

**Guinea Insurance Plc  
Management Accounts**

**30 June, 2021**

**Guinea Insurance Plc****FINANCIAL STATEMENT SUMMARY**

	<b>JAN - JUNE 2021</b>	<b>JAN - JUNE 2020</b>
	<b>=N=000</b>	<b>=N=000</b>
Total Assets	3,706,442	3,504,753
Total Equity	2,032,536	2,117,875
Insurance Contract Liabilities	1,064,228	902,593
Total Liabilities	1,673,906	1,386,877
Gross Premium Written	807,794	514,414
Gross Premium Income	651,230	518,181
Net Premium Income	433,696	373,426
Claims Expenses	(70,442)	(100,374)
Underwriting result	188,940	183,219
Other operating expenses	(310,815)	(337,354)
Profit/(Loss) b4 Income tax	(90,594)	(74,365)
Income Tax expenses	-	-
Profit/(Loss) for the year	(90,594)	(74,365)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
		JAN - JUNE 2021	JAN - June 2020
for the period ended 30 June, 2021			
In thousands of Naira	Notes	30-06-21	30-Jun-20
Gross premium written	1	807,794	514,414
Movement in unearned premium	1	(156,563)	3,767
Gross premium income	1	651,230	518,181
Reinsurance expenses	2	(217,534)	(144,755)
Net premium income		433,696	373,426
Fees and commission income on reinsurance	3	17,052	36,109
Net underwriting Income		450,747	409,535
Claims expenses	4	(70,442)	(100,374)
Underwriting expenses	5	(191,365)	(125,942)
Underwriting profit		188,940	183,219
Investment Income	6	31,362	79,134
Fair value gains on investment properties	7	-	-
Other operating income/(loss)	8	(81)	636
Revaluation loss		-	-
Impairment (charge)/reversal	9 (a)	(0)	-
Finance cost	10	-	-
Other operating expenses	9	(310,815)	(337,354)
Profit/(Loss) before taxation		(90,594)	(74,365)
Income tax (expense)/credit	11	-	-
Profit/(Loss) after taxation		(90,594)	(74,365)
<b>Other comprehensive income</b>			
Items within OCI that may be reclassified to the profit or loss:			-
Gain/(loss) on available-for-sale financial assets	14	11,355	(6,470)
Related tax			
Remeasurement gains on defined benefit			
Items within OCI that will not be reclassified to the profit or loss:			-
Revaluation gains on land and building	15	-	-
<b>Total other comprehensive income</b>		11,355	(6,470)
<b>Total comprehensive profit for the year, net of tax</b>		<b>(79,239)</b>	<b>(80,835)</b>
<b>Contingency Reserve</b>		<b>24,234</b>	<b>15,432</b>
<b>Earnings/(Loss) per share - Basic and Diluted (kobo)</b>	13	<b>(1.48)</b>	<b>(1.25)</b>

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


**STATEMENTS OF FINANCIAL POSITION**  
As At 30 JUNE, 2021

In thousands of Naira		30-06-21	31-12-20
	<b>Note</b>		
<b>Assets</b>			
Cash and cash equivalents	16	667,402	671,661
Financial assets:			
Available-for-sale financial assets	17	268,488	263,233
Held to maturity	18	904,934	886,042
Trade receivables	19	0	-
Reinsurance assets	19	432,519	300,328
Deferred acquisition costs	20	90,322	62,932
Other receivables and prepayments	21	58,114	55,676
Investment properties	22	85,000	85,000
Intangible Asset	24	6,530	3,998
Property and equipment	25	859,481	842,228
Statutory deposit	26	333,654	333,654
<b>Total assets</b>		<b>3,706,442</b>	<b>3,504,753</b>
<b>Liabilities</b>			
Insurance contract liabilities	27	1,064,228	902,593
Trade payables	28	67,476	-
Other payables and accruals	29	190,828	134,074
Employee benefit obligations	31	5,536	1,743
Current tax payable	24.1	83,127	87,057
Deferred tax liabilities	24.2	111,311	110,011
Deposit for shares	32	151,400	151,400
<b>Total liabilities</b>		<b>1,673,906</b>	<b>1,386,877</b>
<b>Equity</b>			
Issued share capital	33.2	3,070,000	3,070,000
Share premium	34	337,545	337,545
Contingency reserve	35	575,557	551,323
Accumulated losses	36	(2,134,240)	(2,019,412)
Available-for-sale reserve and others		117,985	112,730
Other reserves		65,688	65,688
<b>Total equity</b>		<b>2,032,536</b>	<b>2,117,875</b>
<b>Total liabilities and equity</b>		<b>3,706,442</b>	<b>3,504,752</b>

These financial statements were approved by the Board of Directors on 29th July 2021 and signed on behalf of the Board of directors by:



