,428	228,960	70,256
Income tax expense	15	(73,267)	(22,482)	(73,267)	(22,482)
Profit/(Loss) for the period		163,995	(8,054)	155,693	47,774
Profit/(Loss) for the period attributable to:					
Equity holders of the parent		190,947	(5,368)	155,693	47,774
Non-controlling interests		(26,952)	(2,686)	-	-
		163,995	(8,054)	155,693	47,774

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 MARCH 2021

	Note	Group		Company	
		31-Mar-21 =N='000	31-Mar-20 =N='000	31-Mar-21 =N='000	31-Mar-20 =N='000
Profit/(Loss) for the period		163,995	(8,054)	155,693	47,774
Other comprehensive income (OCI)					
<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	-	-	-	-
<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		-	-	-	-
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 period		163,995	(8,054)	155,693	47,774
Total comprehensive loss attributable to:					
Equity holders of the parent		190,947	(8,054)	155,693	47,774
Non-controlling interests		(26,952)	1,752	-	-
		<u>163,995</u>	<u>(6,302)</u>	<u>155,693</u>	<u>47,774</u>
Profit/(Loss) per share:					
Basic and diluted loss for the year attributable to equity holders of the parent	40	18.65	1.12	17.83	5.47

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 MARCH 2021

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 value reserve =N='000	Available-for-sale reserve =N='000	Total =N='000	Non-controlling interests =N='000	
As at 1 January 2020	642,043	963,097	1,607,980	7,926,398	(23,500,237)	1,501,417	42,901	-	(10,816,401)	181,954	(10,634,447)
<i>Impact of adopting IFRS 9*</i>											
Loss for the year	-	-	-	-	(611,020)	-	-	-	(611,020)	4,633	(606,387)
Other comprehensive income	-	-	-	-	-	-	109,382	-	109,382	-	109,382
Transfer between reserves	-	-	21,887	-	(21,887)	-	-	-	-	-	-
Adjustment made to write off Balances	-	-	-	-	25,027	-	-	-	25,027	-	25,027
Reclassification on Interest on Borrowing	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2020	642,043	963,097	1,629,867	7,926,398	(24,108,117)	1,501,417	152,283	-	(11,293,013)	186,587	(11,106,426)
Profit/(Loss) for the period ended	-	-	-	-	239,440	-	-	-	239,440	(26,952)	212,488
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	239,440	-	-	-	239,440	(26,952)	212,488
Transfer between reserves	-	-	5,159	-	(5,159)	-	-	-	-	-	-
At 31 March, 2021	642,043	963,097	1,635,026	7,926,398	(23,873,837)	1,501,417	152,283	-	(11,053,573)	159,635	(10,893,938)

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 MARCH 2021

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	
As at 1 January 2020	642,043	963,097	1,566,206	7,926,398	(23,198,670)	1,482,917	42,901	-	(10,575,108)
<i>Impact of adopting IFRS 9*</i>									
Profit/(Loss) for the year	-	-	-	-	(635,091)	-	-	-	(635,091)
Other comprehensive income	-	-	-	-	-	-	109,382	-	109,382
Total comprehensive loss	-	-	-	-	(635,091)	-	109,382	-	(525,709)
Transfer between reserves	-	-	16,937	-	(16,937)	-	-	-	-
Adjustment made to write off Balances	-	-	-	-	25,027	-	-	-	25,027
At 31 December 2020	642,043	963,097	1,583,143	7,926,398	(23,825,671)	1,482,917	152,283	-	(11,075,791)
Profit/(Loss) for the period ended	-	-	-	-	155,693	-	-	-	155,693
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	155,693	-	-	-	155,693
Transfer between reserves	-	-	5,016	-	(5,016)	-	-	-	-
At 31 March, 2021	642,043	963,097	1,588,159	7,926,398	(23,674,995)	1,482,917	152,283	-	(10,920,098)

