

**NIGER INSURANCE PLC**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2006**

**WITH MANAGEMENT SCHEDULES**

# **NIGER INSURANCE PLC**

## **REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2006**

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## NIGER INSURANCE PLC

### RESULTS AT A GLANCE

	<b>The Group</b>		<b>The Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
Gross premiums	<b>3,138,806</b>	2,311,460	<b>3,138,806</b>	2,311,460
Premium earned (net of reinsurance)	<b>2,717,556</b>	1,967,663	<b>2,717,556</b>	1,967,663
Net investment and other income	<b>523,719</b>	401,494	<b>507,127</b>	390,955
Profit before taxation	<b>750,788</b>	323,211	<b>734,196</b>	312,672
Profit after taxation	<b>589,592</b>	287,680	<b>575,821</b>	280,041
Dividend	-	75,000	-	75,000
Transfer to contingency reserve	<b>99,261</b>	33,280	<b>99,261</b>	33,280
Retained profit for the year	<b>490,331</b>	179,400	<b>476,560</b>	171,761
Share capital	<b>1,580,330</b>	750,000	<b>1,580,330</b>	750,000
Reserve for bonus issue	-	250,000	-	250,000
Shareholders' fund	<b>5,527,250</b>	2,089,427	<b>5,487,465</b>	2,063,413
Total assets	<b>11,187,419</b>	8,510,491	<b>11,154,881</b>	8,400,982
	=====	=====	=====	=====
<b>Per share data:</b>				
Earnings per 50k share	<b>18.65k</b>	10.22k	<b>18.22k</b>	9.89k
Dividend per 50k share	-	2.37k	-	2.37k
Net assets per share	<b>x1.75</b>	x0.66	<b>x1.74</b>	0.65k
Dividend cover (Times)	-	4.31	-	4.17
Price earnings ratio	-	-	<b>17.51</b>	42.97
Stock exchange quotation at 31 December	-	-	<b>319k</b>	425k

\* Previous year's per share data have been adjusted for purposes of comparability

## NIGER INSURANCE PLC

### CORPORATE INFORMATION

<b>The Board:</b>	Bala Zakariya'u	-	<i>Chairman</i>	
	Justus Clinton Uranta	-	<i>Managing Executive</i>	<i>Director/Chief</i>
	Dauda Kolapo Adedeji	-	<i>Executive Director</i>	
	Andrew Onyenweuwa Nwaujo	-	<i>Executive Director</i>	
	Osa Osunde	-	<i>Director</i>	
	Idris Onaolapo Sulaimon	-	<i>Director</i>	
	Frederick Nnamdi Udechukwu	-	<i>Director</i>	
	Amina Abubakar	-	<i>Director</i>	

**Secretary:** Taiwo A. Otuneye, Esq.- *LL.M, B.L.*

**Registered office:** 48/50, Odunlami Street,  
Lagos.

**Registered numbers:** RC. 6484  
RIC - 007 (R1 - 012)

**Bankers:** Union Bank of Nigeria Plc  
First Bank of Nigeria Plc  
United Bank for Africa Plc  
Intercontinental Bank Plc  
Skye Bank Plc

**Registrars:** NIC Securities and Trust Limited  
3-5, Customs Street, Lagos.  
Tel. No. 234-1-2663287

**Auditors:** Oyelami Soetan Adeleke & Co.,  
(Chartered Accountants),  
Kresta Laurel Complex (4th Floor),  
376, Ikorodu Road, Maryland,  
Lagos.

**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, 2006.

<b>2. Result for the year</b>		<b>x'000</b>
Company profit after taxation		575,821
<i>Less:</i>		
Contingency reserve		<u>99,261</u>
<b>Retained profit for the year transferred to general reserve</b>		<u>476,560</u> =====

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.

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>31/12/2006</b>	<b>31/12/2005</b>
Bala Zakariya'u	71,111,748	45,033,257
Justus Clinton Uranta	34,365,893	14,728,241
Dauda Kolapo Adedeji	10,106,929	5,883,153
Andrew Onyenweuwa Nwaujo	3,191,857	327,343
Osa Osunde	2,479,347	4,211,019
Idris Onaolapo Sulaimon	123,302,816	68,102,112
Frederick Nnamdi Udechukwu -		
Indirect (Chrome Oil Services Ltd)	397,692,732	122,485,418
Amina Abubakar - Indirect (Goldust Investment Ltd.)	116,627,998	74,973,213
	=====	=====

## 6. Shareholdings

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

Shareholders	As at 31/12/06		As at 31/12/05	
	Number of shares held	%	Number of shares held	%
Management Alliance Company Limited	642,342,190	20	390,175,164	26
Fidelity Finance Company Limited	383,768,113	12	227,226,382	15
Chrome Oil Services	397,692,732	13	106,154,028	7
Other Nigerian Individuals and Associations	<u>1,736,866,279</u>	<u>55</u>	<u>776,444,426</u>	<u>52</u>
	3,160,669,314	100	1,500,000,000	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, 2006.