**Ademola Abidogun**  
Managing Director/Chief Executive Officer  
FRC/2016/CIIN/00000014549



**Pius Edobor**  
Executive Director, Finance  
FRC/2013/ICAN/00000004638

**STATEMENTS OF CHANGES IN EQUITY**  
for the period ended 30 June, 2021

In thousands of Naira	Issued share capital	Accumulated Losses	Share premium	Contingency reserve	AFS Reserves	Asset revaluation	Defined benefit	Total equity
<b>As at 1 January 2021</b>	3,070,000	(2,019,412)	337,545	551,323	-	41,902	-	1,981,358
Loss for the year	-	(90,594)	-	-	-	-	-	(90,594)
Other comprehensive income:								
Reversal of prior year fair value loss								
Fair value changes on AFS	-	-	-	-	11,355	23,786	-	35,141
Revaluation gain on PPE								
Employee defined benefit								
Income tax impact on OCI								
<b>Total comprehensive income for the year</b>	-	(90,594)	-	-	11,355	23,786	-	(55,453)
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(24,234)	-	24,234	-	-	-	-
Reclassification								
	-	(24,234)	-	24,234	-	-	-	-
<b>As at 30 June, 2021</b>	<b>3,070,000</b>	<b>(2,134,240)</b>	<b>337,545</b>	<b>575,557</b>	<b>11,355</b>	<b>65,688</b>	<b>-</b>	<b>1,925,905</b>
<b>for the Period ended 30 June, 2020</b>								
<b>In thousands of Naira</b>								
<b>As at 1 January 2020</b>	3,070,000	(1,759,222)	337,545	518,878	65,513	-	0	2,232,713
Profit for the year	-	(76,936)	-	-	-	-	-	(76,936)
Transfer to contingency reserve								
Other comprehensive income:								
Reversal of prior year fair value loss								
Fair value changes on AFS	-	-	-	-	(6,470)	-	-	(6,470)
Revaluation gain on PPE								
Reclassification								
Income tax impact on OCI								
<b>Total comprehensive income for the year</b>	<b>3,070,000</b>	<b>(1,836,158)</b>	<b>337,545</b>	<b>518,878</b>	<b>59,042</b>	<b>-</b>	<b>0.00</b>	<b>2,149,307</b>
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(15,432)	-	15,432	-	-	-	-
<b>As at 30 June, 2020</b>	<b>3,070,000</b>	<b>(1,851,591)</b>	<b>337,545</b>	<b>534,310</b>	<b>59,042</b>	<b>-</b>	<b>0.00</b>	<b>2,149,307</b>

**STATEMENT OF CASH FLOWS**  
**for the period ended 30 June, 2021**

In thousands of Naira		30-06-2021	30-06-2020
<b>Operating activities:</b>	Note		
Premium received	40.1	807,794	1,086,733
Commission received	40.2	5,777	83,779
Commission paid	20	(99,950)	(182,484)
Reinsurance premium paid	40.3	(282,249)	(334,402)
Gross claim paid	40.4	(111,127)	(271,589)
Reinsurance recoveries	40.4	34,183	212,822
Payments to employees	40.5	(139,249)	(322,619)
Other operating cash payments	40.6	(187,190)	(442,188)
Other income received	40.8	-	47
Tax paid	24.1	(2,630)	(6,456)
<b>Net cash flow from operating activities</b>		<b>25,359</b>	<b>(176,356)</b>
<b>Investing activities:</b>			
Investment income received	40.7	31,362	84,245
Purchase of property and equipment	25	(42,087)	(81,854)
Proceed from sale of property and equipment		-	3,704
Purchase/sales of financial assets		(18,892)	161,381
Proceed/(purchase) of investment properties		-	-
<b>Net cash flows from investing activities</b>		<b>(29,618)</b>	<b>167,476</b>
<b>Financing activities:</b>			
Deposit for shares	32	-	-
Interest repayment on finance lease		-	-
principal repayment on finance lease		-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents		(4,259)	(8,880)
Effect of exchange rate changes on cash and cash equivalent		-	-
Cash and cash equivalents at 1 January		671,661	680,541
Cash and cash equivalents at 30 June, 2021		<b>667,402</b>	<b>671,661</b>

**GUINEA INSURANCE PLC**  
**SOLVENCY MARGIN COMPUTATION**  
for the period ended 30 June, 2021

Solvency Margin The solvency margin, which is determined as the excess of admissible assets over total liabilities shall not be less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital, which ever is greater. The table below shows the computation of the company's solvencymargin ratio for the period ended 30 June, 2021.

	Wednesday, June 30, 2021			31-12-20
	TOTAL =N=000	INADMISSIBLE =N=000	ADMISSIBLE =N=000	ADMISSIBLE =N=000
<b>Assets</b>				
Cash and cash equivalents	667,402	-	667,402	671,661
Financial assets				
Available-for-sale financial assets	268,488		268,488	263,233
Held to maturity	904,934		904,934	886,042
Trade receivables	0		0	-
Reinsurance assets	432,519		432,519	300,328.31
Deferred acquisition costs	90,322		90,322	62,931.57
Other receivables and prepayments	58,114	49,827	8,287	4,244.00
Investment properties	85,000	-	85,000	85,000.00
Intangible Asset	6,530	6,530	-	-
Property, plant and equipment	859,481	-	859,481	842,229
Statutory deposit	333,654	-	333,654	333,654
<b>Total assets</b>	<b>3,706,442</b>	<b>56,356</b>	<b>3,650,085</b>	<b>3,449,322</b>
<b>Liabilities and Equity</b>				
Insurance contract liabilities	1,064,228		1,064,228	902,593
Trade payables	67,476		67,476	-
Other payables and accruals	190,828		190,828	134,002
Employee benefit obligations	5,536		5,536	1,743
Current tax payable	83,127		83,127	87,057
Deposit for shares	111,311		111,311	151,400
Deferred tax liabilities	151,400	151,400	-	-
<b>Total liabilities</b>	<b>1,673,906</b>	<b>151,400</b>	<b>1,522,506</b>	<b>1,276,794</b>
<b>Solvency Margin (A)</b>			<b>2,127,579</b>	<b>2,172,528</b>
<b>TEST</b>				
15% of net premium (B)			65,054	162,226
Required Solvency ©			3,000,000	3,000,000
The higher of 15% of net premium and Minimum paid up share capital			3,000,000	3,000,000
Deficit			(872,421)	(827,472)

