

**NIGER INSURANCE PLC**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2007**

**WITH MANAGEMENT SCHEDULES**

# **NIGER INSURANCE PLC**

## **REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2007**

<b>CONTENTS</b>	<b>PAGE</b>
Results at a Glance	1
Corporate Information	2
Report of the Directors	3
Auditors' Report	8
Report of the Audit Committee	9
Accounting Policies	10
Group Balance Sheet	12
Company Composite Balance Sheet	13
Group Profit and Loss Account	14
Life Revenue and Profit and Loss Account	15
Non Life Revenue Account	16
Cash flow Statement	17
Notes to the Financial Statements	18
Group Statement of Value Added	28
Company Statement of Value Added	29
Group financial summary	30
Company Financial Summary	31

## NIGER INSURANCE PLC

### RESULTS AT A GLANCE

	<b>The Group</b>		<b>The Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
Gross premiums	<b>3,874,220</b>	3,138,806	<b>3,874,220</b>	3,138,806
Premium earned (net of reinsurance)	<b>3,269,430</b>	2,717,556	<b>3,269,430</b>	2,717,556
Net investment and other income	<b>1,226,951</b>	523,719	<b>1,204,028</b>	507,127
Profit before taxation	<b>835,282</b>	750,788	<b>812,359</b>	734,196
Profit after taxation	<b>657,025</b>	589,592	<b>639,852</b>	575,821
Dividend paid	<b>474,100</b>	-	<b>474,100</b>	-
Dividend proposed	<b>592,625</b>	474,100	<b>592,625</b>	474,100
Transfer to contingency reserve	<b>74,687</b>	99,261	<b>74,687</b>	99,261
Retained profit for the year	<b>582,338</b>	490,331	<b>565,165</b>	476,560
Share capital	<b>1,975,413</b>	1,580,330	<b>1,975,413</b>	1,580,330
Shareholders' fund	<b>6,440,523</b>	5,527,250	<b>6,383,566</b>	5,487,465
Total assets	<b>13,739,597</b>	11,187,418	<b>13,641,479</b>	11,154,881
	=====	=====	=====	=====
<b>Per share data:</b>				
Earnings per 50k share	<b>16.63k</b>	14.92k	<b>16.20k</b>	14.57k
Net assets per share	<b>x1.63</b>	x1.40	<b>x1.62</b>	x1.39
Proposed dividend per share	<b>15.00k</b>	15.00k	<b>15.00k</b>	15.00k
Price earnings ratio	-	-	<b>39.32</b>	21.89
Stock exchange quotation at 31 December	-	-	<b>637k</b>	319k

\* All previous year's per share data other than proposed dividend have been adjusted for purposes of comparability

## CORPORATE INFORMATION

<b>The Board:</b>	<p>Bala Zakariya'u - Chairman</p> <p>Justus Clinton Uranta - Managing Director/Chief Executive</p> <p>Dauda Kolapo Adedeji - Executive Director</p> <p>Andrew Onyenweuwa Nwaujo - Executive Director</p> <p>Osa Osunde - Director</p> <p>Idris Onaolapo Sulaimon - Director</p> <p>Frederick Nnamdi Udechukwu - Director</p> <p>Amina Abubakar - Director</p> <p>Jibrin Isah - Director (<i>appointed w.e.f.8 Feb. 2008</i>)</p>
<b>Secretary:</b>	Taiwo A. Otuneye, Esq.- <i>LL.M, B.L.</i>
<b>Registered office:</b>	48/50, Odunlami Street, Lagos.
<b>Registered numbers:</b>	RC. 6484 RIC - 007 (R1 - 012)
<b>Bankers:</b>	<p>Afribank Nigeria Plc</p> <p>Union Bank of Nigeria Plc</p> <p>First Bank of Nigeria Plc</p> <p>United Bank for Africa Plc</p> <p>Intercontinental Bank Plc</p> <p>Skye Bank Plc</p> <p>Bank PHB</p> <p>IBTC Chartered Bank</p>
<b>Registrars:</b>	<p>NIC Securities and Trust Limited</p> <p>3-5, Customs Street, Lagos.</p> <p>Tel. No. 234-1-2663287</p>
<b>Auditors:</b>	<p>Oyelami Soetan Adeleke &amp; Co.,</p> <p>(Chartered Accountants),</p> <p>Kresta Laurel Complex (4th Floor),</p> <p>376, Ikorodu Road, Maryland,</p> <p>Lagos.</p>

**NIGER INSURANCE PLC**  
**REPORT OF THE DIRECTORS**

**1. Accounts**

The directors are pleased to submit their report together with the group audited financial statements for the year ended 31 December, 2007.

<b>Result for the year</b>	<b>x'000</b>	<b>x'000</b>
Company profit after taxation		639,852
<i>Deduct:</i>		
		<u>74,687</u>
<b>Retained profit for the year transferred to general reserve</b>		565,165
		=====

**3. Principal activities**

The principal activities of the company are the underwriting of life and general insurance business.

**4. The Directors**

The current composition of the Board of Directors is as set out on page 2 of these financial statements. One of the directors, Idris Onaolapo Sulaimon, attained the age of seventy (70) in December, 2007.

**5. Directors' interests**

The interests of the directors in the issued share capital of the company are as follows:-

	<b>Number of shares held as at</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>
Bala Zakariya'u	88,889,685	71,111,748
Justus Clinton Uranta	42,957,366	34,365,893
Dauda Kolapo Adedeji	14,796,963	10,106,929
Andrew Onyenweuwa Nwaujo	4,906,610	3,191,857
Osa Osunde	621,054	2,479,347
Idris Onaolapo Sulaimon	153,928,520	123,302,816
Frederick Nnamdi Udechukwu -		
Indirect (Chrome Oil Services Ltd)	497,115,915	397,692,732
Amina Abubakar - Indirect (Goldust Investment Ltd.)	145,781,247	116,627,998
Jibrin Isah - Indirect (AIL Securities Ltd.,)	375,127,004	N/A
	=====	=====

## 6. Shareholdings

### (a) Summary of the shareholding position:

Shareholders	As at 31/12/07		As at 31/12/06	
	Number of shares held	%	Number of shares held	%
Management Alliance Company Limited	802,927,737	20	642,342,190	20
Fidelity Finance Company Limited	443,476,302	11	383,768,113	12
Chrome Oil Services	497,115,915	13	397,692,732	13
Other Nigerian Individuals and Associations	<u>2,207,305,439</u>	<u>56</u>	<u>1,736,857,279</u>	<u>55</u>
	3,950,825,393	100	3,160,660,314	100
	=====		=====	=====

### (b) Substantial interest in shares:

No individual shareholder other than Management Alliance Company Limited, Fidelity Finance Company Limited and Chrome Oil Services Limited held more than 10% of the issued share capital of the company as at 31 December, 2007.

### (c) Analysis of shareholding:

Holding between	Total holders	Units	%
Nigerian Shareholders 1 and 1,000	461	234,796	0.01
1,001 and 5,000	2,019	6,647,605	0.17
5,001 and 10,000	1,320	10,286,552	0.26
10,001 and 50,000	2,674	64,728,945	1.64
50,001 and 100,000	745	54,107,675	1.37
100,001 and 500,000	899	182,790,223	4.63
500,001 and 1,000,000	108	75,213,198	1.90
Above 1,000,000	<u>130</u>	<u>3,556,816,399</u>	<u>90.03</u>
	8,356	3,950,825,393	100
	=====	=====	=====

## 7. Dividend

The directors recommend the payment of a dividend of ₦592,625,496 which is equivalent to 15k per share of 50k each held by members whose names appear in the register of members as at the close of business on 20 June, 2008. The dividend is subject to the deduction of appropriate withholding tax at the time of payment.

## 8. Unclaimed Share Certificates and Dividend Warrants

The Company is aware that some share certificates belonging to shareholders have been

returned marked 'Unclaimed'. Similarly, some dividend warrants sent to shareholders have been returned marked 'Unclaimed' while some are yet to be presented for payment.