### (c) Analysis of shareholding:

Holding between				Total holders	Units	%
Nigerian Shareholders	1	and	1,000	424	230,509	0.01
	1,001	and	5,000	1,675	5,183,091	0.16
	5,001	and	10,000	1,219	9,011,550	0.29
	10,001	and	50,000	2,069	49,125,552	1.55
	50,001	and	100,000	612	44,367,654	1.40
	100,001	and	500,000	636	133,576,526	4.23
	500,001	and	1,000,000	80	53,526,677	1.69
	Above		1,000,000	<u>81</u>	<u>2,865,647,755</u>	<u>90.67</u>
				6,806	3,160,669,314	100
				=====	=====	=====

## 7. Dividend

The directors recommend the payment of a dividend of ₦474,100,397 which is equivalent to 15k per share of 50k held by members whose names appear in the register of members as at the close of business on ..... 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
2006 Remembrance emblem		50,000
NYSC		50,000
Brazilian Quarters Community Dev. Association		100,000
Central Primary School		50,000
Lagos Lions Club		100,000
Atunda Olu School for the physically challenged		<u>50,000</u>
		400,000

### (b) *Other donations:*

Chartered Insurance Institute of Nigeria	50,000	
Professional Insurance Ladies Association	250,000	
Nigerian Council of Registered Insurance Brokers	400,000	
Institute of Directors	700,000	
Nigeria Insurers Association (NIA)	110,000	
Actuarial Science & Insurance Students	<u>54,000</u>	
		<u>1,564,000</u>
		1,964,000
		=====

## 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 2006:

	<b>No. of meetings attended</b>
Bala Zakariya'u	4
Justus Clinton Uranta	4
Dauda Kolapo Adedeji	4
Andrew Onyenweuwa Nwaujo	4
Osa Osunde	3
Idris Onaolapo Sulaimon	4
Frederick Nnamdi Udechukwu	3
Amina Abubakar	2

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**

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

We have audited the financial statements set out on pages 12 to 30 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 27 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, 2006 and of its profit and cash flow for the year then ended.

**CHARTERED**

**ACCOUNTANTS  
Lagos, Nigeria  
17 July, 2007**

**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, 2006 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, 2006 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, 2006 were adequate and we are satisfied with the management responses to the auditors' findings.

Dated this ... July, 2007

**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 provides a pension scheme for the benefit of its employees. The assets of the pension scheme are held in a separate trust fund. The pension costs are charged to the profit and loss account, while the amount of the payments/charges are determined by the company on actuarial advice so that over the long-term, the funds and provisions will be adequate to meet the liabilities.

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, 2006

Assets	Note	The Group		The Company	
		2006 x'000	2005 x'000	2006 x'000	2005 x'000
Cash and bank balances		133,287	183,127	130,857	177,753
Quoted investments	1	733,495	699,252	718,102	684,176
Unquoted investments	2	5,274,654	4,379,277	5,387,258	4,417,237
Government securities	3	2,000,000	548,624	2,000,000	548,624
Debtors	4	1,408,740	1,138,496	1,354,268	1,077,985
Loans to policy holders	5	111,274	100,401	111,274	100,401
Deferred acquisition expenses	6	73,214	42,867	73,214	42,867
Statutory deposit	7	35,000	35,000	35,000	35,000
Fixed assets	8&9	<u>1,417,754</u>	<u>1,383,447</u>	<u>1,344,908</u>	<u>1,316,939</u>
		<u>11,187,418</u>	<u>8,510,491</u>	<u>11,154,881</u>	<u>8,400,982</u>
<b>Liabilities</b>					
Creditors and accruals	10	322,897	563,956	339,601	487,096
Current taxation	11	167,831	39,266	158,375	32,631
Deferred taxation	12	202,054	193,168	202,054	193,168
Deposit administration	13	3,649,881	4,416,461	3,649,881	4,416,461
Insurance fund	14	<u>1,317,505</u>	<u>1,208,213</u>	<u>1,317,505</u>	<u>1,208,213</u>
		<u>5,660,168</u>	<u>6,421,064</u>	<u>5,667,416</u>	<u>6,337,569</u>
<b>Capital and reserves</b>					
Share capital	15	1,580,330	750,000	1,580,330	750,000
Share premium	16	2,304,591	47,221	2,304,591	47,221
Reserve for bonus issue	17	-	250,000	-	250,000
Capital reserve	18	468,682	468,682	465,629	465,629
Contingency reserve	19	342,831	233,039	342,831	233,039
General reserve	20	<u>830,816</u>	<u>340,485</u>	<u>794,084</u>	<u>317,524</u>
<b>Shareholders' fund</b>		<u>5,527,250</u>	<u>2,089,427</u>	<u>5,487,465</u>	<u>2,063,413</u>
		<u>11,187,418</u>	<u>8,510,491</u>	<u>11,154,881</u>	<u>8,400,982</u>