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 MARCH 2021

	Note	Group		Company	
		31-Mar-21 =N='000	31-Dec-20 =N='000	31-Mar-21 =N='000	31-Dec-20 =N='000
Operating activities					
Premium received from policy holders		166,057	564,484	166,057	564,484
Reinsurance premium paid		(29,515)	(88,798)	(29,515)	(88,798)
Commission received		5,058	9,939	5,058	9,939
Commission paid		(8,690)	(28,735)	(8,690)	(28,735)
Claims paid		(69,877)	(89,004)	(69,877)	(89,004)
Claims recoverable from re-insurers		12,075	22,839	12,075	22,839
Other operating cash payments	44	(366,393)	(506,315)	(137,979)	(565,890)
Other operating income		284,432	121,127	54,500	121,127
Cash used in operating activities	43	(6,853)	5,536	(8,371)	(54,039)
Income tax paid	15	-	(1,482)	-	-
Net cash used in operating activities		(6,853)	4,054	(8,371)	(54,039)
Investing activities					
Purchase of property, plant and equipment	10	(14,972)	(42,176)	(1,217)	(2,312)
Proceeds from disposal of property, plant and equipment		(14)	-	(12)	-
Purchase of financial assets	2.1	-	(1,683)	-	-
Purchase of Intangible assets		-	-	-	-
Proceeds from disposal of financial assets	2.1	-	-	-	-
Gain on disposal of financial asset		-	-	-	-
Dividend income		-	1,969	-	1,969
Interest income		3,746	64,896	3,394	60,575
Cash provided by investing activities		(11,241)	25,687	2,164	62,913
Financing activities					
Repayment of borrowings		(0)	(12,000)	(0)	-
Receipts of loan received			-		
Interest paid			(8,713)		
Repayment of deposit for shares			(894)		(894)
Cash used in financing activities		(0)	(21,607)	(0)	(894)
Net decrease in cash and cash equivalents		(18,095)	8,136	(6,208)	7,980
Cash and cash equivalents at beginning of the year		266,589	255,323	147,203	136,093
Effect of foreign exchange differences		-	3,130	-	3,130
Cash and cash equivalents at end of the period		248,494	266,589	140,996	147,203

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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Cash-in-hand	809	918	425	365
Balances with banks (Note 1.1)	56,951	77,311	54,375	62,177
Short-term placements (Note 1.2)	196,239	196,471	91,701	92,773
	254,000	274,700	146,502	155,315
Less: Allowance for credit losses	(693)	(8,112)	(693)	(8,112)
Cash and cash equivalents (per statement of cash flows)	253,307	266,589	145,809	147,204

1.1 Balances with banks are made up of the following:

Cash held with banks in naira	(5,504)	46,075	30,649	34,075
Cash held with banks in foreign currencies	62,455	31,236	23,726	28,102
	56,951	77,311	54,375	62,177
Less: Allowance for credit losses	(258)	(139)	(258)	(139)
Total balance with banks	56,693	77,172	54,117	62,038

1.2 Short term placements are made up of:

Call deposits	324	2,228	239	2,228
Term deposits	195,915	194,243	91,462	90,545
	196,239	196,471	91,701	92,773
Less: Allowance for credit losses	(435)	(7,973)	(435)	(7,973)
Total short term placements	195,804	188,498	91,266	84,800

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% (2020:17.8%) 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 N'000	Individual N'000	Individual N'000	
Gross carrying amount				
Cash on hand	809	-	-	809
Balances held with local banks and domiciliary accounts	56,951	-	-	56,951
Call deposits	324	-	-	324
Term deposits	195,915	-	-	195,915
	254,000	-	-	254,000
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	425	-	-	425
Balances held with local banks and domiciliary accounts	54,375	-	-	54,375
Call deposits	239	-	-	239
Term deposits	91,462	-	-	91,462
	146,502	-	-	146,502
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 2018	273,782	-	-	273,782
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 March 2021	206,398	-	-	206,398
ECL allowance at 1 January 2018*	769	-	-	769
Impact of net-remeasurement of ECL at year-end (Note XX)	(278)	-	-	(278)
Amount written off	-	-	-	-
Foreign exchange adjustments	268	-	-	268
At 31 March 2021	759	-	-	759
Company				
Gross carrying amount as at 1 January 2018	154,950	-	-	154,950
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(108,470)	-	-	(108,470)
Transfers	-	-	-	-
Foreign exchange adjustments	9,342	-	-	9,342
At 31 March 2021	55,822	-	-	55,822
ECL allowance at 1 January 2018*	1,067	-	-	1,067
Impact of net-remeasurement of ECL at year-end (Note XX)	(308)	-	-	(308)
Amount written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 March 2021	759	-	-	759

2 Financial assets

	Group		Company	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
- Fair value through profit or loss (Note 2.1)	87,593	93,608.85	87,593	93,608.85
- Fair value through other comprehensive income (Note 2.2)	247,281	247,281.00	247,281	247,281.00
- Debt instruments at amortised cost (Note 2.3)	519	519.00	519	519.00
	335,393	341,409	335,393	341,409

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

At 1 January	93,609	108,556	93,609	108,556
Purchase during the year	-	-	-	-
Acquisition of shares in IBL*	-	-	-	-
Disposal during the year	-	(1,611)	-	(1,611)
Net fair value gain/(loss) (Note 35)	(6,016)	(13,336)	(6,016)	(13,336)
At 31 March 2021	87,593	93,609	87,593	93,609