(44,949)

CHIEF FINANCE OFFICER

Managing Director/CEO

1	Gross premium income		
	In thousands of Naira		
		30-Jun-21	30-Jun-20
	Gross premium written	807,794	514,414
	Movement in unearned premium (see note 28.4)	(156,563)	3,767
		<u>651,230</u>	<u>518,181</u>

(a)	Gross Premium Income Movement		unearned premium (see note 28.4)	Gross premium income
	In thousands of Naira	30-Jun-21	30-Jun-21	30-Jun-21
	Motor	159,227	(4,185)	163,412
	Fire	155,692	2,189	153,503
	Marine and aviation	26,335	(822)	27,158
	General Accident	154,295	(1,611)	155,906
	Oil and Gas	312,245	160,993	151,252
		<u>807,794</u>	<u>156,563</u>	<u>651,230</u>

1.1	Changes in unearned Premium per class of insurance business	Unearned Premium As At	Increase/ (Decrease) in Unearned premium	Unearned Premium As At
		01-01-21 N'000	N'000	30-06-21 N'000
	Motor			
	Fire			
	Marine & Aviation			
	Miscellaneous General Accident			
	Oil and Gas			
		<u>-</u>	<u>-</u>	<u>-</u>

		Unearned Premium As At	Increase/ (Decrease) in Unearned premium	Unearned Premium As At
		01-01-20 N'000	N'000	30-06-21 N'000
	Motor			
	Fire			
	Marine & Aviation			
	Miscellaneous General Accident			
	Oil and Gas			
		<u>-</u>	<u>-</u>	<u>-</u>

2	Re-insurance expenses		
		30-Jun-21	30-Jun-20
	Gross premium ceded to reinsurers	445,272	71,506
	Movement in reinsurance expense	(227,737)	73,249
	Reinsurance expense for the year	<u>217,534</u>	<u>144,755</u>

3	Fees and commission income		
		30-Jun-21	30-Jun-20
	Commission received on treaty reinsurance	11,326	2,615
	Commission received on facultative reinsurance	5,500	15,891
	Over-riding commission received.	225	417
		<u>17,052</u>	<u>18,923</u>



4	Claims expenses	-		
			<u>30-Jun-21</u>	<u>30-Jun-20</u>
	Claims paid during the year		111,127	147,287
	Movement in outstanding claims		(6,502)	34,148
	Movement in IBNR		-	-
	Total claims incurred for the year		<u>104,625</u>	<u>181,434</u>
	Recoveries from reinsurers		(34,183)	(83,098)
	Movement in reinsurance share of outstanding claims		-	2,037
	Movement in reinsurance share of outstanding claims IBNR		-	-
			<u><b>70,442</b></u>	<u><b>100,374</b></u>
5	Underwriting expenses	-		
			<u>30-Jun-21</u>	<u>30-Jun-20</u>
	Acquisition cost (see note 21 and see (a) below)		99,950	103,282
	Underwriting cost		91,415	22,660
			<u><b>191,365</b></u>	<u><b>125,942</b></u>
6	Investment income	-		
			<u>30-Jun-21</u>	<u>30-Jun-20</u>
	Rental income from land and building		5,306	3,557
	Dividend income on AFS equity		6,488	4,073
	Interest income on statutory deposit with CBN		526	23,033
	Interest income on fixed deposit		876	8,676
	Interest income on treasury bills		18,165	39,794
			<u><b>31,362</b></u>	<u><b>79,134</b></u>
	Gain from sale of investment property		-	-
			<u><b>31,362</b></u>	<u><b>79,134</b></u>

**7 Net fair value gains**

In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
(a) Fair value gains on investment properties	-	-
	<u>-</u>	<u>-</u>

**8 Other operating income**

In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
Recoveries from other receivables	-	47
Revaluation (loss)/gain on building (See note 25)	-	-
Realized forex gains/(loss)	(252)	-
Gain/(loss) from disposal of company's	114	589
Unrealized forex gains	57	-
Sundry Income /(loss)	-	-
	<u>(81)</u>	<u>636</u>

**9 Other operating expenses**

In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
Depreciation and amortization	24,449	28,282
Auditors' remuneration	2,500	-
Staff cost	143,042	163,848
Legal and professional fees	14,233	17,555
Rent and Rates	6,975	6,035
Administrative expenses (see note 9c)	119,616	121,635
	<u>310,814</u>	<u>337,354</u>

Administrative expenses include car repairs and maintenance, ICT expenses, office

**(a) Impairment (charge)/reversal**

In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
Available for sale financial asset	-	-
Other receivables (see note 22.1)	-	-
Reinsurance Assets	(0)	-
	<u>(0)</u>	<u>-</u>

**(b) Staff cost**

In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
Wages and salaries	137,163	157,082
Defined benefit plan cost	-	(0)
Pension costs	5,879	6,766
	<u>143,042</u>	<u>163,848</u>