Shareholders with unclaimed share certificates and/or dividend warrants are advised to write to the Registrars, NIC Securities and Trust Limited or the company Secretary or call at the office of the Registrars during normal working hours.

Furthermore, members are urged to advise the Registrars or the Company Secretary of any change of address or situation particularly as it relates to share certificates and dividend warrants.

#### 9. **Fixed assets**

Movements in fixed assets during the year are shown in Notes 8 and 9 to the financial statements. In the opinion of the directors, the market value of the company's properties is not less than the value shown in the financial statements.

#### 10. **Donations**

The analysis of donations made during the year is as follows:

##### (a) *To charitable organisations:*

	x	x
2007 Nigeria Armed Forces Remembrance Appeal Fund		100,000
Praises O. ED-Osokppro Heart surgery Fund		100,000
INRI Widows Foundation		50,000
Keep Hope Alive Foundation		50,000
Police Community Relation Committee-Lion Building		<u>30,000</u>
		330,000

##### (b) *Other donations:*

Chartered Insurance Institute of Nigeria	1,125,000	
Ahmadu Bello University Alumni	450,000	
Professional Insurance Ladies Association (PILA)	200,000	
Nigeria Insurers Association	175,000	
Eko Akete Grammar School	100,000	
Institute of Chartered Science & Admin. of Nig.	75,000	
Federal Government College	50,000	
The Nigerian Council registered Insurance Brokers	50,000	
Central Primary School, Ikeja	50,000	
Actuarial Science & Insurance Students Ass. of Nig.	<u>50,000</u>	
		<u>2,325,000</u>
		2,655,000
		=====

## 11. Personnel

### (a) *Employment of disabled persons:*

The company continues its general policy of extending employment opportunities to disabled persons as and when there are openings for such employees. One such employee is at present engaged by the company.

### (b) *Health, safety and welfare:*

In addition to medical retainership in private clinics and hospitals, all essential safety regulations are being observed to guaranty maximum protection of personnel and also protect the company's assets.

### (c) *Employees' involvement and training:*

Employees are kept fully informed of the company's performance and the company continues with its open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.

The company attaches importance to the training of its staff through regular in-house, on-the-job training sessions and outside courses which have broadened employees' opportunities for career development within the company.

## 12. Audit Committee

In accordance with Section 359(3) of the Companies and Allied Matters Act Cap C20 LFN 2004, the Audit Committee members of the company elected at the last Annual General Meeting were as follows:-

D. K. Adedeji	-	(Director)
O. Osunde	-	(Director)
S. E. Bediare	-	(Shareholders' representative)
M. O. Sodipe	-	(Shareholders' representative)

The functions of the audit committee are as stated in Section 359(6) of the Companies and Allied Matters Act, Cap C20 LFN 2004.

## 13. Compliance with the code of Corporate Governance

The Directors confirm that they manage the affairs of the company in accordance with the provisions of the code of best practices on Corporate Governance in Nigeria with regards to matters stated concerning the Board of Directors, the Shareholders and the Audit Committee.

Board meetings are scheduled well in advance. Also the agenda of Board meetings and reports on full business review, full report from the various Board Committees and reports from the Audit Committee are circularised to all Directors.

The Board meets four times a year. Stated below is the record of attendance at Board meetings conveyed and held in year 2007:

	<b>No. of meetings attended</b>
Bala Zakariya'u	4
Justus Clinton Uranta	4
Dauda Kolapo Adedeji	4
Andrew Onyenweuwa Nwaujo	4
Osa Osunde	4
Idris Onaolapo Sulaimon	4
Frederick Nnamdi Udechukwu	4
Amina Abubakar	4

The following are the various committees of the board and their composition:

**Finance and General Purpose Committee**

1. Osa Osunde	Chairman
2. Justus Clinton Uranta	Member
3. Dauda Kolapo Adedeji	Member
4. Frederick Nnamdi Udechukwu	Member
Taiwo A. Otuneye, Esq.,	Secretary

**Establishment and staff matters committee**

1. Alhaji Idris Onaolapo Sulaimon	Chairman
2. Justus Clinton Uranta	Member
3. Andrew Onyenweuwa Nwaujo	Member
4. Amina Abubakar	Member
Taiwo A. Otuneye, Esq.,	Secretary

**Executive management committee**

1. Justus Clinton Uranta	Chairman
2. Dauda Kolapo Adedeji	Member
3. Andrew Onyenweuwa Nwaujo	Member
Taiwo A. Otuneye, Esq.,	Secretary

**14. Auditors**

Messrs Oyelami Soetan Adeleke & Company (Chartered Accountants) have indicated their willingness to continue as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act Cap C20 LFN 2004. A resolution will be proposed to authorise the directors to fix their remuneration.

**By Order of the Board**

**Taiwo A. Otuneye, Esq.,  
Secretary**

**Lagos, Nigeria  
8 May, 2008**

**AUDITORS' REPORT  
TO THE MEMBERS OF  
NIGER INSURANCE PLC**

We have audited the financial statements set out on pages 12 to 31 which have been prepared under the accounting policies set out on pages 10 and 11.

**Respective responsibilities of directors and auditors**

As stated in Note 26 to the financial statements, the directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion on the financial statements, based on our audit and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amount and disclosures in the financial statements. It also includes an assessment of the significant judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of the information in the financial statements.

**Opinion**

In our opinion and to the best of our information and the explanations given to us, the company has kept proper books at the head office and at each of its branches and proper returns adequate for our audit have been received from branches not visited by us. The assets have been properly valued and adequate provision has been made for losses and diminution in the value of such assets. Adequate reserves have also been maintained in respect of the company's life and non-life businesses.

In our opinion, these financial statements which agree with the books, give in the prescribed manner the information required by the Companies and Allied Matters Act Cap C20 LFN 2004, the Insurance Act 2006, and all relevant Statements of Accounting Standards and give a true and fair view of the state of affairs of the group as at 31 December, 2007 and of its profit and cash flow for the year then ended.

**CHARTERED ACCOUNTANTS**

**Lagos, Nigeria  
8 May, 2008**

**NIGER INSURANCE PLC****REPORT OF THE AUDIT COMMITTEE**

In compliance with Section 359(6) of the Companies and Allied Matters Act Cap C20 LFN 2004, we have:

- (a) reviewed the scope and planning of the audit requirements;
- (b) reviewed the External Auditors' Report to Management on the audit of the financial statements for the year ended 31 December, 2007 as well as the management responses thereto; and
- (c) ascertained that the accounting and reporting policies of the company for the year ended 31 December, 2007 are in accordance with legal and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 December, 2007 were adequate and we are satisfied with the management responses to the auditors' findings.

Dated this May, 2008

**S. E. Bediare**  
**Chairman, Audit Committee**

**Members of the Committee:**

S. E. Bediare - Chairman

D. K. Adedeji

M. O. Sodipe

O. Osunde

**Taiwo A. Otuneye - Secretary**

## NIGER INSURANCE PLC

### ACCOUNTING POLICIES

The following are the main accounting policies adopted by the company in the preparation of its financial statements:

#### 1. **Basis of accounting**

The company prepares its financial statements under the historical cost convention as modified by the revaluation of certain buildings.

#### 2. **Accounting for revenue**

##### *Premium*

Net premium represents the total amount invoiced to policy holders less reinsurances and is recognised as income from the date of attachment of risk.

##### *Management expenses*

Except for certain expenses which are directly related to each class of business, other management expenses are apportioned between the classes of insurance in the proportion of their retained premium.

##### *Underwriting results*

The annual accounting basis is used in determining the underwriting results which are stated after recognising claims, commissions, expenses and relevant reserves.

#### 3. **Fixed assets**

Fixed assets are stated at cost or valuation less accumulated depreciation.