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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Heritage Banking Company Limited	-	-	-	-
WAICA RE	123,493	123,493	123,493	123,493
Nig. Energy Ins. Pool	122,177	122,177	122,177	122,177
Unlisted Stocks - various	1,611	1,611	1,611	1,611
	<u>247,281</u>	<u>247,281</u>	<u>247,281</u>	<u>247,281</u>
<i>Movement in FVOCI/AFS</i>				
At 1 January	247,281	136,288	247,281	136,288
Disposal of Pabod Breweries Ltd (Intl. Breweries Ltd	-	-	-	-
Addition	-	1,611	-	1,611
Impairment loss (Note 41)	-	-	-	-
Fair value change	-	109,382	-	109,382
At 31 March 2021	<u>247,281</u>	<u>247,281</u>	<u>247,281</u>	<u>247,281</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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Treasury bills	-	-	-	-
Staff loans	519	519	519	519
	<u>519</u>	<u>395</u>	<u>519</u>	<u>519</u>
<i>Treasury bills</i>				
Gross	-	-	-	-
Impairment loss on treasury bills	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Staff loans*	249,175	249,175	249,175	249,175
Payment received	(290)	(290)	(290)	(290)
Impairment allowance on loans and receivables (written off)	(248,366)	(248,366)	(248,366)	(248,366)
	<u>519</u>	<u>519</u>	<u>519</u>	<u>519</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	-	-	-	-
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Amounts written off	-	-	-	-
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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 March 2021	<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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Insurance receivables (Note 3.1)	1,145	-	1,145	-
Fees receivable	154,945	134,947	-	-
	156,090	134,947	1,145	-
Allowance for impairment on insurance receivables (Note 3.2)	-	-	-	-
At 31 December	156,090	132,908	1,145	-
3.1 Insurance receivables comprise amount due from:				
Brokers	-	-	-	-
Insurers	-	-	-	-
	-	-	-	-
3.2 Allowance for impairment on insurance receivables				
At 1 January	-	-	-	-
Written off during the year	-	-	-	-
	-	-	-	-

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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
0-30 days	156,090	132,190	1,145	-

4 Other receivables and prepayments

Investment receivables	-	-	-	-
Due from related parties	-	-	-	-
Withholding tax receivable	386,211	384,561	-	-
Prepayments	14,891	17,804	549	157
Sundry receivables	30,918	21,585	12,250	12,018
	432,020	423,951	12,799	12,176
Allowance for impairment on investment receivables	-	(10,179)	-	(10,179)
	432,020	413,772	12,799	1,997

5 Reinsurance assets

Reinsurance share of outstanding claims	258,884	258,884	258,884	258,884
Reinsurance share of IBNR on OCR/Recovery	23,760	23,760	23,760	23,760
Outstanding claims recoverable	282,644	282,644	282,644	282,644
Prepaid reinsurance expenses	7,331	7,331	7,331	7,331
Minimum& Deposit Premium	4,030	4,030	4,030	4,030
	294,005	294,005	294,005	294,005
<i>Movement in outstanding claims recoverable</i>				
At 1st January	254,510	254,510	254,510	254,510
Reinsurane share of claims paid during the year	7,314	7,314	7,314	7,314
Recovery from reinsurance during the year (Note 30.1)	(22,839)	(22,839)	(22,839)	(22,839)
Increase/(Decrease) during the year (Note 30)	43,659	43,659	43,659	43,659
At 31 December	282,644	282,644	282,644	282,644
<i>Movement in prepaid reinsurance expenses</i>				
Balance at beginning of the year	13,957	13,957	13,957	13,957
Reinsurance cost during the year	88,800	88,800	88,800	88,800
Increase during the year	(91,395)	(91,395)	(91,395)	(91,395)
Balance at end of the year	11,362	11,362	11,362	11,362

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.