(c) Administrative expenses (see note 9c)

In thousands of Naira	30-Jun-21	30-Jun-20
OFFICE MAINTAINANCE	1,663	1,603
COMPUTER ACCESSARIES/EDP EXPENSES	-	-
CAR PETROL & DIESEL	10,749	8,660
CAR REPAIRS & MAINTAINANCE	5,932	5,171
BOOKS AND PERIODCLS	-	-
HMO EXPENSES	7,469	1,179
OFFICE CONSBLS AND STAT'RY	1,546	549
POSTAGE & COURIER SERVICES	586	1,851
EQUIPMENT REPAIRS & MAINTAINANCE	1,377	3,826
TELEPHONE, TELEX & FAX	3,236	327
TRANSPORT EXPENSES	516	2,027
TOUR & TRAVEL	4,981	2,094
OFFICE EXPENSES	2,467	33
ELECTRICITY & ENERGY	195	483
ENTERTAINMENT EXPENSES	382	9,253
ICT EXPENSES	9,738	1,847
PRINTING	2,400	7,081
OFFICE SERVICE CHARGE	4,137	2,751
TRANSPORT EXPENSE UBER	3,165	-
DIRECTORS REMUNERATION	-	6,525
DIRECTORS EXPENSES	4,188	-
ANNUAL GENERAL MEETING	144	606
SUBSCRIPTION	529	1,761
ADVERTISING	2,530	19,754
CORPORATE GIFTS	12,753	1,000
DONATION & CONTRIBUTIONS	-	-
PUBLIC RELATION	-	18,832
STATUTORY LEVY	12,105	1,391
NAICOM & ASSOCIATED DUES	604	-
TAX CONSULTANCY FEES	-	2,915
BANK CHARGES	6,179	-
NIGERIA INSURANCE ASSOCIATION - NIA	-	-
NIGERIA STOCK EXCHANGE	-	-
PAYE	2,713	2,802
INDUSTRIAL TRANING FUND - ITF	2,909	-
FINANCIAL REPORTING COUNCIL OF NIGERIA -FRCN	491	1,861
VAT & WTH TAX EXPENSES	-	-
GOVERNMENT LEVY	913	537
VAT	(1)	-
NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT FUND	-	4,470
NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT FUND (NITDF) LEVY	-	32
INSURANCE	2,995	10,412
STAMP DUTY	341	20
CONTRACTORS - OUTSOURCED STAFF	9,685	6,932
	<b>119,616</b>	<b>128,587</b>

Office running expenses includes car repairs and maintenance, ICT expenses and office mainte

10 Finance cost

In thousands of Naira	30-Jun-21	30-Jun-20
	-	-
	-	-

This represent interest charged on motor vehicles purchased on fianance lease.

**11 Current tax****11.1 Charge for the year**

In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
<b>Recognised in profit or loss</b>		
Income tax	-	-
Minimum tax	-	-
Tertiary education tax	-	-
NITDA	-	-
Prior year under provision	-	-
	-	-
Deferred tax (credit)/charge (see note 24.2)	-	-
	<u>-</u>	<u>-</u>

**11.2 Reconciliation of effective tax rate**

In thousands of Naira	<b>30-Jun-21</b>		<b>30-Jun-20</b>	
	Tax rate	Amount	Tax rate	Amount
	%		%	
Profit/(loss) before tax		<u>(90,594)</u>		<u>(801,642)</u>
Income tax using the domestic corporation tax rate	30%	-	30%	-
Non-deductible expenses	0%	-	0%	-
Minimum tax		-		-
Tax exempt income	0%	-	0%	-
Impact of Industry tax law	0%	-	0%	-
Unrelieved loss	0%	-	0%	-
Changes in estimates related to prior years	0%	-	0%	-
	<u>30%</u>	<u>-</u>	<u>30%</u>	<u>-</u>

**12 Dividends paid and proposed**

No dividend was proposed or paid by the Company for the period ended December 31, 2020 (2019: nil).

**13 Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year outstanding at the reporting date. There are no potential diluted shares

	<u>30-Jun-21</u>	<u>30-Jun-20</u>
Profit attributable to ordinary shareholders (N'000)	(90,594)	(76,936)
	<b>Unit</b>	<b>Unit</b>
Weighted average number of ordinary shares issued ('000)	<b>6,140,000</b>	<b>6,140,000</b>
There were no dilutive shares during the year		
Basic and diluted earnings per ordinary share (Kobo)	<u>(1.48)</u>	<u>(1.25)</u>
<b>14 Net unrealized (loss)/gains on available-for-sale financial assets</b>		
In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
Unrealised (loss)/gains on available-for-sale financial assets	11,355	(6,470)
Reclasification adjustments to gains included in profit or loss	<u>11,355</u>	<u>(6,470)</u>
<b>15 Net unrealized (loss)/gains on ppe - land &amp; building</b>		
In thousands of Naira	<u>30-Jun-21</u>	<u>30-Jun-20</u>
Unrealised (loss)/gains on ppe - land & building	-	-
Reclasification adjustments to gains included in profit or loss	<u>-</u>	<u>-</u>

**16 Cash and cash equivalents**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Cash and cash equivalent comprises :		
Cash in Hand	-	0
Balance held with banks in Nigeria	646,486	661,137
Placements	20,916	10,524
	<u>667,402</u>	<u>671,661</u>
<b>Representing:</b>		
Policyholder's fund	516,002	520,261
Shareholder's fund	151,400	151,400
	<u>667,402</u>	<u>671,661</u>