#### 4. **Depreciation of fixed assets**

Depreciation is provided on a straight line basis at annual rates estimated to write off the cost or valuation over their estimated useful lives as follows:

Leasehold buildings	In equal instalments over the period of the lease
Freehold buildings	1% of cost/valuation
Furniture, fittings and equipment	12½% on cost
Motor vehicles	20% on cost
Computer hardware	33a% on cost

5. **Investments**

Investments are stated at cost. Provisions are made for diminution in value of investments when they are below cost with the exception of value of government securities as it is usual for the company to hold them till maturity. Where a sale is made in any financial year, the gain or loss is taken to the profit and loss account.

6. **Debtors**

Debtors are stated at their face value. Debts considered bad and irrecoverable are written off.

7. **Foreign Currency Transactions**

Transactions in foreign currencies are translated to the Naira at the rate of exchange ruling at the dates of the transactions. Balances in foreign currencies are converted to Naira at the rates of exchange ruling at the balance sheet date and the difference is taken to the profit and loss account.

8. **Deferred taxation**

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

9. **Employees' retirement benefits**

The company operates a contributory pension scheme for the benefit of its employees in accordance with the Pensions Reform Act of 2004 . The pension costs to the company are charged to the profit and loss account.

10. **Dividend distribution**

In accordance with SAS 23, dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the company's shareholders.

## NIGER INSURANCE PLC

## GROUP BALANCE SHEET AS AT 31 DECEMBER, 2007

Assets	Note	The Group		The Company	
		2007 x'000	2006 x'000	2007 x'000	2006 x'000
Cash and bank balances		719,671	133,287	704,510	130,857
Quoted investments	1	2,022,209	733,495	2,014,156	718,102
Unquoted investments	2	5,160,795	5,274,654	5,226,813	5,387,258
Government securities	3	500,000	2,000,000	500,000	2,000,000
Debtors	4	2,311,018	1,408,740	2,242,199	1,354,268
Loans to policy holders	5	146,499	111,274	146,499	111,274
Deferred acquisition expenses	6	85,104	73,214	85,104	73,214
Statutory deposit	7	500,000	35,000	500,000	35,000
Fixed assets	8&9	<u>2,294,301</u>	<u>1,417,754</u>	<u>2,222,198</u>	<u>1,344,908</u>
		<b>13,739,597</b>	<b>11,187,418</b>	<b>13,641,479</b>	<b>11,154,881</b>
		=====	=====	=====	=====
<b>Liabilities</b>					
Creditors and accruals	10	2,011,626	322,897	1,985,671	339,601
Current taxation	11	243,630	167,831	228,424	158,375
Deferred taxation	12	202,054	202,054	202,054	202,054
Deposit administration	13	3,165,075	3,649,881	3,165,075	3,649,881
Insurance fund	14	<u>1,676,689</u>	<u>1,317,505</u>	<u>1,676,689</u>	<u>1,317,505</u>
		<b>7,299,074</b>	<b>5,660,168</b>	<b>7,257,913</b>	<b>5,667,416</b>
		-----	-----	-----	-----
<b>Capital and reserves</b>					
Share capital	15	1,975,413	1,580,330	1,975,413	1,580,330
Share premium	16	1,833,452	2,304,591	1,833,452	2,304,591
Capital reserve	17	1,261,240	468,682	1,258,188	465,629
Contingency reserve	18	431,364	342,831	431,364	342,831
General reserve	19	<u>939,054</u>	<u>830,816</u>	<u>885,149</u>	<u>794,084</u>
<b>Shareholders' fund</b>		<b>6,440,523</b>	<b>5,527,250</b>	<b>6,383,566</b>	<b>5,487,465</b>
		-----	-----	-----	-----
		<b>13,739,597</b>	<b>11,187,418</b>	<b>13,641,479</b>	<b>11,154,881</b>
		=====	=====	=====	=====

**Bala Zakariya'u** .....  
(Chairman)

**Justus C. Uranta** .....  
(Managing Director/CEO)

The accounting policies on pages 10 and 11 and the notes on pages 18 to 27 form part of these financial statements.

**NIGER INSURANCE PLC**

**COMPANY COMPOSITE BALANCE SHEET AS AT 31 DECEMBER, 2007**

		<b>Life x'000</b>	<b>Non-life x'000</b>	<b>2007 x'000</b>	<b>2006 x'000</b>
Cash and bank balances		529,552	174,958	<b>704,510</b>	130,857
Quoted investments	1	1,795,235	218,921	<b>2,014,156</b>	718,102
Unquoted investments	2	3,316,032	1,910,781	<b>5,226,813</b>	5,387,258
Government securities	3	300,000	200,000	<b>500,000</b>	2,000,000
Debtors	4	694,797	1,547,402	<b>2,242,199</b>	1,354,268
Loans to policy holders	5	146,499	-	<b>146,499</b>	111,274
Deferred acquisition expenses	6	-	85,104	<b>85,104</b>	73,214
Statutory deposit	7	200,000	300,000	<b>500,000</b>	35,000
Fixed assets	9	<u>1,789,468</u>	<u>432,730</u>	<u><b>2,222,198</b></u>	<u>1,344,908</u>
		<u>8,771,583</u>	<u>4,869,896</u>	<u><b>13,641,479</b></u>	<u>11,154,881</u>
		=====	=====	=====	=====
<b>Liabilities</b>					
Creditors and accruals	101,520,120	465,551	<b>1,985,671</b>	339,601	
Current taxation	11	-	228,424	<b>228,424</b>	158,375
Deferred taxation	12	202,054	-	<b>202,054</b>	202,054
Deposit administration	13	3,165,075	-	<b>3,165,075</b>	3,649,881
Insurance fund	14	<u>1,185,415</u>	<u>491,274</u>	<u><b>1,676,689</b></u>	<u>1,317,505</u>
		6,072,664	1,185,249	<b>7,257,913</b>	5,667,416
		-----	-----	-----	-----
<b>Capital and reserves</b>					
Share capital	15	790,166	1,185,248	<b>1,975,413</b>	1,580,330
Share premium	16	850,398	983,053	<b>1,833,452</b>	2,304,591
Capital reserve	17	979,461	278,727	<b>1,258,188</b>	465,629
Contingency reserve	18	78,894	352,470	<b>431,364</b>	342,831
General reserve	19	-	885,149	<b>885,149</b>	794,084
		2,698,919	3,684,647	<b>6,383,566</b>	5,487,465
		-----	-----	-----	-----
		<u>8,771,583</u>	<u>4,869,896</u>	<u><b>13,641,479</b></u>	<u>11,154,881</u>
		=====	=====	=====	=====

The accounting policies on pages 10 and 11 and the notes on pages 18 to 27 form part of these financial statements.

**NIGER INSURANCE PLC**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER, 2007**

	Notes	2007 x'000	The Group 2006 x'000	2007 x'000	The Company 2006 x'000
Premium earned (net of reinsurances)		1,905,399	1,664,414	1,905,399	1,664,414
<i>Less:</i>					
Claims paid		272,232	221,715	272,232	221,715
Acquisition cost		105,720	124,303	105,720	124,303
Maintenance		74,260	86,919	74,260	86,919
Outstanding claims		52,542	58,594	52,542	58,594
Increase in reserve for unexpired risks		68,391	27,506	68,391	27,506
Provision for bad & doubtful debts		205,774	50,194	205,774	50,194
Expenses		946,189	598,878	946,189	598,878
		<u>1,725,108</u>	<u>1,168,109</u>	<u>1,725,108</u>	<u>1,168,109</u>
<b>Underwriting profit</b>		<u>180,291</u>	<u>496,305</u>	<u>180,291</u>	<u>496,305</u>
<b>Investment incomes</b>					
Income from fixed investments		424,969	152,712	418,940	147,493
Interest receivable and similar income		106,735	100,550	106,735	100,419
Fees and rental income less expenses		17,394	19,816	500	8,574
Bad debt recovered		107,262	-	107,262	-
Provision for investment losses		(1,369)	(18,595)	(1,369)	(18,595)
		<u>654,991</u>	<u>254,483</u>	<u>632,068</u>	<u>237,891</u>
<b>Profit on ordinary activities before taxation</b>	20	<b>835,282</b>	750,788	<b>812,359</b>	734,196
Taxation	11	<u>(178,257)</u>	<u>(161,196)</u>	<u>(172,507)</u>	<u>(158,375)</u>
<b>Profit on ordinary activities after tax</b>		<b>657,025</b>	589,592	<b>639,852</b>	575,821
<i>Deduct:</i> Contingency reserve	18	<u>(74,687)</u>	<u>(99,261)</u>	<u>(74,687)</u>	<u>(99,261)</u>
<b>Retained profit for the year transferred to general reserve</b>	19	<b>582,338</b>	490,331	<b>565,165</b>	476,560
Earnings per share		<b>16.6k</b>	18.7k	<b>16.2k</b>	18.2k

The accounting policies on pages 10 and 11 and the notes on pages 18 to 27 form part of these financial statements.