**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, 2006

		<b>Life x'000</b>	<b>Non-life x'000</b>	<b>2006 x'000</b>	<b>2005 x'000</b>
Cash and bank balances		75,233	55,624	<b>130,857</b>	177,753
Quoted investments	1	595,854	122,248	<b>718,102</b>	684,176
Unquoted investments	2	3,738,717	1,648,541	<b>5,387,258</b>	4,417,237
Government securities	3	800,000	1,200,000	<b>2,000,000</b>	548,624
Debtors	4	330,811	1,023,457	<b>1,354,268</b>	1,077,985
Loans to policy holders	5	111,274	-	<b>111,274</b>	100,401
Deferred acquisition expenses	6	-	73,214	<b>73,214</b>	42,867
Statutory deposit	7	15,000	20,000	<b>35,000</b>	35,000
Fixed assets	9	<u>1,109,619</u>	<u>235,289</u>	<u><b>1,344,908</b></u>	<u>1,316,939</u>
		<u>6,776,508</u>	<u>4,378,373</u>	<u><b>11,154,881</b></u>	<u>8,400,982</u>
<b>Liabilities</b>					
Creditors and accruals	10 17,725	321,876	<b>339,601</b>	487,096	
Current taxation	11	-	158,375	<b>158,375</b>	32,631
Deferred taxation	12	202,054	-	<b>202,054</b>	193,168
Deposit administration	13	3,649,881	-	<b>3,649,881</b>	4,416,461
Insurance fund	14	<u>894,613</u>	<u>422,892</u>	<u><b>1,317,505</b></u>	<u>1,208,213</u>
		<u>4,764,273</u>	<u>903,143</u>	<u><b>5,667,416</b></u>	<u>6,337,569</u>
<b>Capital and reserves</b>					
Share capital	15	632,132	948,198	<b>1,580,330</b>	750,000
Share premium	16	1,007,308	1,297,283	<b>2,304,591</b>	47,221
Reserve for bonus issue	17	-	-	-	250,000
Capital reserve	18	307,748	157,881	<b>465,629</b>	465,629
Contingency reserve	19	65,047	277,784	<b>342,831</b>	233,039
General reserve	20	<u>-</u>	<u>794,084</u>	<u><b>794,084</b></u>	<u>317,524</u>
		<u>2,012,235</u>	<u>3,475,230</u>	<u><b>5,487,465</b></u>	<u>2,063,413</u>
		<u>6,776,508</u>	<u>4,378,373</u>	<u><b>11,154,881</b></u>	<u>8,400,982</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, 2006**

	Notes	2006 x'000	The Group 2005 x'000	2006 x'000	The Company 2005 x'000
Premium earned (net of reinsurances)		1,664,414	1,002,613	1,664,414	1,002,613
		-----	-----	-----	-----
<b>Less:</b>					
Claims paid		221,715	185,287	221,715	185,287
Acquisition cost		124,303	114,647	124,303	114,647
Maintenance		86,919	53,389	86,919	53,389
Outstanding claims		58,594	10,443	58,594	10,443
Increase in reserve for unexpired risks		27,506	15,846	27,506	15,846
Provision for bad & doubtful debts		50,194	14,426	50,194	14,426
Expenses		598,878	445,051	598,878	445,051
		-----	-----	-----	-----
		1,168,109	839,089	1,168,109	839,089
		=====	=====	=====	=====
<b>Underwriting profit</b>		496,305	163,524	496,305	163,524
		-----	-----	-----	-----
<b>Investment incomes</b>					
Income from fixed investments		152,712	138,596	147,493	128,057
Interest receivable and similar income		100,550	6,925	100,419	6,925
Fees and rental income less expenses		19,816	12,900	8,574	12,900
Provision for investment losses		(18,595)	1,266	(18,595)	1,266
		-----	-----	-----	-----
		254,483	159,687	237,891	149,148
		=====	=====	=====	=====
<b>Profit on ordinary activities before taxation</b>		750,788	323,211	734,196	312,672
Taxation	21	(161,196)	(35,531)	(158,375)	(32,631)
		-----	-----	-----	-----
<b>Profit on ordinary activities after tax</b>		589,592	287,680	575,821	280,041
<b>Deduct:</b> Appropriation -					
Proposed dividend		-----	(75,000)	-----	(75,000)
		589,592	212,680	575,821	205,041
Contingency reserve	19	(99,261)	(33,280)	(99,261)	(33,280)
		-----	-----	-----	-----
<b>Retained profit for the year transferred to general reserve</b>	20	490,331	179,400	476,560	171,761
		=====	=====	=====	=====
Earnings per share		18.7k	19.2k	18.2k	18.7k
		=====	=====	=====	=====
Diluted earnings per share		18.7k	9.10k	18.2k	8.90k
		=====	=====	=====	=====

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**

	2006	2005
	x'000	x'000
Total Premiums received	1,053,142	974,747
Reinsurance outward	<u>(8,312)</u>	<u>(9,697)</u>
	<b>1,044,830</b>	<b>965,050</b>
<b>Underwriting expenses</b>		
Acquisition	195,448	223,859
Maintenance	75,361	35,727
Claims paid and admitted	121,334	31,122
Surrenders	10,077	9,227
Interest on deposit administration scheme	259,253	281,867
Management expenses	498,024	482,187
Depreciation	<u>53,366</u>	<u>70,990</u>
	<b><u>(1,212,863)</u></b>	<b><u>(1,134,979)</u></b>
<b>Underwriting loss</b>	<b>(168,033)</b>	<b>(169,929)</b>
<b>Investment and other income</b>		
Investment income	215,720	217,593
<i>Less:</i> Investment losses	<u>(13,904)</u>	<u>-</u>
	<b>201,816</b>	<b>217,593</b>
Other incomes	<u>67,420</u>	<u>24,214</u>
	<b><u>269,236</u></b>	<b><u>241,807</u></b>
	<b>101,203</b>	<b>71,878</b>
Deferred tax	<u>(8,886)</u>	<u>(56,218)</u>
	<b>92,317</b>	<b>15,660</b>
Contingency reserve (1% of gross premium)	<u>(10,531)</u>	<u>(9,747)</u>
<b>Net increase transferred to life fund</b>	<b>81,786</b>	<b>5,913</b>
	=====	=====