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 2020	572	1,606	1,404	637	165	4,384
Commission incurred during the year (Note 31)	4,538	17,412	2,489	4,297	-	28,735
Amortisation	(3,831)	(11,747)	(3,020)	(4,056)	-	(22,655)
At 31 December 2020	1,279	7,271	873	877	165	10,465
Commission incurred during the year (Note 31)	710	3,073	612	4,295	-	8,690
Amortisation to profit or loss (see note 31)	(1,615)	(8,136)	(1,100)	(1,551)	-	(12,402)
At 31 March 2021	374	2,208	385	3,621	165	6,753
2021						
Current	374	2,208	385	3,621	165	6,753
Non-current	-	-	-	-	-	-
	374	2,208	385	3,621	165	6,753
2020						
Current	1,279	7,271	873	877	165	10,465
Non-current	-	-	-	-	-	-
	1,279	7,271	873	877	165	10,465

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

7 Investment in subsidiary	Group		Company	
	2021	2020	2021	2020
	=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
	2021	2020		
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	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
At 1 January	3,617,500	3,617,500	3,617,500	3,617,500
Net fair value adjustments (Note 35)	-	-	-	-
At 31 December	3,617,500	3,617,500	3,617,500	3,617,500

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	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
IEI Ibadan Estate, Liberty Road, Oke Ado, Ibadan	1,387,500	1,387,500	1,387,500	1,387,500
No 3. Oshunkeye Crescent, Gbagada Industrial Scheme, Lagos			0	0
1,450,000	1,450,000	1450000	1450000	
7 Onitsha-Aba Benin Expressway, Asaba, Delta State	500,000	500,000	500,000	500,000
Ugbo-Enyi-Nike, Enugu Local Government	95,000	95,000	95,000	95,000
Rabbah Road, Kaduna, Kaduna State	185,000	185,000	185,000	185,000
	3,617,500	3,617,500	3,617,500	3,617,500

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 Humphrey 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 Humphrey 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/00000006090.

Location of property	Valuation technique	Significant unobservable inputs
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
At 31 March 2021				
Investment properties	-	-	3,617,500	3,617,500
31 December 2020				
Investment properties	-	-	3,617,500	3,617,500

9 Intangible assets

	Group =N='000	Company =N='000
Cost:		
At 1 January 2020	85,156	10,790
Additions	-	-
At 31 December 2020	85,156	10,790
Additions	1,080	-
At 31 March 2021	86,236	10,790
Accumulated amortisation:		
At 1 January 2020	65,576	10,790
Charge for the year (Note 38)	1,447	-
At 31 December 2020	67,023	10,790
Charge for the year (Note 38)	933	-
At 31 March 2021	67,956	10,790
Carrying amount:		
At 31 March 2021	18,280	-
At 31 December 2020	17,652	-

The Intangible assets consist wholly of computer software

INTERNATIONAL ENERGY INSURANCE PLC

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 2020	1,123,184	2,525,816	19,000	123,902	423,298	465,280	4,680,480
Additions	-	-	-	805	-	41,371	42,176
Disposals	-	-	-	(2,220)	(9,500)	(7,778)	(19,498)
Write-off/retired	-	-	-	-	-	-	-
Reclassification	(32,727)	(142,272)	-	-	-	-	(174,999)
Revaluation	-	-	-	-	-	-	-
At 31 December 2020	1,090,457	2,383,544	19,000	122,487	413,798	498,873	4,528,159
Additions	-	-	-	-	9,326	5,646	14,972
Disposals	-	-	-	-	-	-	-
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 31 March 2021	1,090,457	2,383,544	19,000	122,487	423,124	504,519	4,543,131
Accumulated depreciation:							
At 1 January 2020	-	4,180	19,000	119,831	352,563	390,698	886,272
Charge for the year (Note 38)	-	25,538	-	1,573	23,096	35,021	85,228
Disposals	-	-	-	(2,220)	(9,499)	(7,713)	(19,432)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 31 December 2020	-	29,718	19,000	119,184	366,160	418,006	952,068
Charge for the year (Note 38)	-	6,386	-	752	5,426	6,520	19,085
Disposals	-	-	-	-	-	(2)	(2)
Write-off/retired	-	-	-	-	-	-	-
At 31 March 2021	-	36,104	19,000	119,936	371,586	424,524	971,151
Net book value:							
At 31 March 2021	1,090,457	2,347,440	-	2,551	51,538	79,995	3,571,980
At 31 December 2020	1,090,457	2,353,826	-	3,303	47,638	80,867	3,576,091