## NIGER INSURANCE PLC

## LIFE REVENUE AND PROFIT AND LOSS ACCOUNT

	2007	2006
	x'000	x'000
Total Premiums received	1,384,639	1,053,142
Reinsurance outward	<u>(20,608)</u>	<u>(8,312)</u>
	1,364,031	1,044,830
<b>Underwriting expenses</b>		
Acquisition	215,423	195,448
Maintenance	117,901	75,361
Claims paid and admitted	156,550	121,334
Surrenders	23,877	10,077
Interest on deposit administration scheme	300,109	259,253
Management expenses	756,278	498,024
Depreciation	<u>61,205</u>	<u>53,366</u>
	<u>(1,631,343)</u>	<u>(1,212,863)</u>
<b>Underwriting loss</b>	(267,312)	(168,033)
<b>Investment and other income</b>		
Investment income	552,377	215,720
<i>Less:</i> Investment losses	<u>(3,289)</u>	<u>(13,904)</u>
	549,088	201,816
Other incomes	<u>22,872</u>	<u>67,420</u>
	<u>571,960</u>	<u>269,236</u>
	304,648	101,203
Deferred tax	-	<u>(8,886)</u>
	304,648	92,317
Contingency reserve (1% of gross premium)	<u>(13,846)</u>	<u>(10,531)</u>
<b>Net increase transferred to life fund</b>	290,802	81,786
	=====	=====







**NIGER INSURANCE PLC**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER, 2007**

	Note	The Group		The Company	
		2007	2006	2007	2006
		x'000	x'000	x'000	x'000
<b>Cash flow from operating activities:</b>					
Operating profit before working capital changes	21	573,344	590,765	545,700	571,732
Working capital changes	22	(1,910,587)	(1,295,765)	(1,941,491)	(1,206,772)
Income tax paid		<u>(102,458)</u>	<u>(32,631)</u>	<u>(102,458)</u>	<u>(32,631)</u>
Net cash inflow from operating activities		<u>(1,439,701)</u>	(737,631)	<u>(1,498,249)</u>	(667,671)
		-----	-----	-----	-----
<b>Cash flows from investing activities</b>					
Government securities		1,500,000	(1,451,376)	1,500,000	(1,451,376)
Purchase of fixed assets		(197,011)	(116,250)	(193,030)	(105,547)
Quoted investments		(1,288,392)	(37,567)	(1,295,732)	(37,250)
Proceeds from sale of fixed assets		460	38,100	460	38,100
Unquoted investment		116,733	(924,236)	165,819	(998,880)
Interest received		106,735	100,550	106,735	100,419
Net proceeds from disposal of investments		<u>413,701</u>	<u>143,041</u>	<u>413,701</u>	<u>139,420</u>
Net cash outflow from investing activities		<u>652,136</u>	(2,247,738)	<u>697,953</u>	(2,315,114)
		-----	-----	-----	-----
<b>Cash flow from financing activities:</b>					
Proceeds from rights issue		-	3,075,749	-	3,075,749
Bank loan		1,495,437	-	1,495,437	-
Dividend paid		(474,100)	(75,000)	(474,100)	(75,000)
Insurance funds		428,668	173,189	428,668	173,189
Share capital increase expenses		<u>(76,056)</u>	<u>(238,049)</u>	<u>(76,056)</u>	<u>(238,049)</u>
Net cash outflow from financing activities		<u>1,373,949</u>	2,935,889	<u>1,373,949</u>	2,935,889
		-----	-----	-----	-----
Net (decrease)/increase in cash and cash equivalents		586,384	(49,840)	573,653	(46,896)
Cash and cash equivalents, beginning of year		<u>133,287</u>	<u>183,127</u>	<u>130,857</u>	<u>177,753</u>
Cash and cash equivalents, end of year	23	719,671	133,287	704,510	130,857
		=====	=====	=====	=====

Precious years balances have been reclassified to enhance comparability.

**NIGER INSURANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2007**

	<b>The Group</b>		<b>The Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
<b>1. Quoted investments</b>				
Quoted at cost (Market value x2,598,468,168)	<b>2,026,413</b>	738,021	<b>2,018,360</b>	722,628
	-----	-----	-----	-----
<i>Deduct:</i> Provision for investment losses:				
Brought forward	<b>4,526</b>	1,202	<b>4,526</b>	1,202
Additional provision during the year	-	3,324	-	3,324
Write back	<b>(322)</b>	-	<b>(322)</b>	-
	<b>4,204</b>	4,526	<b>4,204</b>	4,526
	-----	-----	-----	-----
	<b>2,022,209</b>	733,495	<b>2,014,156</b>	718,102
	=====	=====	=====	=====
<b>2. Unquoted investments</b>				
Ordinary shares and debenture stocks	<b>2,226,637</b>	2,564,741	<b>2,141,818</b>	2,564,341
Investment in subsidiaries	<b>1,800,747</b>	1,662,450	<b>1,954,320</b>	1,781,454
Short-term deposits	<b>1,207,341</b>	1,124,267	<b>1,202,105</b>	1,118,267
	<b>5,234,725</b>	5,351,458	<b>5,298,243</b>	5,464,062
	-----	-----	-----	-----
<i>Deduct:</i> Provision for investment losses				
Brought forward	<b>76,804</b>	47,945	<b>76,804</b>	47,945
Additional provision during the year	<b>4,658</b>	28,859	<b>4,658</b>	28,859
Write back	<b>(7,532)</b>	-	<b>(10,032)</b>	-
	<b>73,930</b>	76,804	<b>71,430</b>	76,804
	-----	-----	-----	-----
	<b>5,160,795</b>	5,274,654	<b>5,226,813</b>	5,387,258
	=====	=====	=====	=====
<b>.1 Investment in subsidiaries</b>				
a) <i>Summary</i>				
NIC Properties Limited	-	-	<b>113,878</b>	95,004
NIC Securities and Trust Limited	-	-	<b>39,695</b>	24,000
River Plaza and Mall Limited	<b>1,800,747</b>	1,662,450	<b>1,800,747</b>	1,662,450
	<b>1,800,747</b>	1,662,450	<b>1,954,320</b>	1,781,454
	=====	=====	=====	=====

b) *Shares held in subsidiaries by Niger Insurance Plc:-***NIC Properties Limited (Registered office at 302 Ikorodu Road, Lagos)**

100% holding by Niger Insurance Plc.

**NIC Securities and Trust Limited (formerly NIC Trustees Limited)****(Registered office at 3-5, Custom Street, Lagos)**

100% holding by Niger Insurance Plc

**River Plaza and Mall Limited (Registered office at 48/50 Odunlami Street, Lagos)**

100% holding by Niger Insurance Plc.

c)The accounts of River Plaza and Mall Limited was not consolidated in these financial statements because the Plaza and Mall which is the only investment of that company, is still on-going and will soon be commissioned.