## NIGER INSURANCE PLC

## NON-LIFE REVENUE ACCOUNT

	Motor vehicle x'000	Fire x'000	Marine aviation transit x'000	Workmen compen- sation x'000	Accident x'000	Burglary fidelity misc. x'000	2006 Total x'000	2005 Total x'000
Direct premiums	507,552	220,515	289,968	26,282	81,148	928,607	2,054,072	1,324,065
Inward reinsurance premium	<u>3,552</u>	<u>2,867</u>	<u>5,115</u>	<u>-</u>	<u>-</u>	<u>20,058</u>	<u>31,592</u>	<u>12,648</u>
Gross premium written	511,104	223,382	295,083	26,282	81,148	948,665	2,085,664	1,336,713
<i>Less:</i> Outward reinsurance premium	<u>(108,083)</u>	<u>(55,154)</u>	<u>(60,728)</u>	<u>(3,013)</u>	<u>(7,784)</u>	<u>(186,488)</u>	<u>(421,250)</u>	<u>(334,100)</u>
Net premiums	403,021	168,228	234,355	23,269	73,364	762,177	1,664,414	1,002,613
<i>Deduct:</i>								
Claims paid	62,500	22,750	33,776	3,110	33,210	167,959	323,305	248,342
Inward reinsurance claims paid	(24,795)	(20,562)	(16,942)	-	-	(39,291)	(101,590)	(63,055)
Acquisition cost	19,605	14,986	9,683	2,187	15,246	62,596	124,303	114,647
Maintenance	17,251	7,201	10,031	996	3,140	48,300	86,919	53,389
Outstanding claims	33,625	6,294	5,634	1,632	1,620	9,789	58,594	10,443
Unexpired risks (Net)	<u>11,529</u>	<u>3,848</u>	<u>3,575</u>	<u>1,485</u>	<u>3,749</u>	<u>3,320</u>	<u>27,506</u>	<u>15,846</u>
	119,715	34,517	45,757	9,410	56,965	252,673	519,037	379,612
	<u>283,306</u>	<u>133,711</u>	<u>188,598</u>	<u>13,859</u>	<u>16,399</u>	<u>509,504</u>	<u>1,145,377</u>	<u>623,001</u>
<i>Less:</i>								
Management expenses	<u>156,642</u>	<u>65,385</u>	<u>91,087</u>	<u>9,044</u>	<u>28,514</u>	<u>298,400</u>	<u>649,072</u>	<u>459,477</u>
<b>Underwriting profit</b>	<u>126,664</u>	<u>68,326</u>	<u>97,511</u>	<u>4,815</u>	<u>(12,115)</u>	<u>211,104</u>	<u>496,305</u>	<u>163,524</u>



**NIGER INSURANCE PLC**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER, 2006**

	Note	The Group 2006 x'000	2005 x'000	The Company 2006 x'000	2005 x'000
<b>Cash flow from operating activities:</b>					
Operating profit before working capital changes	22	763,594	412,875	744,921	400,780
Working capital changes	23	(1,295,765)	(189,824)	(1,206,772)	(239,717)
Income tax paid		<u>(32,631)</u>	<u>(32,942)</u>	<u>(32,631)</u>	<u>(32,942)</u>
Net cash inflow from operating activities		<u>(564,802)</u>	190,109	<u>(494,482)</u>	128,121
<b>Cash flows from investing activities</b>					
Government securities		(1,451,376)	273,899	(1,451,376)	273,399
Purchase of fixed assets		(116,250)	(87,638)	(105,547)	(78,025)
Quoted investments		(37,567)	527,953	(37,250)	541,808
Proceeds from sale of fixed assets		38,100	487	38,100	487
Unquoted investment		(924,236)	(747,657)	(998,880)	(710,705)
Interest received		100,550	6,952	100,419	6,952
Net proceeds from disposal of investments		<u>143,041</u>	<u>78,359</u>	<u>139,420</u>	<u>78,359</u>
Net cash outflow from investing activities		<u>(2,812,540)</u>	242,464	<u>(2,315,114)</u>	240,396
<b>Cash flow from financing activities:</b>					
Proceeds from rights issue		3,075,749	-	3,075,749	-
Dividend paid		(75,000)	(200,000)	(75,000)	(200,000)
Share capital increase expenses		<u>(238,049)</u>	<u>(10,980)</u>	<u>(238,049)</u>	<u>(10,980)</u>
Net cash outflow from financing activities		<u>(49,840)</u>	31,484	<u>2,762,700</u>	29,416

**NIGER INSURANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2006**

	<b>The Group</b>		<b>The Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</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 x804,891,430)	<b>738,021</b>	700,454	<b>722,628</b>	685,378
<i>Less:</i> Provision for investment losses	<u><b>(4,526)</b></u>	<u>(1,202)</u>	<u><b>(4,526)</b></u>	<u>(1,202)</u>
	<u><b>733,495</b></u>	<u>699,252</u>	<u><b>718,102</b></u>	<u>684,176</u>
<b>2. Unquoted investments</b>				
Ordinary shares and debenture stocks	<b>2,564,741</b>	2,147,186	<b>2,564,341</b>	2,140,598
Investment in subsidiaries	<b>1,662,450</b>	1,662,450	<b>1,781,454</b>	1,777,762
Short-term deposits	<u><b>1,124,267</b></u>	<u>617,586</u>	<u><b>1,118,267</b></u>	<u>546,822</u>
	<b>5,351,458</b>	4,427,222	<b>5,464,062</b>	4,465,182
<i>Less:</i>				
Provision for diminution in value of investment	<u><b>76,804</b></u>	<u>47,945</u>	<u><b>76,804</b></u>	<u>47,945</u>
	<u><b>5,274,654</b></u>	<u>4,379,277</u>	<u><b>5,387,258</b></u>	<u>4,417,237</u>
<b>.1 Investment in subsidiaries</b>				
a) <i>Summary</i>				
NIC Properties Limited	-	-	<b>95,004</b>	91,312
NIC Securities and Trust Limited	-	-	<b>24,000</b>	24,000
River Plaza and Mall Limited	<u><b>1,662,450</b></u>	<u>1,662,450</u>	<u><b>1,662,450</b></u>	<u>1,662,450</u>
	<u><b>1,662,450</b></u>	<u>1,662,450</u>	<u><b>1,781,454</b></u>	<u>1,777,762</u>