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. 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 2019, the property's fair value was based on valuations performed by Messrs Humphrey Oronsaye & 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 2020	1,123,184	2,136,816	-	108,084	200,743	213,310	3,782,137
Additions	-	-	-	-	-	2,312	2,312
Disposals	-	-	-	(2,220)	(9,500)	(7,778)	(19,498)
Reclassification	(32,727)	(142,272)	-	-	-	-	(174,999)
Revaluation	-	-	-	-	-	-	-
At 31 December 2020	1,090,457	1,994,544	-	105,864	191,243	207,844	3,589,952
Additions	-	-	-	-	-	1,217	1,217
Disposals	-	-	-	-	-	-	-
At 31 March 2021	1,090,457	1,994,544	-	105,864	191,243	209,061	3,591,169
Accumulated depreciation:							
At 1 January 2020	-	-	-	107,038	200,641	201,393	509,072
Charge for the year (Note 38)	-	19,945	-	541	101	7,363	27,950
Disposals	-	-	-	(2,220)	(9,499)	(7,713)	(19,432)
At 31 December 2020	-	19,945	-	105,359	191,243	201,043	517,590
Charge for the year (Note 38)	-	4,986	-	538	(379)	-	5,146
Disposals	-	-	-	-	-	-	-
At 31 March 2021	-	24,931	-	105,897	190,864	201,043	522,736
Net book value:							
At 31 March 2021	1,090,457	1,969,613	-	(33)	379	8,018	3,068,433
At 31 December 2020	1,090,457	1,974,599	-	505	-	6,801	3,072,362

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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
<i>Insurance contract liabilities consist of the following:</i>				
Provision for reported claims	3,716,029	3,763,593	3,716,029	3,763,593
Provision for incurred but not reported claims	6,476	73,442	6,476	73,442
Reserve for outstanding claims	3,722,505	3,837,035	3,722,505	3,837,035
Reserve for unearned premium	142,692	273,640	142,692	273,640
	<u>3,865,197</u>	<u>4,110,675</u>	<u>3,865,197</u>	<u>4,110,675</u>
Movement in reserve for outstanding claims				
At 1 January	3,837,037	3,812,872	3,837,037	3,812,872
Claims incurred in the current accident year (Note 30)	(56,771)	113,169	(56,771)	113,169
Claims paid during the year	(69,877)	(89,004)	(69,877)	(89,004)
At 31 December	<u>3,710,388</u>	<u>3,837,037</u>	<u>3,710,388</u>	<u>3,837,037</u>
Movement in reserve for unearned premium				
At 1 January	274,018	240,843	274,018	240,843
Premium written in the year (Note 27)	167,202	564,563	167,202	564,563
Premium earned during the year (Note 27)	(298,528)	(531,388)	(298,528)	(531,388)
At 31 December	<u>142,692</u>	<u>274,018</u>	<u>142,692</u>	<u>274,018</u>
Current	3,865,197	4,110,675	3,865,197	4,110,675
Non-current	-	-	-	-
	<u>3,865,197</u>	<u>4,110,675</u>	<u>3,865,197</u>	<u>4,110,675</u>

13 Trade payables

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

	<u>19,084</u>	<u>73,016</u>	<u>13,809</u>	<u>23,905</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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Staff pension	160,888	157,808	160,888	157,808
Pay-As-You-Earn	183,052	179,756	161,241	157,355
Accruals (Note 14.1)	525,960	528,741	488,277	476,265
NAICOM Levy	14,193	14,193	14,193	14,193
Sundry creditors (Note 14.2)	211,706	149,342	153,368	149,068
Deposit premium	156,419	156,187	156,419	156,187
Unclaimed dividend	64,211	64,211	64,211	64,211
	<u>1,316,429</u>	<u>1,250,237</u>	<u>1,198,597</u>	<u>1,175,086</u>
14.1 Accruals comprise:				
Accrued expense	328,109	327,448	322,251	304,903
National Housing Fund	698	-	-	-
Accrued Rental Income	22,981	23,458	22,981	23,458
Professional fees	64,528	64,528	64,528	64,528
WHT payable	56,709	55,594	43,743	43,373
VAT payable	28,789	28,338	10,628	10,628
Industrial Training Fund (ITF)	17,599	20,679	17,599	20,679
Audit fee	5,160	7,310	5,160	7,310
Accrued claims	1,387	1,387	1,387	1,387
	<u>525,960</u>	<u>528,741</u>	<u>488,277</u>	<u>477,652</u>
14.2 Sundry creditors comprise:				
Anchor pension limited	-	46,180	46,180	46,180
Staff cooperative	76,170	64,113	66,823	64,113
WHT FGN	31,059	31,059	31,059	31,059
Other creditors	104,477	7,990	9,306	7,716
	<u>211,706</u>	<u>149,342</u>	<u>153,368</u>	<u>149,068</u>
15 Taxation				
Per statement of profit or loss:				
Company income tax	8,269	-	-	-
Minimum tax	73,267	21,165	73,267	21,165
Education tax	543	-	-	-
Information technology development levy	-	13,199	-	13,199
	<u>82,079</u>	<u>34,364</u>	<u>73,267</u>	<u>34,364</u>
Over provision	-	-	-	-
Deferred tax expense	(9,788)	-	-	-
Income tax expense	<u>72,291</u>	<u>34,364</u>	<u>73,267</u>	<u>34,364</u>
Per statement of financial position:				
Current income tax payable				
At 1 January	525,521	505,594	512,464	497,937
Charge to profit or loss	73,725	21,409	73,267	14,527
Over provision	-	-	-	-
Withholding tax credit notes utilised	-	-	-	-
Payment during the year	-	(1,482)	-	-
	<u>599,246</u>	<u>525,521</u>	<u>585,731</u>	<u>512,464</u>
Reconciliation of tax charge				
Loss before income tax expense	342,689	342,689	228,960	(141,102)
Tax at Nigeria income tax rate of 30%	102,807	102,807	68,688	(42,331)
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>(263,400)</u>	<u>(305,731)</u>