	<b>The Group</b>		<b>The Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
3. <b>Government securities (at cost)</b>	<b>500,000</b>	2,000,000	500,000	2,000,000
	=====	=====	=====	=====
4. <b>Debtors</b>				
<i>Amounts falling due within one year:</i>				
Brokers' and agents' debit balances	<b>1,763,465</b>	1,133,267	<b>1,755,725</b>	1,133,267
	-----	-----	-----	-----
<i>Deduct: Provisions</i>				
Brought forward	<b>109,811</b>	59,617	<b>109,811</b>	59,617
<i>Less: Recoveries</i>	<b>(107,262)</b>	-	<b>(107,262)</b>	-
	<b>2,549</b>	59,617	<b>2,549</b>	59,617
Additional provision	<b>205,774</b>	50,194	<b>205,774</b>	50,194
	<b>208,323</b>	109,811	<b>208,323</b>	109,811
	-----	-----	-----	-----
	<b>1,555,142</b>	1,023,456	<b>1,547,402</b>	1,023,456
	-----	-----	-----	-----
Other debtors and prepayments	<b>761,802</b>	391,538	<b>700,723</b>	335,240
<i>Less: Provision for doubtful debts</i>	<b>5,926</b>	6,254	<b>5,926</b>	4,428
	<b>755,876</b>	385,284	<b>694,797</b>	330,812
	-----	-----	-----	-----
	<b>2,311,018</b>	1,408,740	<b>2,242,199</b>	1,354,268
	=====	=====	=====	=====

	<b>The Group</b>		<b>The company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>5. Loans to policy holders</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
Non-forfeiture regulations	919	910	919	910
Policy loan	59,836	34,222	59,836	34,222
Mortgage loan	<u>85,744</u>	<u>76,142</u>	<u>85,744</u>	<u>76,142</u>
	<b>146,499</b>	111,274	<b>146,499</b>	111,274
	=====	=====	=====	=====
<b>6. Deferred acquisition expenses</b>				
At 1 January	73,214	42,867	73,214	42,867
Acquisition paid during the year	117,610	154,650	117,610	154,650
Charged to profit and loss account	<u>(105,720)</u>	<u>(124,303)</u>	<u>(105,720)</u>	<u>(124,303)</u>
	<b>85,104</b>	73,214	<b>85,104</b>	73,214
	=====	=====	=====	=====
<b>7. Statutory deposit</b>	<b>500,000</b>	35,000	<b>500,000</b>	35,000
	=====	=====	=====	=====

Section II(I) of the Insurance Act No. 1, 2003 requires an existing Insurance company to retain 10% of the minimum share capital with the Central Bank of Nigeria as statutory deposit.

<b>8. Fixed assets - Group</b>	<b>Land and buildings</b>	<b>Furniture, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
At 1 January, 2007	1,382,178	377,894	339,613	<b>2,099,685</b>
Additions	5,708	109,422	<b>81,881</b>	<b>197,011</b>
Revaluation surplus	792,559	-	-	<b>792,559</b>
Disposal/adjustment	-	<u>(14)</u>	<u>(2,870)</u>	<u><b>(2,884)</b></u>
At 31 December, 2007	2,180,445	487,302	418,624	<b>3,086,371</b>
	-----	-----	-----	-----
<b>Depreciation:</b>				
At 1 January, 2007	140,592	295,866	245,476	<b>681,934</b>
Charge for the year	13,879	49,104	50,037	<b>113,020</b>
On disposal	-	<u>(14)</u>	<u>(2,870)</u>	<u><b>(2,884)</b></u>
At 31 December, 2007	154,471	344,956	292,643	<b>792,070</b>
	-----	-----	-----	-----
<b>Net book value:</b>				
At 31 December, 2007	2,025,974	142,346	125,981	<b>2,294,301</b>
	=====	=====	=====	=====
At 31 December, 2006	1,241,585	82,030	94,139	<b>1,417,754</b>
	=====	=====	=====	=====

9. Fixed assets - Company	Land	Furniture,	Motor	Total
	and buildings	fittings & equipment	vehicles	
Cost/Revaluation	x'000	x'000	x'000	x'000
At 1 January, 2007	1,319,970	369,090	326,434	<b>2,015,494</b>
Additions	5,708	105,441	81,881	<b>193,030</b>
Revaluation surplus	792,559	-	-	<b>792,559</b>
Disposal/adjustment	<u>-</u>	<u>(14)</u>	<u>(600)</u>	<u><b>(614)</b></u>
At 31 December, 2007	2,118,237	474,517	407,715	<b>3,000,469</b>
	-----	-----	-----	-----
<b>Depreciation:</b>				
At 1 January, 2007	137,426	293,875	239,285	<b>670,586</b>
Charge for the year	13,257	47,590	47,452	<b>108,299</b>
On disposal	<u>-</u>	<u>(14)</u>	<u>(600)</u>	<u><b>(614)</b></u>
At 31 December, 2007	150,683	341,451	286,137	<b>778,271</b>
	=====	=====	=====	=====
<b>Net book value:</b>				
At 31 December, 2007	1,967,554	133,066	121,578	<b>2,222,198</b>
	=====	=====	=====	=====
At 31 December, 2006	1,182,544	75,215	87,149	<b>1,344,908</b>
	=====	=====	=====	=====

  

10. Creditors	The Group		The Company	
	2007	2006	2007	2006
	x'000	x'000	x'000	x'000
Outstanding claims	<b>287,997</b>	235,419	<b>287,997</b>	235,419
Brokers' and agents' credit balances	<b>25,560</b>	42,816	<b>25,560</b>	42,816
Creditors and accrued expenses	<u><b>202,632</b></u>	<u>44,663</u>	<u><b>176,677</b></u>	<u>61,366</u>
	<b>516,189</b>	322,897	<b>490,234</b>	339,601
Bank loan	<u><b>1,495,437</b></u>	<u>-</u>	<u><b>1,495,437</b></u>	<u>-</u>
	<b>2,011,626</b>	322,892	<b>1,985,671</b>	339,601
	=====	=====	=====	=====

.1 Included in creditors and accrued expenses is the sum x9,531,200 due to MAC Limited on account of the management fee for year 2006.

.2 The Bank loan, which was obtained to finance acquisition of additional investment was secured by shares of the company valued at 1,829,400,000 as at 31 December, 2007.

	The Group		The Company	
	2007 x'000	2006 x'000	2007 x'000	2006 x'000
<b>11. Taxation</b>				
<b>.1 Profit and loss account</b>				
Income tax on profit for the year	147,980	149,025	142,230	146,204
Education tax	7,912	12,171	7,912	12,171
Previous years under-provision paid	<u>22,365</u>	-	<u>22,365</u>	-
	<b>178,257</b>	161,196	<b>172,507</b>	158,375
	=====	=====	=====	=====
Deferred tax	<b>8,886</b>	8,886	<b>8,886</b>	8,886
	=====	=====	=====	=====
<b>.2 Balance sheet</b>				
Balance unpaid at 1 January	167,831	39,266	158,375	32,631
Provision for the year	178,257	161,196	172,507	158,375
Paid during the year	<u>(102,458)</u>	<u>(32,631)</u>	<u>(102,458)</u>	<u>(32,631)</u>
	<b>243,630</b>	167,831	<b>228,424</b>	158,375
	=====	=====	=====	=====
<b>12. Deferred taxation</b>				
At 1 January	202,054	193,168	202,054	193,168
	-----	-----	-----	-----
<b>Charge to profit and loss account</b>				
Relating to prior years	-	-	-	-
Current year movement	<u>-</u>	<u>8,886</u>	<u>-</u>	<u>8,886</u>
	-	8,886	-	8,886
	-----	-----	-----	-----
At 31 December	<b>202,054</b>	202,054	<b>202,054</b>	202,054
	=====	=====	=====	=====
<b>13. Deposit administration</b>				
Liabilities on deposit administration	<b>3,165,075</b>	3,649,881	<b>3,165,075</b>	3,649,881
	=====	=====	=====	=====