**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.

	The Group		The Company	
	2006	2005	2006	2005
	x'000	x'000	x'000	x'000
3. <b>Government securities (at cost)</b>				
(Discounted value- x1,700,000,000)	<b>2,000,000</b>	548,624	<b>2,000,000</b>	548,624
	=====	=====	=====	=====
No provision has been made for the diminution in the value of government securities as it is the intention of the company to hold these investments until maturity.				
4. <b>Debtors</b>				
<i>Amounts falling due within one year:</i>				
Brokers' and agents' debit balances	<b>1,133,267</b>	611,673	<b>1,133,267</b>	611,673
<i>Less:</i> Provision for bad debts	<u><b>109,811</b></u>	<u>59,617</u>	<u><b>109,811</b></u>	<u>59,617</u>
	<b>1,023,456</b>	552,056	<b>1,023,456</b>	552,056
	-----	-----	-----	-----
Other debtors and prepayments	<b>391,538</b>	590,868	<b>335,240</b>	530,357
<i>Less:</i> Provision for doubtful debts	<u><b>6,254</b></u>	<u>4,428</u>	<u><b>4,428</b></u>	<u>4,428</u>
	<b>385,284</b>	586,440	<b>330,812</b>	525,929
	=====	=====	=====	=====
	<b>1,408,740</b>	1,138,496	<b>1,354,268</b>	1,077,985
	=====	=====	=====	=====
5. <b>Loans to policy holders</b>				
Non-forfeiture regulations	<b>910</b>	906	<b>910</b>	906
Policy loan	<b>34,222</b>	19,436	<b>34,222</b>	19,436
Mortgage loan	<u><b>76,142</b></u>	<u>80,059</u>	<u><b>76,142</b></u>	<u>80,059</u>
	<b>111,274</b>	100,401	<b>111,274</b>	100,401
	=====	=====	=====	=====
6. <b>Deferred acquisition expenses</b>				
At 1 January	<b>42,867</b>	50,735	<b>42,867</b>	50,735
Acquisition paid during the year	<b>154,650</b>	42,867	<b>154,650</b>	42,867
Charged to profit and loss account	<u><b>(124,303)</b></u>	<u>(50,735)</u>	<u><b>(124,303)</b></u>	<u>(50,735)</u>
	<b>73,214</b>	42,867	<b>73,214</b>	42,867
	=====	=====	=====	=====
7. <b>Statutory deposit</b>	<b>35,000</b>	35,000	<b>35,000</b>	35,000

8. Fixed assets - Group		<b>Land and buildings</b>	<b>Furniture, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>Cost/Revaluation</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
	At 1 January, 2006	1,375,077	339,709	270,808	1,985,594
	Additions	7,307	38,186	70,757	116,250
	Disposal/adjustment	<u>(206)</u>	<u>-</u>	<u>(1,950)</u>	<u>(2,156)</u>
	At 31 December, 2006	1,382,178	377,895	339,615	2,099,688
		-----	-----	-----	-----
	<b>Depreciation:</b>				
	At 1 January, 2006	126,776	261,846	213,523	602,145
	Charge for the year	13,817	34,019	33,903	81,739
On disposal	<u>-</u>	<u>-</u>	<u>(1,950)</u>	<u>(1,950)</u>	
At 31 December, 2006	140,593	295,865	245,476	681,934	
	=====	=====	=====	=====	
<b>Net book value:</b>					
At 31 December, 2006	1,241,585	82,030	94,139	1,417,754	
	=====	=====	=====	=====	
At 31 December, 2005	1,248,301	77,862	57,284	1,383,447	
	=====	=====	=====	=====	
9. Fixed assets - Company		<b>Land and buildings</b>	<b>Furniture, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>Cost/Revaluation</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
	At 1 January, 2006	1,314,346	335,024	262,733	1,912,103
	Additions	5,830	34,066	65,651	105,547
	Disposal/adjustment	<u>(206)</u>	<u>-</u>	<u>(1,950)</u>	<u>(2,156)</u>
	At 31 December, 2006	1,319,970	369,090	326,434	2,015,494
		-----	-----	-----	-----
	<b>Depreciation:</b>				
	At 1 January, 2006	124,224	260,781	210,159	595,164
	Charge for the year	13,202	33,094	31,076	77,372

On disposal	-	-	(1,950)	(1,950)
At 31 December, 2006	137,426	293,875	239,285	670,586
	=====	=====	=====	=====
<b>Net book value:</b>				
At 31 December, 2006	1,182,544	75,215	87,149	1,344,908
	=====	=====	=====	=====
At 31 December, 2005	1,190,122	74,243	52,574	1,316,939
	=====	=====	=====	=====

10. Creditors	The Group		The Company	
	2006	2005	2006	2005
	x'000	x'000	x'000	x'000
Outstanding claims	235,419	176,825	235,419	176,825
Brokers' and agents' credit balances	42,816	21,861	42,816	21,861
Creditors and accrued expenses	<u>44,663</u>	<u>290,270</u>	<u>61,366</u>	<u>213,410</u>
	322,897	488,956	339,601	412,096
Proposed dividend	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
	<u>322,897</u>	<u>563,956</u>	<u>339,601</u>	<u>487,096</u>
	=====	=====	=====	=====

Included in creditors and accrued expenses is the sum x5,600,820 due to MAC Limited on account of the management fee for year 2005.