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

16 Deferred taxation	Group		Company	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Deferred income tax assets/(liabilities) are attributable to the following items:				
Deferred tax liabilities				
Accelerated depreciation	(772,188)	(772,188)	(680,416)	(680,416)
Revaluation gain on land and building	(368,899)	(368,899)	76,199	76,199
Unutilised tax credit	463,833	463,833	463,833	463,833
Fair value gains on investment properties	394,888	394,888	(65,825)	(65,825)
Losses carried forward	35,890	35,890	-	-
Impairment on financial assets	-	-	-	-
	<u>(246,476)</u>	<u>(246,476)</u>	<u>(206,209)</u>	<u>(206,209)</u>
Movement in temporary differences during the year:				
At 1 January	246,476	246,476	206,209	206,209
<i>Recognised in profit or loss:</i>				
Accelerated depreciation	97,577	97,577	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	(30,229)	(30,229)	(30,229)	(30,229)
Losses carried forward	178,544	178,544	178,544	178,544
Impairment on financial assets	9	9	9	9
	<u>3,892</u>	<u>3,892</u>	<u>(14,447)</u>	<u>(14,447)</u>
<i>Recognised in other comprehensive income:</i>				
Revaluation surplus on property	176,261	176,261	176,261	176,261
Amount recorded in accumulated losses impacting from IFRS 9	-	-	-	-
At 31 December	-	-	-	-

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	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Book overdrafts	-	-	-	-
Daewoo Securities (Europe) Limited (Note 17.1)	13,537,660	13,537,660	13,537,660	13,537,660
Term loan - Fidelity Bank	-	38,500	-	-
	<u>13,537,660</u>	<u>13,576,160</u>	<u>13,537,660</u>	<u>13,537,660</u>
17.1 Daewoo Securities (Europe) Limited				
At 1 January	13,537,660	12,454,934	13,537,660	12,454,934
Interest	-	-	-	-
Exchange rate differences	-	1,082,726	-	1,082,726
Book balance	<u>13,537,660</u>	<u>13,537,660</u>	<u>13,537,660</u>	<u>13,537,660</u>

International Energy Insurance Plc issued a bond valued at 1,850,000,000 Japanese Yen (JPY) to Daewoo Securities (Europe) Limited who has 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 Terms and condition of the bond contract, among others granted the bondholders the right to require IEI to redeem all or some of the bonds on 18, 20, 24, 36 and 48 months from the date of the issuance of the bond. On 25 July 2009, 18 months after the issuance of the bonds, Daewoo exercise their right of early redemption, contrary to the general understanding of the parties that the bonds were to be a long term borrowing. The bond is now a subject of litigation.

IEI has denied 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 indicated that it is not probable that a significant liability will arise.

The matter is currently being considered by the Company lawyers and the Company expects a judiciary 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 recognise a provision of interest and penalty on the loan in 2019.

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

18 Deposit for shares	Group		Company	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Private placement	289,072	289,072	289,072	289,072
Staff	28,161	28,161	28,161	28,161
	<u>317,233</u>	<u>317,233</u>	<u>317,233</u>	<u>317,233</u>

18.1 Deposit for shares				
Opening Balance- 1st January	317,233	317,233	317,233	317,233
Additions	-	-	-	-
Written off to accumulated loss	-	-	-	-
Closing Balance	<u>317,233</u>	<u>317,233</u>	<u>317,233</u>	<u>317,233</u>

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

18.2 Deposit for shares - Staff				
Opening Balance - 1st January	29,055	29,055	28,161	29,055
Additions	-	-	-	-
Refunds/ Written off to accumulated loss	-	(894)	-	(894)
Closing Balance	<u>29,055</u>	<u>29,055</u>	<u>28,161</u>	<u>28,161</u>