Placements comprise deposits with maturity periods of less than 90 days from the value date of the instruments. All placements are subject to an average variable interest rate of 2.0% (2019: 8.0%) obtainable in the market.

reporting date and are all current balances

**17 Available-for-sale financial assets comprises:**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Available-for-sale financial assets	161,857	263,233
	<u>161,857</u>	<u>263,233</u>

**17.1 Available-for-sale financial assets comprises:**

	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Equity securities		
Quoted (see (a) below)	62,074	56,820
Unquoted (see (b) below)	102,952	209,582
Impairment loss	(3,168)	(3,168)
Treasury bills	-	-
	<u>161,857</u>	<u>263,234</u>

**(a) Quoted Equities:**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
At 1 January	56,820	53,500
Fair value gain/(loss) (see note 38)	5,254	3,320
	<u>62,074</u>	<u>56,820</u>

**(b) Unquoted Equities:**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
At 1 January	209,582	165,684
Addition through rights issue	-	-
Fair value gain (see note 38)	-	43,898
	<u>102,952</u>	<u>209,582</u>

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that have less than three month's maturity such as demand deposits and those without specified maturity such as statutory deposit, other receivables and other payables, the carrying amounts approximate to their fair value.

Determination of fair value and fair values hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- ▶ Level 1: Quoted (unadjusted) prices in active markets for identical assets
- ▶ Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and
- ▶ Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**18 Held to maturity financial assets**

In thousands of Naira

	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Held to maturity financial assets	904,934	886,042
	<u>904,934</u>	<u>886,042</u>

**18.1 Held to maturity financial assets comprises:**

	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Treasury bills	717,392	886,042
Addition	187,542	-
	<u>904,934</u>	<u>886,042</u>

**18.2 Classification**

	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Current	904,934	886,042
Non-current	-	-
	<u>904,934</u>	<u>886,042</u>

**19 Trade receivables**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Gross insurance receivables	0	-
Impairment allowance	-	-
	<u>0</u>	<u>-</u>

The carrying amounts disclosed above approximate fair value at the reporting date. Impairment allowance involves all trade receivables aged over 30 days.

**18.2 Impairment of trade receivables are as follows**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Insurance companies	-	-
Broker	-	-
	<u>-</u>	<u>-</u>

Impairment allowance involves all trade receivables aged over 30 days.

<b>Classification</b>	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Current	0	0
Non-current	-	-
	<u>0</u>	<u>0</u>

**19 Reinsurance asset**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Prepaid reinsurance	227,737	125,012
Reinsurance share of paid claims	45,787	18,337
Reinsurance share of outstanding claims	128,536	126,521
Reserve for IBNR (see note (a))	30,458	30,458
	<u>432,519</u>	<u>300,328</u>

Prepaid reinsurance represents the unexpired risk on premium ceded to reinsurer

<b>Classification</b>	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Current	432,519	300,328
Non-current	-	-
	<u>432,519</u>	<u>300,328</u>



**20 Deferred acquisition cost**

This represent the unexpired portion of the commission paid to brokers and agents at the reporting date.

	Fire	Motor	General accident	Marine and aviation	Total
In thousands of Naira					
<b>As at 1 January 2021</b>	<b>22,404</b>	<b>17,398</b>	<b>47,806</b>	<b>2,713</b>	<b>90,322</b>
Additional Acquisition cost for the year	7,394	2,562	72,235	17,760	99,950
Amortization for the year (see note 5)	(7,394)	(2,562)	(72,235)	(17,760)	(99,950)
<b>As at June 30, 2021</b>	<b>22,404</b>	<b>17,398</b>	<b>47,806</b>	<b>2,713</b>	<b>90,322</b>
2021					
Current	22,404	17,398	47,806	2,713	90,322
Non-current	-	-	-	-	-
	<b>22,404</b>	<b>17,398</b>	<b>47,806</b>	<b>2,713</b>	<b>90,322</b>
2020					
Current	<b>19,578</b>	<b>17,909</b>	<b>22,832</b>	<b>2,613</b>	<b>62,932</b>
Non-current	-	-	-	-	-
	<b>19,578</b>	<b>17,909</b>	<b>22,832</b>	<b>2,613</b>	<b>62,932</b>

0

**21 Other receivables and prepayment**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Due from Insurance Company	-	-
Prepaid staff expense	8,287	4,244
Accrued interest on statutory deposit	7,860	10,491
Rent receivable		
Deposit for computerization	93,880	93,880
Withholding tax receivable	9,832	9,279
Prepayments	35,008	34,536
	<u>154,868</u>	<u>152,430</u>
Impairment charged on other receivables (see note 22.1)	(96,754)	(96,754)
	<u>58,114</u>	<u>55,676</u>

**22.1 Movement on impairment**

As 1 January	(96,754)	(96,754)
Impairment (charge)/reversal during the year	-	-
	<u>(96,754)</u>	<u>(96,754)</u>

**22 Investment properties**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Reconciliation of carrying amount		
At 1 January	85,000	78,000
Disposal	-	-
Impairment loss	-	-
Fair value adjustment (see note 7)	-	7,000
	<u>85,000</u>	<u>85,000</u>

Investment properties are stated at fair value, which has been determined based on valuations performed by Ubsi Eleh & Co. (FRCN/2014/NIESV/0000003997), accredited independent valuers. The valuer is a specialist in valuing these types of investment properties. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific peculiarities corroborated with available data derived from previous experiences.