	The Group		The Company	
	2007	2006	2007	2006
14. Insurance funds	x'000	x'000	x'000	x'000
Life	<b>1,185,415</b>	894,613	<b>1,185,415</b>	894,613
Fire <b>86,777</b>	65,965	<b>86,777</b>	65,965	
Accident	<b>33,198</b>	21,872	<b>33,198</b>	21,872
Motor vehicles	<b>145,720</b>	137,980	<b>145,720</b>	137,980
Marine, aviation and transit	<b>48,523</b>	45,808	<b>48,523</b>	45,808
Workmen's compensation	<b>13,008</b>	10,467	<b>13,008</b>	10,467
Burglary, fidelity and miscellaneous	<b>164,048</b>	<u>140,800</u>	<b>164,048</b>	<u>140,800</u>
	<b>1,676,689</b>	1,317,505	<b>1,676,689</b>	1,317,505
	=====	=====	=====	=====

These represent provisions for unearned premiums and unexpired risks computed in accordance with SAS 16 and section 24 of the Insurance Act, 2003.

#### 15. Share capital

##### (a) *Authorised -*

6,000,000,000

Ordinary Shares of 50k each

<b>3,000,000</b>	2,000,000	<b>3,000,000</b>	2,000,000
=====	=====	=====	=====

##### (b) *Issued and fully paid -*

3,950,825,393 (2006- 3,160,660,314)

ordinary Shares of 50k each

<b>1,975,413</b>	1,580,330	<b>1,975,413</b>	1,580,330
=====	=====	=====	=====

(c) In 2006, the paid up capital was increased by x395,084,000 by a bonus issue of one ordinary share for every three previously held.

#### 16. Share premium

At 1 January

<b>2,304,591</b>	47,221	<b>2,304,591</b>	47,221
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Addition during the year

<u>-</u>	<u>2,495,419</u>	<u>-</u>	<u>2,495,419</u>
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<b>2,304,591</b>	2,542,640	<b>2,304,591</b>	2,542,640
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Share capital increase expenses

<b>(76,056)</b>	(238,049)	<b>(76,056)</b>	<b>(238,049)</b>
-----------------	-----------	-----------------	------------------

Transfers to share capital (bonus issue)

<u><b>(395,083)</b></u>	<u>-</u>	<u><b>(395,083)</b></u>	<u>-</u>
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<b>1,833,452</b>	2,304,591	<b>1,833,452</b>	2,304,591
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=====	=====	=====	=====
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In 2006, a Right Issue of 1,160,660,314 ordinary share was offered to existing shareholders at a premium of x2.15.

	The Group		The Company	
	2007 x'000	2006 x'000	2007 x'000	2006 x'000
17. <b>Capital reserve</b>				
At 31 December	<u>1,261,240</u>	468,682	<u>1,258,188</u>	465,629

Of this amount, x11,895,403 represents the surplus which arose from the revaluation of buildings by Knight, Frank and Rutley in 1988, x453,733,193 from the revaluation carried out by Julius Adekola & Co. (Estate Surveyors & Valuers) in 1995 and x792,559,000 from the revaluation carried out by Jide Taiwo & Co as at January 28, 2008.

18. <b>Contingency reserve</b>				
At 1 January	<b>342,831</b>	233,039	<b>342,831</b>	23,039
Transfer from profit and loss account	<b>74,687</b>	99,261	<b>74,687</b>	99,261
Transfer from life fund account	<u><b>13,846</b></u>	<u>10,531</u>	<u><b>13,846</b></u>	<u>10,531</u>
At 31 December	<u><b>431,364</b></u>	342,831	<u><b>431,364</b></u>	342,831

The contingency reserve for life department represents 1% of gross premium whilst the Non-Life contingency reserve amounts to the higher of 3% of total premiums and 20% of net profits in accordance with the provisions of Section24(2)(c) of the Insurance Act 2003.

	The Group		The Company	
	2007 x'000	2006 x'000	2007 x'000	2006 x'000
19. <b>General reserve</b>				
At 1 January	<b>830,816</b>	340,485	<b>794,084</b>	317,524
Transfer from profit and loss account	<u><b>582,338</b></u>	<u>490,331</u>	<u><b>565,165</b></u>	<u>476,560</u>
	<b>1,413,154</b>	830,816	<b>1,359,249</b>	794,084
<i>Deduct:</i> Dividend paid	<u><b>474,100</b></u>	-	<u><b>474,100</b></u>	-
	<u><b>939,054</b></u>	830,816	<u><b>885,149</b></u>	794,084

20. **Profit on ordinary activities before taxation**

20.1 **Profit before tax is stated**

*After charging -*

Depreciation	<b>51,815</b>	26,468	<b>47,094</b>	24,066
Directors' remuneration	<b>16,770</b>	15,420	<b>16,770</b>	15,420
Auditors' remuneration	<b>8,850</b>	8,500	<b>7,500</b>	7,500
Technical management fee	<b>9,531</b>	5,601	<b>9,531</b>	5,601

*and crediting -*

Investment income	<b>115,524</b>	117,002	<b>109,495</b>	116,817
Profit on sale of fixed assets	<b>460</b>	37,894	<b>460</b>	37,894
Profit on shares disposed	<b>413,701</b>	143,041	<b>413,701</b>	139,420

	The Group		The Company	
	2007	2006	2007	2006
	x'000	x'000	x'000	x'000

20.2 Chairman's and directors' emoluments, pensions and compensation for loss of office

(a) *Chairman's emoluments:*

Fees	1,000	600	1,000	600
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(b) *The highest paid director -*

The emolument of the highest paid director (executive)	5,100	4,500	5,100	4,500
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(c) *Other directors received remuneration in the following ranges:*

	The Group		The Company	
	2007	2006	2007	2006
	Number	Number	Number	Number
x50,001 - x850,000	4	4	4	4
x850,001- x3,600,000	-	2	-	2
x3,600,001 and above	2	-	2	-

20.3. Staff number and costs

(a) *The average number of persons employed in the year was as follows:-*

	The Group		The Company	
	2007	2006	2007	2006
	Number	Number	Number	Number
Senior	327	308	325	306
Junior staff	<u>241</u>	<u>223</u>	<u>226</u>	<u>208</u>
	568	531	551	514

(b) *The related staff costs for both Life and Non-life accounts amounted to:*

	The Group		The Company	
	x'000	x'000	x'000	x'000
Wages and salaries	709,132	382,761	692,386	369,201
Pension fund charge	<u>21,266</u>	<u>28,169</u>	<u>21,266</u>	<u>28,169</u>
	730,398	410,930	713,652	397,370

(c) *The number of employees in receipt of emoluments within the following ranges were: -*

×	-	×	Number	Number	Number	Number
401,000	-	500,000	-	245	-	238
501,000	-	600,000	<b>158</b>	207	<b>154</b>	203
601,000	-	700,000	<b>74</b>	40	72	38
701,000	-	800,000	<b>2</b>	39	-	35
800,000 and above			<b>329</b>	-	325	-
			<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>

21. **Operating profit before working capital changes:**

Profit after tax	<b>657,025</b>	589,592	<b>639,852</b>	575,821
<b>Add back:</b>				
Taxation expenses	<b>178,257</b>	161,196	<b>172,507</b>	158,375
Interest income	<b>(106,735)</b>	(100,550)	<b>(106,735)</b>	(100,419)
<b>Operating profit</b>	<b>728,547</b>	650,238	<b>705,624</b>	633,777
<b>Adjustment for items not involving the movement of cash</b>				
Additional provision for doubtful debts	<b>205,774</b>	52,020	<b>205,774</b>	50,194
Depreciation	<b>51,815</b>	28,373	<b>47,094</b>	24,006
Profit on disposal of investments	<b>(413,701)</b>	(143,041)	<b>(413,701)</b>	(139,420)
Profit on disposal of fixed assets	<b>(460)</b>	(37,894)	<b>(460)</b>	(37,894)
Provision for doubtful investment	<b>1,369</b>	32,183	<b>1,369</b>	32,183
Increase/decrease in deferred tax balance	<b>-</b>	<u>8,886</u>	<b>-</b>	<u>8,886</u>
	<b>573,344</b>	590,765	<b>545,700</b>	571,732