19 Share capital	Group		Company	
	2021	2020	2021	2020
	=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

20 Share premium				
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	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
At 1 January	1,601,937	1,570,275	1,583,143	1,566,206
Transfer from profit or loss	5,159	31,662	5,016	16,937
At end of period	<u>1,607,096</u>	<u>1,601,937</u>	<u>1,588,159</u>	<u>1,583,143</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	
	2021	2020	2021	2020
	=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	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
At 1 January	(24,108,118)	(23,500,237)	(23,825,671)	(23,198,670)
Transfer to contingency reserves	(5,159)	(21,887)	(5,016)	(16,937)
Transfer from profit or loss	239,440	(611,021)	155,693	(635,091)
Adjustment made to write off balances		25,027		25,027
Prior year adjustment	-	-	-	-
At end of period	(23,873,838)	(24,108,118)	(23,674,995)	(23,825,671)

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	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
At 1 January	1,501,417	1,501,417	1,482,917	1,482,917
Transfer from OCI	-	-	-	-
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	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
At 1 January	152,283	42,901	152,283	42,901
Transfer from OCI	-	-	-	109,382
At end of period	152,283	42,901	152,283	152,283

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 Mar-2021	31 Dec-2020
Opening balance	186,587	181,954
Share from total comprehensive income	(26,952)	4,633
Closing balance	159,635	186,587

27 Gross premium income	Group		Company	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Gross premium written:				
<i>Direct</i>	166,465	161,195	166,465	161,195
<i>Inward</i>	738	978	738	978
Total gross written premium (Note 12)	167,202	162,173	167,202	162,173
Change in unearned premium	131,321	(15,522)	131,321	(15,522)
Gross premium income (Note 12)	298,523	146,651	298,523	146,651

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	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Outward reinsurance	29,515	27,358	29,515	27,358
Decrease in prepaid reinsurance (Note 5)	-	-	-	-
	<u>29,515</u>	<u>27,358</u>	<u>29,515</u>	<u>27,358</u>

Reinsurance expenses represent outward premium paid to reinsurance companies.

29 Commission income	Group		Company	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Commission income	5,058	2,094	5,058	2,094

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

30 Claims expenses	Group		Company	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Gross claims paid	69,877	592,288	69,877	9,493
Change in outstanding claims reserve	(133,125)	-	(133,125)	(6,020)
Changes in IBNR	6,476	-	6,476	-
	<u>(56,771)</u>	<u>592,288</u>	<u>(56,771)</u>	<u>3,474</u>
Recoverable from reinsurance (Note 30.1)	(19,947)	(69,894)	(19,947)	(335)
	<u>(76,718)</u>	<u>522,394</u>	<u>(76,718)</u>	<u>3,139</u>

30.1 Recoverable from reinsurance:

Reinsurance share of claims paid (Note 5)	12,075	69,894	12,075	335
Change in reinsurance share of outstanding claims	-	-	-	-
Changes in reinsurance share of IBNR	-	-	-	-
	<u>12,075</u>	<u>69,894</u>	<u>12,075</u>	<u>335</u>

31 Acquisition costs

Deferred acquisition costs at 1 January	10,550	14,666	10,550	14,666
Commission for the year (Note 6)	8,690	28,713	8,690	28,713
Gross commission	19,240	43,379	19,240	43,379
Deferred acquisition costs at 31 March	(6,753)	(10,550)	(6,753)	(10,550)
	<u>12,487</u>	<u>32,829</u>	<u>12,487</u>	<u>32,829</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

33.1 Interest revenue calculated using effective interest method	Group		Company	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Short term investment income	352	18,312	-	17,356
Rental Income	6,526	832	6,526	832
Interest on bank and statutory deposits	3,394	-	3,394	-
	<u>10,272</u>	<u>19,144</u>	<u>9,920</u>	<u>18,188</u>