Valuations are performed on an annual basis and the fair value gains and losses were recorded within the profit or loss.







**23 Current Tax Liability**

The movement on tax payable account during the year is as follows:

**24.1 Current tax payable**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
At 1 January	83,127	90,809
Payments during the year	-	(6,456)
Charge for the year (see note 11.1)	-	2,704
	-	-
	<u>83,127</u>	<u>87,057</u>

**24.2 Deferred tax liabilities**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
At 1 January	115,300	107,368
Charge to profit or loss for the year (see note 11.2)	-	-
Recognized in OCI	-	2,643
	<u>115,300</u>	<u>110,011</u>

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2019: 10%) on investment properties and 30% (2019: 30%) on other items.

**24 Intangible Asset**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
At 1 January	6,886	86,929
Additions	-	4,732
Amounts recorded in the income statement	-	-
	<u>6,886</u>	<u>91,661</u>
Accumulated amortisation and impairment:		
At 1 January	356	86,919
Amortization	-	744
	<u>356</u>	<u>87,663</u>
Carrying amount:		
At 30 April	-	-
	<u>6,530</u>	<u>3,998</u>
The intangible assets are non-current.	<u>6,530</u>	<u>3,998</u>

**25 Property, Plant and equipment**

In thousands of Naira	Motor Vehicles	Building	Land	Computer Equipment	Office Furniture and Fittings	Work in progress	Total
<b>Cost/Revalued Amount</b>							
At 1 January 2021	194,259	525,000	276,000	116,352	114,067	-	1,225,678
Additions	33,720	-	-	1,779	6,588	-	42,087
Revaluation surplus		-	-				-
Elimination adjustment							-
Revaluation loss (see note ****)							-
Impairment		-					-
Reclasification					-	-	-
Disposals	-	-	-	-	-		-
As At 30 June, 2021	<u>227,979</u>	<u>525,000</u>	<u>276,000</u>	<u>118,131</u>	<u>120,656</u>	<u>-</u>	<u>1,267,766</u>
<b>Accumulated depreciation</b>							
At 1 January 2021	172,028	-	-	114,027	100,076	-	386,131.62
Depreciation for the period	6,614	13,257		1,671	612	-	22,153.35
	<u>178,642</u>	<u>13,257</u>	<u>-</u>	<u>115,698</u>	<u>100,689</u>	<u>-</u>	<u>408,285</u>
Reclasification					-		-
Elimination adjustment							-
Disposals	-	-		-	-		-
As At 30 June, 2021	<u>178,642</u>	<u>13,257</u>	<u>-</u>	<u>115,698</u>	<u>100,689</u>	<u>-</u>	<u>408,285</u>
<b>Carrying amount</b>							
As At 30 June, 2021	<u>49,337</u>	<u>511,743</u>	<u>276,000</u>	<u>2,433</u>	<u>19,967</u>	<u>-</u>	<u>859,481</u>
As at 31 DECEMBER, 2020	<u>22,046</u>	<u>525,000</u>	<u>276,000</u>	<u>5,007</u>	<u>14,175</u>	<u>-</u>	<u>842,228</u>

All categories of property and equipment are initially recorded at cost. Subsequently, land and building are measured using revaluation model. The elimination adjustment shows the netting-off of accumulated depreciation against the carrying amount (previous revalued amount) in order to show the net book value as at the day of revaluation.

A valuation was conducted by Ubosi Eleh & Co.(FRC/2013/NIESV/00000001493). They have relevant recognized professional qualification and experience in the property being valued. The property was valued using the OMV basis as at 31 December 2020. The valuation method is the comparable method.

- (a) There were no impairment losses on any class of asset during the year (2019: Nil)
- (b) There were no capitalized borrowing costs (2019: Nil)
- (c) There were no lien on encumbrances on any asset
- (d) All classes of property and equipment were non-current
- (e) Land and buildings are measured using revaluation model and elimination



**26 Statutory deposit**

This represents the amount deposited with the Central Bank of Nigeria as at \*\*\*\*\* (November 30, 2019: ₦333,654,000) in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 10% per annum (2019: 12.39%) and this has been included within investment income.

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
<b>Statutory deposit</b>	<u>333,654</u>	<u>333,654</u>

**27 Insurance contract liabilities**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Provision for reported claims by policyholders	400,872	407,374
Provisions for claims incurred but not reported (IBNR)	91,668	91,668
Outstanding claims provisions	<u>492,540</u>	<u>499,042</u>
Provision for unearned premiums (see note 27.1)	571,688	403,551
	<u>1,064,228</u>	<u>902,593</u>
	<b>571,688,285</b>	
	<b>571,688,285.14</b>	
	-0	

liabilities.

**28 Trade payables**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
This represents the amount payable to insurance companies on facultative placements	67,476	-
	<u>67,476</u>	<u>-</u>

Trade payables are recognised when due. These include amount due to agents, brokers and insurance and reinsurance contract holders. Trade payables are measured on initial recognition at the fair value of the consideration received and subsequently measured at amortized cost.

The company has the right to set-off reinsurance payables against the amount due from reinsures and brokers in line with the agreement between both parties. Trade payables includes reinsurance liabilities which are primarily premiums payable on reinsurance contracts entered into by the company and are recognised as at when incurred. Commissions payables to the brokers also form part of trade payables.