Dividend to shareholders have not been provided for in this financial statements as the liability is recognised in the period in which the dividend is approved by the shareholders.

11. Taxation	The Group		The Company	
	2006	2005	2006	2005
	x'000	x'000	x'000	x'000
.1 <i>Profit and loss account</i>				
Income tax on profit for the year	149,025	30,743	146,204	27,843
Education tax	<u>12,171</u>	<u>4,788</u>	<u>12,171</u>	<u>4,788</u>
	161,196	35,531	158,375	32,631

	The Group		The Company	
	2006 x'000	2005 x'000	2006 x'000	2005 x'000
2. <b>Balance sheet</b>				
Balance unpaid at 1 January	39,266	36,677	32,631	32,942
Provision for the year	161,196	35,531	158,375	32,631
Paid during the year	<u>(32,631)</u>	<u>(32,942)</u>	<u>(32,631)</u>	<u>(32,942)</u>
	167,831	39,266	158,375	32,631
	=====	=====	=====	=====

	The Group		The Company	
	2006 x'000	2005 x'000	2006 x'000	2005 x'000
12. <b>Deferred taxation</b>				
At 1 January	193,168	136,950	193,168	136,950
	-----	-----	-----	-----
<b>Charge to profit and loss account</b>				
Relating to prior years	-	64,984	-	64,984
Current year movement	<u>8,886</u>	<u>(8,766)</u>	<u>8,886</u>	<u>(8,766)</u>
	8,886	56,218	8,886	56,218
	-----	-----	-----	-----
At 31 December	202,054	193,168	202,054	193,168
	=====	=====	=====	=====
13. <b>Deposit administration</b>				
Liabilities on deposit administration	3,649,881	4,416,461	3,649,881	4,416,461
	=====	=====	=====	=====

	The Group		The Company	
	2006 x'000	2005 x'000	2006 x'000	2005 x'000
14. <b>Insurance funds</b>				
Life	894,613	812,827	894,613	812,827
Fire 65,965	62,117	65,965	62,117	
Accident	21,872	18,123	21,872	18,123
Motor vehicles	137,980	126,451	137,980	126,451
Marine, aviation and transit	45,808	42,233	45,808	42,233
Workmen's compensation	10,467	8,982	10,467	8,982
Provision for liabilities on deposit administration	142,000	137,400	142,000	137,400

	The Group		The Company	
	2006	2005	2006	2005
15. <b>Share capital</b>				
(a) <i>Authorised -</i>				
4,000,000,000 Ordinary Shares of 50k each	<b>2,000,000</b>	750,000	<b>2,000,000</b>	750,000
	=====	=====	=====	=====

	The Group		The Company	
	2006	2005	2006	2005
(b) <i>Issued and fully paid -</i>				
3,160,669,314 (2005- 1,500,000,000) Ordinary Shares of 50k each	<b>1,580,330</b>	750,000	<b>1,580,330</b>	750,000
	=====	=====	=====	

(c) In 2005, the paid up capital was increased by x250,000,000 by a bonus issue of one ordinary share for every three previously held.

(d) During the year, the paid up capital was also increased by x580,334,657 through a Rights Issue.

	x'000	x'000	x'000	x'000
16. <b>Share premium</b>				
At 1 January	47,221	308,201	47,221	308,201
Addition during the year	<b>2,495,419</b>	-	<b>2,495,419</b>	-
	<b>2,542,640</b>	308,201	<b>2,542,640</b>	308,201
Share capital increase expenses	<b>(238,049)</b>	(10,980)	<b>(238,049)</b>	<b>(10,980)</b>
Transfers - Reserves for bonus issue	-	(250,000)	-	(250,000)
	<b>2,304,591</b>	47,221	<b>2,304,591</b>	47,221
	=====	=====	=====	=====

In 2005, a Right Issue of 1,160,660,314 ordinary share was offered to existing shareholders at a premium of x2.15.

	x'000	x'000	x'000	x'000
17. <b>Reserve for bonus issue</b>				
At 1 January	-	250,000	<b>250,000</b>	250,000
Amount applied for scrip issue	-	(250,000)	<b>(250,000)</b>	<b>(250,000)</b>
Transfer from share premium account	-	250,000	-	250,000
	-	250,000	-	250,000
	=====	=====	=====	=====

19. **Contingency reserve**

At 1 January	<b>233,039</b>	190,012	<b>233,039</b>	190,012
Transfer from profit and loss account	<b>99,261</b>	33,280	<b>99,261</b>	33,280
Transfer from life fund account	<u>10,531</u>	<u>9,747</u>	<u><b>10,531</b></u>	<u>9,747</u>
At 31 December	<b>342,831</b>	233,039	<b>342,831</b>	233,039
	=====	=====	=====	=====

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.