22. **Working capital changes**

Loans to policy holders	<b>(35,225)</b>	(10,873)	<b>(35,225)</b>	(10,873)
Statutory deposit	<b>(465,000)</b>	-	<b>(465,000)</b>	-
Deferred acquisition cost	<b>(11,890)</b>	(30,347)	<b>(11,890)</b>	(30,347)
(Increase)/decrease in debtors and prepayments	<b>(1,106,958)</b>	(321,906)	<b>(1,095,203)</b>	(326,477)
Increase/(decrease) in creditors	<b>193,292</b>	(166,059)	<b>150,633</b>	(72,495)
Liability on deposit administration	<b>(484,806)</b>	(766,580)	<b>(484,806)</b>	(766,580)
	<b>1,910,587</b>	(1,295,765)	<b>(1,941,491)</b>	(1,206,772)

=====

23. **Reconciliation of cash and cash equivalent**

Cash comprises cash in hand and in bank and overdraft balance. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows: -

Cash and bank balances	<b>719,671</b>	133,287	<b>704,510</b>	130,857
	=====	=====	=====	=====

24. **Contingent liabilities**

There were contingent liabilities of ₦62,905,686 (2006 = ₦120,346,322) arising in the ordinary course of business from pending litigations. In the opinion of the directors, no material loss is expected to arise therefrom.

25. **Actuarial valuation**

As at the year ended 31 December, 2007, the latest actuarial valuation of the life fund was that carried out by Messrs. Alexander Forbes Consulting Actuaries Nigeria Limited (Actuaries Pension and Investment Consultants) for the period up to 31 December, 2005. This actuarial valuation disclosed a surplus of ₦80,552,000 which, however, is being carried forward unappropriated within the life fund.

26. **Responsibilities of the directors on the financial statements**

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, Cap C20 LFN 2004, the company's directors are responsible for the preparation of the annual financial statements which give a true and fair view of the state of affairs of the company as at 31 December, 2007 and of its profit or loss for the year ended on that date, and comply with the requirements of the Companies and Allied Matters Act, Cap C20 LFN 2004. These responsibilities include ensuring that:

- (i) adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and other irregularities;
- (ii) proper accounting records are maintained;
- (iii) applicable accounting standards are followed; and
- (iv) suitable accounting policies are used and consistently applied.

27. **Consolidation of financial statements**

The financial statements of the company and its subsidiaries were consolidated for the first time as at 31 December, 2004.

28. **Approval of financial statements**

These financial statements were approved by the Board of Directors on 8 May, 2008.

**NIGER INSURANCE PLC.**

**GROUP STATEMENT OF VALUE ADDED**

	2007		2006	
	x'000	%	x'000	%
Premium earned	1,905,399		1,664,414	
Investment and other incomes	<u>654,991</u>		<u>254,483</u>	
	<b>2,560,390</b>		1,918,897	
Claims, commissions, purchases and services	<u>(1,244,051)</u>		<u>(914,642)</u>	
<b>Value added</b>	<b>1,316,339</b>	<b>100</b>	1,004,255	100
	=====	=====	=====	=====
<b>Applied as follows:-</b>				
<i>In payment of employees -</i>				
Salaries, wages and other benefits	429,242	33	226,999	22
<i>In payment to Government -</i>				
Taxation	178,257	13	161,196	16
<i>In payment to providers of capital -</i>				
Dividend to shareholders	474,100	36	-	-
<i>Retained for maintenance of assets -</i>				
Depreciation	51,815	4	26,468	3
<i>Retained for expansion of business -</i>				
Contingency reserve	74,687	6	99,261	10
Retained profit	<u>108,238</u>	<u>8</u>	<u>490,331</u>	<u>49</u>
<b>Value added</b>	<b>1,316,339</b>	<b>100</b>	1,004,255	100
	=====	=====	=====	=====

The statement represents the distribution of the wealth created through the use of the group's assets,

and its employees' efforts.

## NIGER INSURANCE PLC

### COMPANY STATEMENT OF VALUE ADDED

	2007	%	2006	%
	x'000		x'000	
Premium earned	1,905,399		1,664,414	
Investment & other income	<u>632,068</u>		<u>237,891</u>	
	2,537,161		1,902,305	
Claims, commissions, purchases & expenses	<u>(1,265,212)</u>		<u>(932,490)</u>	
Value added	1,271,949	100	969,815	100
	=====	=====	=====	=====
 <b>Applied as follows: -</b>				
<i>In payment of employees</i>				
Salaries, wages & other benefits	412,496	32	211,553	22
<b>In payment to Government:-</b>				
Taxation	172,507	14	158,375	16
<i>In payment to providers of capital</i>				
Dividend to shareholders	474,100	37	-	-
<i>Retained for maintenance of assets</i>				
Depreciation	47,094	4	24,066	2
<i>Retained for expansion of business</i>				
Contingency reserve	74,687	6	99,261	10
Retained profit	<u>91,065</u>	<u>7</u>	<u>476,560</u>	<u>50</u>
Value added	1,271,949	100	969,815	100
	=====	=====	=====	=====

The statement represents the distribution of the wealth created through the use of the company's assets

and its employees' efforts.

**NIGER INSURANCE PLC  
GROUP FINANCIAL SUMMARY**

	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
<b>Source of funds</b>				
Share capital	1,975,413	1,580,330	750,000	500,000
Share premium	1,833,452	2,304,591	47,221	308,201
Capital reserve	1,261,240	468,682	468,682	468,682
Contingency reserve	431,364	342,831	233,039	190,012
Reserve for bonus issue	-	-	250,000	250,000
General reserve	<u>939,054</u>	<u>830,816</u>	<u>340,485</u>	<u>161,085</u>
	<b>6,440,523</b>	<b>5,527,250</b>	<b>2,089,427</b>	<b>1,877,980</b>
	=====	=====	=====	=====
<b>Use of funds</b>				
Fixed assets	2,294,301	1,417,754	1,383,447	1,370,883
Investments	7,683,004	8,008,149	5,627,153	5,679,476
Statutory deposit	500,000	35,000	35,000	35,000
Other assets	<u>3,262,292</u>	<u>1,726,515</u>	<u>1,464,891</u>	<u>1,195,547</u>
	<b>13,739,597</b>	<b>11,187,418</b>	<b>8,510,491</b>	<b>8,280,906</b>
<i>Deduct:</i> Current liability	<u>2,457,310</u>	<u>692,782</u>	<u>796,390</u>	<u>703,912</u>
	<b>11,282,287</b>	<b>10,494,636</b>	<b>7,714,101</b>	<b>7,576,994</b>
Deposit Administration	<u>3,165,075</u>	<u>3,649,881</u>	<u>4,416,461</u>	<u>4,512,560</u>
	<b>8,117,212</b>	<b>6,844,755</b>	<b>3,297,640</b>	<b>3,064,434</b>
<i>Deduct:</i> Insurance fund reserve	<u>1,676,689</u>	<u>1,317,505</u>	<u>1,208,213</u>	<u>1,186,454</u>
	<b>6,440,523</b>	<b>5,527,250</b>	<b>2,089,427</b>	<b>1,877,980</b>
	=====	=====	=====	=====
<b>Turnover &amp; profits</b>				
Premium (net)	3,874,220	3,138,806	2,311,640	2,104,629
Profit before tax	835,282	750,788	323,211	288,830
Profit after tax	657,025	589,592	287,680	254,933
Dividend paid	474,100	75,000	200,000	120,000
Dividend proposed	592,625	474,100	75,000	200,000
<b>Financial ratios</b>				
Earnings per share	16.63k	14.92k	7.28k	6.45k
Dividend per share - paid	15.00k	5.00k	20.00k	15.00k
Dividend per share - proposed	15.00k	12.51k	1.90k	5.06k
Net assets per share	x1.63	x1.75	x0.66k	x0.59k
Dividend cover (times)	1.11	-	4.50	1.33

\* Financial ratios for previous years other than for dividend paid have been adjusted for purposes of comparability.

