

**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, 2004.

2.	<b>Result for the year</b>	<b>× '000</b>
	Group profit after taxation	254,933
	<i>Less:</i> Appropriation -	
	Proposed dividend	<u>(200,000)</u>
	<b>Unappropriated profit</b>	54,933
	Contingency reserve	<u>37,471</u>
	<b>Retained profit for the year transferred to general reserve</b>	<u>17,462</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</b>	
<b>held as at</b>	<b>31/12/2004</b>	<b>31/12/2003</b>
C. C. Ehirim	5,168,060	4,134,448
B. Zakariya'u	30,022,171	16,217,737
J. C. Uranta	9,818,827	2,283,633
D. K. Adedeji	4,868,930	1,790,573
O. Osunde	2,807,346	17,999,021
I. O. Sulaimon	47,185,203	38,003,126
F. N. Udechukwu - Indirect	81,656,945	65,325,556
A. Abubakar - Indirect	49,982,146	39,885,714

## 6. Shareholdings

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

Shareholders	As at 31/12/04		As at 31/12/03	
	Number of shares held	%	Number of shares held	%
Management Alliance Company Limited	262,578,118	26	211,105,660	26
Other Nigerian Individuals and Associations	<u>737,421,882</u>	<u>74</u>	<u>588,894,340</u>	<u>74</u>
	1,000,000,000	100	800,000,000	100
	=====	===	=====	===

### (b) Substantial interest in shares:

No individual shareholder other than Management Alliance Company Limited held more than 10% of the issued share capital of the company as at 31 December, 2004.

### (c) Analysis of shareholding:

Holding between				Total holders	Units	%
Nigerian Shareholders	1	and	1,000	458	250,185	0.03
	1,001	and	5,000	2,055	5,576,357	0.56
	5,001	and	10,000	855	6,516,363	0.65
	10,001	and	50,000	1,350	31,522,722	3.15
	50,001	and	100,000	278	20,030,100	2.00
	100,001	and	500,000	233	44,357,480	4.44
	500,001	and	1,000,000	29	20,548,143	2.05
	Above		1,000,000	<u>48</u>	<u>871,198,650</u>	<u>87.12</u>
				5,306	1,000,000,000	100
				=====	=====	=====

## 7. Dividend

The directors recommend the payment of a dividend of ₦200,000,000 which is equivalent to 20k per share of 50k held by members whose names appear in the register of members as at the close of business on 17 June, 2005. The dividend is subject to the deduction of appropriate withholding tax at the time of payment.

## 8. 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.

## 9. Donations

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

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

	×	×
Nigeria Red cross and Crescent Society		150,000
2004 Remembrance emblem fund - Nigerian Army		50,000
National Council of Women Societies		<u>15,000</u>
		215,000

### (b) *Other donations:*

Chartered Insurance Institute of Nigeria	430,000	
Nigeria Insurance Association	155,000	
Institute of Directors	100,000	
Police-Community Relation Committee	65,000	
Actuarial Science and Insurance Students Ass.	<u>20,000</u>	
		<u>770,000</u>
		985,000
		=====

## 10. 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 guarantee 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.

## 11. **Audit Committee**

In accordance with Section 359(3) of the Companies and Allied Matters Act 1990, 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, 1990.

## 12. **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 1990. 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  
12 May, 2005**