	<b>The Group</b>		<b>The Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>	<b>x'000</b>
20. <b>General reserve</b>				
At 1 January	<b>340,485</b>	161,085	<b>317,524</b>	145,763
Transfer from profit and loss account	<u><b>490,331</b></u>	<u>179,400</u>	<u><b>476,560</b></u>	<u>171,761</u>
	<b>830,816</b>	340,485	<b>794,084</b>	317,524
	=====	=====	=====	=====

21. **Profit on ordinary activities before taxation**21.1 **Profit before tax is stated***After charging -*

Depreciation	<b>26,468</b>	4,084	<b>24,066</b>	1,922
Directors' remuneration	<b>15,420</b>	12,850	<b>15,420</b>	12,850
Auditors' remuneration	<b>8,500</b>	4,850	<b>7,500</b>	4,000
Technical management fee	<b>5,601</b>	5,048	<b>5,601</b>	5,048
	=====	=====	=====	=====

*and crediting -*

Investment income	<b>117,002</b>	151,496	<b>116,817</b>	140,957
Profit on sale of fixed assets	<b>37,894</b>	487	<b>37,894</b>	487
Profit on shares disposed	<b>143,041</b>	78,359	<b>139,420</b>	78,359
	=====	=====	=====	=====

21.2 Chairman's and directors' emoluments, pensions

and compensation for loss of office

(a) *Chairman's emoluments:*

Fees	<b>600</b>	600	<b>600</b>	600
	=====	=====	=====	=====

(b) *The highest paid director -*

The emolument of the highest paid director (executive)	<b>4,875</b>	3,750	<b>4,875</b>	3,750
	=====	=====	=====	=====

(c) *Other directors received remuneration in the following ranges:*

	The Group		The Company	
	2006	2005	2006	2005
	Number	Number	Number	Number
x50,001 - x850,000	4	4	4	4
x850,001- x2,000,000	4	2	4	2
	=====	=====	=====	=====

21.3. Staff number and costs

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

	The Group		The Company	
	2006	2005	2006	2005
	Number	Number	Number	Number
Senior	247	255	245	251
Junior staff	<u>225</u>	<u>252</u>	<u>215</u>	<u>237</u>
	472	507	460	488
	=====	=====	=====	=====

(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	382,761	361,328	369,201	349,599

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

	x	-	x	Number	Number	Number	Number
261,000	-		300,000	9	4	6	-
301,000	-		400,000	185	248	180	237
401,000	-		500,000	156	147	154	146
501,000	-		600,000	62	57	62	57
600,000 and above				60	51	58	48
				=====	=====	=====	=====
				2006	2005	2006	2005
				x'000	x'000	x'000	x'000

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

Profit after tax				589,592	287,680	575,821	280,041
<b>Add back:</b>							
Taxation expenses				161,196	35,531	158,375	32,631
Interest income				<u>(100,550)</u>	<u>(6,952)</u>	<u>(100,419)</u>	<u>(6,952)</u>
<b>Operating profit</b>				<b>650,238</b>	316,259	<b>633,777</b>	305,720
<b>Adjustment for items not involving the movement of cash</b>							
Additional provision for doubtful debts				52,020	14,536	50,194	14,536
Depreciation				81,739	75,074	77,372	72,912
Profit on disposal of investments				(143,041)	(78,359)	(139,420)	(78,359)
Profit on disposal of fixed assets				(37,894)	(487)	(37,894)	(487)
Provision for doubtful investment				32,183	(1,872)	32,183	(1,266)
Increase/decrease in deferred tax balance				8,886	56,218	8,886	56,218
Increase in contingency reserve - life				10,531	9,747	10,531	9,747
Movement in insurance funds				<u>109,292</u>	<u>21,759</u>	<u>109,292</u>	<u>21,759</u>
				<b>763,954</b>	412,875	<b>744,921</b>	400,780
				=====	=====	=====	=====

23. **Working capital changes**

Loans to policy holders				(10,873)	(5,045)	(10,873)	(5,045)
Deferred acquisition cost				(30,347)	7,868	(30,347)	7,868
(Increase)/decrease in debtors and							

24. **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>133,287</b>	183,127	<b>130,857</b>	177,753
	=====	=====	=====	=====

25. **Contingent liabilities**

There were contingent liabilities of ₦120,346,322 (2005 = ₦102,507,467) arising in the ordinary course of business from pending litigations. In the opinion of the directors, no material loss is expected to arise therefrom.

26. **Actuarial valuation**

As at the year ended 31 December, 2006, the latest actuarial valuation of the life fund was that carried out by Messrs. Ajibola Ogunshola & Co (Actuaries Pension and Investment Consultants) for the period up to 31 December, 2002 . The actuarial valuation covering the period up to 31 December, 2006 was in progress.

27. **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, 2006 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.

28 **Consolidation of financial statements**

**NIGER INSURANCE PLC.**

**GROUP STATEMENT OF VALUE ADDED**

	<b>2006</b>		<b>2005</b>	
	<b>x'000</b>	<b>%</b>	<b>x'000</b>	<b>%</b>
Premium earned	1,664,414		1,002,613	
Investment and other incomes	<u>254,483</u>		<u>159,687</u>	
	<b>1,918,897</b>		1,162,300	
Claims, commissions, purchases and services	<u>914,642</u>		<u>641,566</u>	
<b>Value added</b>	<b>1,004,255</b>	100	520,734	100
	=====	=====	=====	=====

**Applied as follows:-**

***In payment of employees -***

Salaries, wages and other benefits	226,999	22	193,439	37
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***In payment to Government -***

Taxation	161,196	16	35,531	7
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***In payment to providers of capital -***

Dividend to shareholders	-	-	75,000	14
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Contingency reserve	<b>99,261</b>	10	33,280	6
Retained profit	<u><b>490,331</b></u>	<u>49</u>	<u>179,400</u>	<u>35</u>
<b>Value added</b>	<b>1,004,255</b>	100	520,734	100
	=====	=====	=====	=====

The statement represents the distribution of the wealth created through the use of the group's assets, and its employees' efforts.