**NIGER INSURANCE PLC**  
**COMPANY FINANCIAL SUMMARY**

	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
<b>Source of funds</b>					
Share capital	<b>1,975,413</b>	1,580,330	750,000	500,000	400,000
Share premium	<b>1,833,452</b>	2,304,591	47,221	308,201	100,607
Capital reserve	<b>1,258,188</b>	465,629	465,629	465,629	465,629
Contingency reserve	<b>431,364</b>	342,831	233,039	190,012	143,437
Reserve for bonus shares issue	-	-	250,000	250,000	-
General reserve	<u><b>885,149</b></u>	<u>794,084</u>	<u>317,524</u>	<u>145,763</u>	<u>130,844</u>
	<b>6,383,566</b>	5,487,465	2,063,413	1,859,605	1,240,517
	=====	=====	=====	=====	=====
<b>Use of funds</b>					
Fixed assets	<b>2,222,198</b>	1,344,908	1,316,939	1,311,826	1,281,998
Investments	<b>7,740,969</b>	8,105,360	5,650,037	5,753,273	4,829,588
Statutory deposit	<b>500,000</b>	35,000	35,000	35,000	13,500
Other assets	<u><b>3,178,312</b></u>	<u>1,669,613</u>	<u>1,399,006</u>	<u>1,148,884</u>	<u>1,057,239</u>
	<b>13,641,479</b>	11,154,881	8,400,982	8,248,983	7,182,325
<b>Deduct:-</b> Current liabilities	<u><b>2,416,149</b></u>	<u>700,030</u>	<u>712,895</u>	<u>690,364</u>	<u>820,496</u>
	<b>11,225,330</b>	10,454,851	7,688,087	7,558,619	6,361,829
Deposit administration	<u><b>3,165,075</b></u>	<u>3,649,881</u>	<u>4,416,461</u>	<u>4,512,560</u>	<u>4,086,050</u>
	<b>8,060,255</b>	6,804,970	3,271,626	3,046,059	2,275,779
<b>Deduct:</b> Insurance fund reserve	<u><b>1,676,689</b></u>	<u>1,317,505</u>	<u>1,208,213</u>	<u>1,186,454</u>	<u>1,035,262</u>
	<b>6,383,566</b>	5,487,465	2,063,413	1,859,605	1,240,517
	=====	=====	=====	=====	=====
<b>Turnover and profits</b>					
Premium (net)	<b>1,905,399</b>	1,664,414	1,002,613	917,974	866,776
Profit before taxation	<b>812,359</b>	734,196	312,672	285,332	192,160
Profit after taxation	<b>639,852</b>	575,821	280,041	252,390	171,203
Dividend paid	<b>474,100</b>	75,000	200,000	120,000	105,000
Dividend proposed	<b>592,625</b>	474,100	75,000	200,000	120,000
<b>Financial ratios*</b>					
Earnings per 50k share	<b>16.20k</b>	14.57k	7.09k	6.39k	4.33k
Dividend per share - paid	<b>15.00k</b>	5.00k	20.00k	15.00k	15.00k
Dividend per share - proposed	<b>15.00k</b>	12.00k	1.90k	5.06k	3.04k
Dividend cover (times)	<b>1.08</b>	1.21	3.73	1.26	1.42
Net assets per share	<b>x1.62</b>	x1.39	x0.52	x0.47	x0.31

\* Financial ratios for previous years other than for dividend paid have been adjusted for purposes of comparability.

**FOR MANAGEMENT USE ONLY**

## NIGER INSURANCE PLC

## SCHEDULE I

**LIFE MANAGEMENT EXPENSES  
FOR THE YEAR ENDED 31 DECEMBER, 2007**

	<b>2007</b>	<b>2006</b>
	<b>x'000</b>	<b>x'000</b>
Directors' remunerations - fees	966	1,764
- Other emoluments	6,579	5,175
Salaries and wages	291,586	166,140
Entertainment and business promotion	89,337	51,385
Repairs, maintenance and office service charges	44,906	41,033
Staff training	43,159	22,626
Travelling	43,051	27,044
Bank charges and commissions	37,835	23,828
Other professional fees	21,674	13,623
Staff welfare and medical expenses	20,547	9,841
Advertising	20,233	7,146
Rents and rates	16,998	6,809
Telephone	16,863	10,601
Printing and stationery	12,391	7,873
Pension fund charge	9,570	12,676
Vehicles' maintenance	9,307	14,812
Computer charges/running cost	8,949	6,234
Board expenses	8,478	762
Insurances	8,025	7,388
Insurance special supervision fund contribution	7,750	10,531
Donations and subscriptions	5,455	3,989
Lighting and water rate	5,158	5,285
AGM expenses	4,133	17,684
Postages and courier services	3,913	3,260
Audit fee	3,750	3,750
Technical management fee	3,450	2,520
I.T.F. Contributions	2,848	1,772
Office cleaning	2,192	1,756
Stamp duty	1,582	1,275
Provision for doubtful debt	1,498	-
Newspapers	1,345	1,398
Legal expenses	1,310	1,177
Actuarial valuation fees	1,248	5,308
Research and development	192	-
Debt recovery expenses	-	1,559
	<u>756,278</u>	<u>498,024</u>
Depreciation	<u>61,205</u>	<u>53,366</u>
	<u>817,483</u>	<u>551,390</u>
	=====	=====

**NIGER INSURANCE PLC**

**NON-LIFE MANAGEMENT EXPENSES**

**FOR THE YEAR ENDED 31 DECEMBER, 2007**

**SCHEDULE II**

	<b>2007</b>	<b>2006</b>
	<b>x'000</b>	<b>x'000</b>
Directors' remuneration - fees	1,183	2,156
- Other emoluments	8,042	6,325
Salaries and wages	400,800	196,060
Provision for bad and doubtful debts	205,774	50,194
Repairs, maintenance and office service charges	66,260	48,796
Bank charges and commissions	56,243	46,342
Staff training	52,750	27,654
Travelling	52,618	33,053
Other professional fees	26,490	16,650
Staff welfare and medical expenses	25,113	19,528
Advertising	24,730	10,772
AGM expenses	24,468	21,613
Telephone	24,378	15,888
Rents and rates	20,776	8,322
Printing and stationery	17,145	11,873
Pension fund charge	11,696	15,493
Vehicle maintenance	11,375	18,199
Computer expenses/running cost	10,935	7,619
Insurances	9,809	11,997
Insurance special supervision fund contribution	9,472	14,532
Lighting and water rate	6,124	6,459
Technical management fee	6,080	3,080
Donations and subscriptions	6,667	4,875
Postages and courier services	4,783	3,984
Marine superintendents fee	4,293	5,833
Audit fee	3,750	3,750
I.T.F. contributions	3,481	2,165
Office cleaning	2,680	2,146
Stamp duty	1,934	1,559
Newspapers	1,644	1,708
Legal expenses	1,600	1,439
Board expenses	1,362	932
Estate management	414	-
Exchange difference	-	2,165
Debt recovery expenses	-	1,905
	<u>1,104,869</u>	<u>625,066</u>
Depreciation	<u>47,094</u>	<u>24,006</u>
	<u>1,151,963</u>	<u>649,072</u>
	=====	=====