Trade payables are derecognized when the obligation under the liability is settled, cancelled or expired.

**29 Other payables and accruals**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Accrued expenses	36,038	38,168
Deferred revenue (see note 31)	12,931	3,151
Deferred commission income	42,968	31,694
Statutory payables	5,536	1,743

Other payables	95,285	59,318
	<u>192,758</u>	<u>134,074</u>
Due within 12 months	192,758	134,074
Due after 12 months	-	-
	<u>192,758</u>	<u>134,074</u>

29.1 Other payables represent outstanding PAYE, NSITF, ITF, NHF, union dues, withholding tax, VAT, travel insurance, stale cheque, unclaimed dividend and other creditors.

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**35 Statutory contingency reserve**

In accordance with the Insurance Act of Nigeria, a contingency reserve is credited with the greater of 3% of total premium or 20% of profit of general insurance business and 1% of total premium or 10% profit for life business. This shall accumulate until it reach the amount of greater of minimum paid up capital or 50% of net premium.

<b>In thousands of Naira</b>	<b>30-Jun-21</b>	<b>31-Dec-20</b>
At 1 January	551,323	518,878
Transfer from Profit and Loss A/C 3% of gr	24,234	32,445
Transfer from Profit and Loss A/C 20% of t	(18,119)	
	<u>24,234</u>	
	<u><b>575,557</b></u>	<u><b>551,323</b></u>
<b>36 Accumulated Losses</b>		
<b>In thousands of Naira</b>	<b>30-Jun-21</b>	<b>31-Dec-20</b>
At 1 January	(2,019,412)	(1,759,294)
Loss for the year	(90,594)	(227,673)
Transfer to contingency reserve	-	(32,445)
Transfer from employee benefit reserves	-	-
	<u>(2,110,006)</u>	<u>(2,019,412)</u>
<b>37 Available-for-sale Financial Assets Reserve</b>		
<b>In thousands of Naira</b>	<b>30-Jun-21</b>	<b>31-Dec-20</b>
At 1 January	-	65,513
Reversal of prior year fair value loss		
Fair value changes - Quoted Equity	5,254	1,221
Fair value changes - Unquoted Equity (See (a) below)	-	-
	<u>5,254</u>	<u>66,734</u>
<b>38 Employment benefit reserve</b>		
At the beginning of the period	-	-
For the period	-	-
Reclassification	-	-
	<u>-</u>	<u>-</u>
A valuation of the Company's unquoted equity was conducted by Pedabo (FRC/2013/ICAN/00000000904). They have relevant recognized professional qualification and experience.		
	65,688	41,902
<b>Asset revaluation</b>		
At the beginning of the period	41,902	41,902
For the period	23,786	
	<u>23,786</u>	
<b>Fair value changes - Unquoted Equity (See (a) below)</b>	<u><b>65,688</b></u>	<u><b>41,902</b></u>

**39 Contingencies and commitments**

## (a) Legal proceedings and regulations

The Company is a party to \*\*\*\* (2018: \*\*\*) legal actions during the year arising out of its normal business operations. Total estimated

## (b) Capital commitments

The Company had no capital commitments as at year end ( 2018: nil)

**40 Contravention of laws and regulations**

The Company incurred the following penalty/fine during the year:

Description	30-Jun-21	31-Dec-20
In thousands of Naira		
	-	
	-	-
	-	
	-	

**41 Related party disclosures**

The Company entered into transaction with shareholders of the company and key management personnel in the normal course of business

## (a) Details of significant transactions carried out with related parties during the year are as follows:

Transactions during the period

Company/Individual	Type of relationship	Nature of t	30-Jun-21		31-Dec-20
In thousands of Naira					
Emeka Offor	Shareholder	Sales proceeds on disposal of Port - harcourt investment property	-		-
Global Scans Technology Limited	Common shareholder	receivable from related party	67,444		217,444
Amount represents a guarantee given by Guinea Insurance to Zenith Bank Plc regarding a facility given to Global Scan Technology a					
Choffan Nigerian Limited - (Kiss FM)	Common shareholder	Rental Income	-		-
Sir Emeka Offor	Shareholder	Gain on disposal of Port - harcourt investment property	-		-
Global Scans Technology Limited	Common shareholder	Part settlement of receivable from related party	70,000		-

## 42 Employees and directors

## a. Employees

The average number of persons employed by the Company during the year was as follows:

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Executive directors		
Management		
Non-management		

The number of employees of the Company, other than non directors, who received emoluments in the following ranges (excluding

	<u>Number</u>	<u>Number</u>
Less than N800,001		
N800,001 - N2,000,000		
N2,000,001 - N2,800,000		
N2,800,001 - N3,500,000		
N3,500,001 - and Above		

## b. Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
Fees and sitting allowances		
Executive compensation		

The chairman

The highest paid director

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable

	<u>30-Jun-21</u>	<u>31-Dec-20</u>
	<u>Number</u>	<u>Number</u>
Below N1,600,000		
N1,600,000 - N2,000,000		
N2,000,001 - N2,900,000		-
N2,900,001 - N3,400,000		-
N3,400,000 - and above		

## 43 Events after the reporting period

## 39 Reconciliation of Statement of Cash flow

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
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## 40.1 Premium received