## COMPANY STATEMENT OF VALUE ADDED

	2006	%	2005	%
	x'000		x'000	
Premium earned	1,664,414		1,002,613	
Investment & other income	<u>237,891</u>		<u>149,148</u>	
	1,902,305		1,151,761	
Claims, commissions, purchases & expenses	<u>(932,490)</u>		<u>(655,457)</u>	
Value added	969,815	100	496,304	100
	=====	=====	=====	=====
<b>Applied as follows: -</b>				
<i>In payment of employees</i>				
Salaries, wages & other benefits	211,553	22	181,710	22
<b>In payment to Government:-</b>				
Taxation	158,375	16	32,631	18
<i>In payment to providers of capital</i>				
Dividend to shareholders	-	-	75,000	45
<i>Retained for maintenance of assets</i>				
Depreciation	24,066	2	1,922	2
<i>Retained for expansion of business</i>				
Contingency reserve	99,261	10	33,280	11
Retained profit	<u>476,560</u>	<u>50</u>	<u>171,761</u>	<u>2</u>
Value added	969,815	100	496,304	100
	=====	=====	=====	=====

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

## GROUP FINANCIAL SUMMARY

	2006 x'000	2005 x'000	2004 x'000
<b>Source of funds</b>			
Share capital	1,580,330	750,000	500,000
Share premium	2,304,591	47,221	308,201
Capital reserve	468,682	468,682	468,682
Contingency reserve	342,831	233,039	190,012
Reserve for bonus issue	-	250,000	250,000
General reserve	<u>830,816</u>	<u>340,485</u>	<u>161,085</u>
	<u>5,527,250</u>	<u>2,089,427</u>	<u>1,877,980</u>
<b>Use of funds</b>			
Fixed assets	1,417,754	1,383,447	1,370,883
Investments	8,008,149	5,627,153	5,679,476
Statutory deposit	35,000	35,000	35,000
Other assets	<u>1,726,515</u>	<u>1,464,891</u>	<u>1,195,547</u>
	11,187,418	8,510,491	8,280,906
<b>Deduct:</b> Current liability	<u>692,782</u>	<u>796,390</u>	<u>703,912</u>
	10,494,636	7,714,101	7,576,994
Deposit Administration	<u>3,649,881</u>	<u>4,416,461</u>	<u>4,512,560</u>
	6,844,755	3,297,640	3,064,434
<b>Deduct:</b> Insurance fund reserve	<u>1,317,505</u>	<u>1,208,213</u>	<u>1,186,454</u>
	<u>5,527,250</u>	<u>2,089,427</u>	<u>1,877,980</u>
<b>Turnover &amp; profits</b>			
Premium (net)	3,138,806	2,311,640	2,104,629
Profit before tax	750,788	323,211	288,830
Profit after tax	589,592	287,680	254,933
Dividend	-	75,000	200,000
<b>Financial ratios</b>			
Earnings per share	18.65k	9.00k	8.00k
Dividend per share		2.00k	6.00k

## COMPANY FINANCIAL SUMMARY

	2006	2005	2004	2003	2002
Source of funds	x'000	x'000	x'000	x'000	x'000
Share capital	1,580,330	750,000	500,000	400,000	350,000
Share premium	2,304,591	47,221	308,201	100,607	100,607
Capital reserve	465,629	465,629	465,629	465,629	465,629
Contingency reserve	342,831	33,039	190,012	143,437	108,992
Reserve for bonus shares issue	-	250,000	250,000	-	50,000
General reserve	<u>794,084</u>	<u>317,524</u>	<u>145,763</u>	<u>130,844</u>	<u>106,047</u>
	<b>5,487,465</b>	2,063,413	1,859,605	1,240,517	1,181,275
	=====	=====	=====	=====	=====
<b>Use of funds</b>					
Fixed assets	1,344,908	1,316,939	1,311,826	1,281,998	1,141,378
Investments	8,105,360	5,650,037	5,753,273	4,829,588	3,377,366
Statutory deposit	35,000	35,000	35,000	13,500	13,500
Other assets	<u>1,669,613</u>	<u>1,399,006</u>	<u>1,148,884</u>	<u>1,057,239</u>	<u>763,532</u>
	<b>11,154,881</b>	8,400,982	8,248,983	7,182,325	5,295,776
<b>Deduct:-</b> Current liabilities	<u>700,030</u>	<u>712,895</u>	<u>690,364</u>	<u>820,496</u>	<u>359,857</u>
	<b>10,454,851</b>	7,688,087	7,558,619	6,361,829	4,935,919
Deposit administration	<u>3,649,881</u>	<u>4,416,461</u>	<u>4,512,560</u>	<u>4,086,050</u>	<u>2,805,624</u>
	<b>6,804,970</b>	3,271,626	3,046,059	2,275,779	2,130,295
<b>Deduct:</b> Insurance fund reserve	<u>1,317,505</u>	<u>1,208,213</u>	<u>1,186,454</u>	<u>1,035,262</u>	<u>949,020</u>
	<b>5,487,465</b>	2,063,413	1,859,605	1,240,517	1,181,275
	=====	=====	=====	=====	=====
<b>Turnover and profits</b>					
Premium (net)	1,664,414	1,002,613	917,974	866,776	635,703
Profit before taxation	734,196	312,672	285,332	192,160	176,235
Profit after taxation	575,821	280,041	252,390	171,203	155,766
Dividend	-	75,000	200,000	120,000	105,000
<b>Financial ratios*-</b>					
Earnings per 50k share	18.22k	8.86k	7.99k	5.42k	4.93k
Dividend per share	-	2.37k	6.33k	3.80k	3.32k
Dividend cover (times)		2.74	1.26	1.43	1.48