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

33.2 Other investment income	Group		Company	
	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Dividend income	-	1,445	-	1,445
34 Net realised gains				
On disposal of property, plant and equipment	(12)	5,193	(12)	173
Recycled to profit or loss	-	-	-	-
(Loss)/gain on disposal of financial asset	-	-	-	-
	(12)	5,193	(12)	173
35 Net fair value loss				
Financial assets (FVPOL) (Note 2.1)	-	-	(6,016)	-
On investment properties (Note 8)	-	-	-	-
	-	-	(6,016)	-
36 Other income				
Fee based income	229,580	150,960	-	-
Recovery on financial asset	-	-	-	-
Foreign exchange gains	-	-	-	-
Sundry income	54,500	-	54,500	-
	284,080	150,960	54,500	-
37 Charge on impairment of assets				
Impairment on cash and cash equivalents (Note 1.2)	734	712	693	-
Impairment on amortised costs (Note xx)	-	194	-	-
Impairment on FVOCI (Note 41)	-	-	-	-
	734	906	693	-
38 Management expenses				
Personnel cost (Note 47)	205,597	170,318	75,360	64,956
Directors emoluments	9,240	5,047	3,990	1,047
Auditors remuneration	500	375	-	-
Depreciation (note 10)	19,064	19,740	5,146	2,895
Amortisation (Note 9)	933	312	-	-
Legal and other professional fees	15,585	33,392	11,835	25,241
Bad debt written off	-	-	-	-
Motor running expenses	3,776	5,653	3,776	5,653
Subscription and donations	1,682	3,114	617	2,284
Corporate gift and miscellaneous	-	-	-	-
Repairs and maintenance	12,105	16,981	5,532	6,888
Rent and rates	6,032	5,455	824	910
Postage and telephone	3,078	4,083	664	947
Transport and travelling	3,760	5,745	2,922	2,709
Advertisements, sales and marketing	32	254	32	254
Printing and stationery	2,126	1,406	771	452
Security expenses	1,819	2,009	1,360	1,517
Oil and diesel	4,472	5,120	1,755	1,695
Insurance and license	1,605	3,046	659	2,250
State and local government levy	2,370	2,465	819	1,528
NAICOM Levy	-	-	-	-
Balance carried forward	293,777	284,514	116,063	121,225

INTERNATIONAL ENERGY INSURANCE PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

38 Management expenses - continued	Group		Company	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Balance brought forward	293,777	284,514	116,063	121,225
Other operating expenses	26,908	19,251	5,893	1,208
ICT consumables	266	129	266	129
Internet subscription	3,651	8,251	1,086	4,972
Bank charges	75	118	1	-
Electricity and utilities	2,958	1,319	1,090	847
Fines and penalty	1,660	296	1,360	296
Sales and marketing	15,916	21,587	-	-
	<u>345,209</u>	<u>335,465</u>	<u>125,757</u>	<u>128,677</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	2,178	-	-	-
Other interest expense	-	-	-	-
Exchange loss on borrowings	-	-	-	-
	<u>2,178</u>	<u>-</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	
	2021	2020	2021	2020
Net losses attributable to owners of the parent =N='000	239,440	14,428	228,960	70,256
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>18.65</u>	<u>1.12</u>	<u>17.83</u>	<u>5.47</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 Outstanding litigations

In the ordinary course of business, there are pending litigations involving the Company for which no provision has been made amounting to N80.720 million (2019:N56.7 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.

INTERNATIONAL ENERGY INSURANCE PLC

NON LIFE REVENUE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2021

REVENUE	Fire =N='000	Motor =N='000	General accident =N='000	Marine =N='000	Oil and energy =N='000	Total 2021 =N='000	Total 2020 =N='000
Direct premium	3,252	135,717	4,122	23,374	-	166,465	161,195
Inward premium	91	329	317	-	-	738	978
Gross written premium	3,343	136,046	4,440	23,374	-	167,202	162,173
Change in unearned premium	4,863	137,714	2,344	(13,601)	-	131,321	(15,522)
Gross premium earned	8,206	273,760	6,784	9,773	-	298,523	146,651
Outward reinsurance	(1,877)	(22,688)	(2,475)	(2,475)	-	(29,515)	(27,358)
Net premium earned	6,329	251,072	4,309	7,298	-	269,008	119,293
Commission received	516	(864)	470	4,936	-	5,058	2,094
Net underwriting income	6,845	250,208	4,779	12,234	-	274,066	121,387
EXPENSES							
Gross claims paid	35,000	15,036	4,176	15,665	-	69,877	9,493
Change in outstanding claims	(45,316)	3,711	(17,852)	(16,600)	(50,591)	(126,648)	(6,020)
Gross claims incurred	(10,316)	18,747	(13,676)	(936)	(50,591)	(56,771)	(103,227)
Reinsurance claims recovery	(2)	(1,468)	-	(18,476)	-	(19,947)	(335)
Net claims incurred	(10,318)	17,279	(13,676)	(19,412)	(50,591)	(76,718)	(103,562)
Acquisition costs	1,615	8,136	1,100	1,551	-	12,402	14,031
Maintenance costs	28	34,396	4,197	2,743	-	41,364	31,791
Underwriting expenses	(8,675)	59,810	(8,379)	(15,118)	(50,591)	(22,952)	(57,739)
Underwriting profit/(loss)	15,520	190,398	13,158	27,352	50,591	297,018	179,127