Gross written premium per income statement	807,794	1,081,507
Decrease/(increase) in insurance receivables	(0)	5,226
Impairment of insurance receivable charged during the year		-
	<b>807,794</b>	<b>1,086,733</b>

## 40.2 Commission received

Decrease/(Increase) in deferred commission income (see note **)	(11,275)	(3,295)
Fees and commission income per income statement (see note 3)	17,052	80,484
	<b>5,777</b>	<b>77,190</b>

## 40.3 Reinsurance premium paid

Reinsurance premium per income instatement	(217,534)	(317,982)
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	Change in trade payables (see note **)	67,476	-
	Decrease/(increase) in reinsurance asset	(132,190)	(16,420)
		<u>(282,249)</u>	<u>(334,402)</u>
40.4	Gross claims paid net of recoveries		
	Claims incurred	34,183	212,822
	Gross claims paid per income statement	(111,127)	(271,589)
		<u>(76,944)</u>	<u>(58,767)</u>
	Analysis of recoveries on claims paid		
	Cash claim recoveries	34,183	320,046
	Claims receivables on claims paid	-	2,573
		<u>34,183</u>	<u>322,619</u>
40.5	Payments to employees		
	Employee benefits expenses	(143,042)	(320,046)
	(Decrease)/Increase in employee benefit obligations	3,793	(2,573)
		<u>(139,249)</u>	<u>(322,619)</u>
40.6	Other operating cash payments		
	Other Operating expenses	(119,616)	(262,509)
	Less: Non Cash Items		
	Decrease/(Increase) in other receivables and prepayments	(2,438)	17,006
	Increase/(Decrease) in other payables	56,754	1,606
	(Increase)/Increase in insurance payables		
	Decrease/(Increase) in other financial liabilities		
	Change in statutory deposit	-	-
		<u>(65,300)</u>	<u>(243,898)</u>
40.7	Investment income received		
	Rental income from land and building	5,306	4,875
	Dividend income on AFS equity	6,488	8,752
	Interest income on statutory deposit with CBN	526	13,868
	Interest income on fixed placement	876	13,128
	Interest income on treasury bills	18,165	43,623
		<u>31,362</u>	<u>84,245</u>
40.8	Other income received		
	Sundry Income	-	47
	Recoveries from other receivables		
	Sundry Income	-	-
		<u>-</u>	<u>47</u>

**30 Deferred Revenue**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
At 1 January	3,151	3,347
Deferred rental income	15,086	8,654
Amount released to the income statement	<u>(5,306)</u>	<u>(8,850)</u>
	<u><b>12,931</b></u>	<u><b>3,151</b></u>

Rental income arising from rent on properties is accounted for on a straight line basis over the rent terms and is included in investment income.

**31 Employee benefit obligations****Defined benefit****Employee Benefit**

In thousands of Naira	<u>30-Jun-21</u>	<u>31-Dec-20</u>
End of service benefit plan (see note (a) below)	1,743	4,316
Defined benefit plan	<u>3,793</u>	<u>(2,573.0)</u>
	<u><b>5,536</b></u>	<u><b>1,743</b></u>
Classified as;		
Current	5,536	1,743
Non-Current	<u>-</u>	<u>-</u>
	<u><b>5,536</b></u>	<u><b>1,743</b></u>

The end of service benefit plan qualify as a defined benefit obligation and was actuarially determined at year end upto December 31, 2017. This obligation has been settled fully in the year 2018. The balance of N1,743,000 standing in the account as at December 31, 2020 represents the defined benefits plan for staff.

**32 SHAREHOLDING STRUCTURE**

S/N	COMPANY NAME	ADDRESS	HOLDING UNITS	% HOLDING
1	Chrome Oil Services Limited	5, Idowu Taylor Street Victoria Island, Lagos	2,798,514,210	46
2	Nimek Investments Limited	Plot 228B, Muri Okunola Street Victoria Island, Lagos	1,288,252,777	21

Mr. Anthony Achebe and Simon Bolaji represent the interests of Chrome Oil Services Limited while Mr. Emeka Uzoukwu represents the interest of Nimek Investments Limited.

**Rules Governing Free Float Requirements.**

In accordance with Rule 2.2 - Rules governing Free Float Requirement:  
Guinea Insurance Plc complies with the Exchange's Free Float Requirement.

**Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule). Guinea Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders with respect to their dealing in the Company's shares. The policy undergoes periodic review by the Board and is updated accordingly. 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.

**32 Deposit for shares**

In thousands of Naira	30-Jun-21	31-Dec-20
Deposit for shares	151,400	151,400
	<b>151,400</b>	<b>151,400</b>

Deposit for shares represents funds from three parties for subscription to the equity shares of the Company.

**33 Share capital and reserve****33.1 Authorised and issued share capital**

In thousands of Naira	30-Jun-21	31-Dec-20
Authorised share capital	4,000,000	4,000,000
8.0 billion Ordinary shares of N0.50k each		

**33.2 Issued and fully paid**

In thousands of Naira	30-Jun-21	31-Dec-20
At 1 January	3,070,000	3,070,000
Issued during the period	-	-
Issued and fully paid	<b>3,070,000</b>	<b>3,070,000</b>

**34 Share premium**

In thousands of Naira	30-Jun-21	31-Dec-20
At 1 January	337,545	337,545
Share premium	<b>337,545</b>	<b>337,545</b>