



A Service provider of choice,
bringing insurance as a risk
management tool to the
consciousness of all; adding
value to our clients and other
stakeholders, in an efficient
and reliable manner

Annual Report and Accounts '08



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notice of the Thirty-Seventh Annual General Meeting

Notice is hereby given that the Thirty-Seventh Annual General Meeting of LEADWAY ASSURANCE COMPANY LIMITED will be held at Protea Hotel Leadway, No. 1, Mogambo Close, Maryland Estate, Ikeja, Lagos on Monday, 29th June 2009 at 12noon for the following purposes:

Ordinary Business

1. To adopt the reports of the Directors and Auditors, including the Statement of Accounts for the year ended 31st December, 2008.
2. To declare a dividend.
3. To re-elect the Directors of the Company
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To transact any other business that may be transacted at an Annual General Meeting.

Special Business

To consider and if thought fit pass the following resolution:

6. That the Directors of the Company be and are hereby authorised to capitalize the sum of N304,846,994 (three hundred and four million, eight hundred and forty-six thousand, nine hundred and ninety-four Naira) out of the profits declared for the accounting year ended 31st December, 2008 and to apply the sum in paying in full 609,693,988 (six hundred and nine million, six hundred and ninety-three thousand, nine hundred and eighty-eight) ordinary shares of 50 kobo each which shall be distributed as fully paid up shares in the proportion of 1 (one) share for 8 (eight) shares held by the shareholders as at 2nd of February 2009, all shares to rank equally in all respects with existing shares of the company except that they shall not rank for the dividend recommended by the Directors in respect of the year ended 31st December, 2008.

BY ORDER OF THE BOARD



Adetola Adegbayi
COMPANY SECRETARY
12th May, 2009.

CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

Dear Shareholders,

I welcome you all to the 37th Annual General Meeting of our company and have the pleasure of presenting to you our financial performance for the financial year ended 31st December 2008.

Economic Background

2008 ended as a melting year. It was a year that started buoyantly, with a halo of confidence for the fundamentals of the Nigerian financial market, which subsequently dropped away under the weight of the global financial crisis, heralded by the movement of funds of about N405.94bn out of the Nigerian Stock Exchange (NSE) around the 3rd quarter of 2008. Over a period, it was apparent that the price of crude oil against which the Federal budget depended could not be sustained and there was need for adjustments. Independent analyst reports referenced that "bank share prices ran well ahead of fundamentals and did not incorporate the numerous risks facing Nigerian banks". Notable of such risks was the non thriving real sector. The economy also performed below projection, with GDP growth rate increasing by 0.57% to 6.77% against the target of 9.8%. The country continued to grapple with basic infrastructural problems of power, water and transportation. To crown the many branches of the economic downturn, the Federal Government intervened to firm up the US Dollar against the Nigerian Naira, given the low inflow of foreign investment into Nigeria, and several high ticket transactions particularly within the hydrocarbon extractive industries were stalled.

Insurance Industry

Before the period of the economic downturn, a number of insurance companies successfully raised capital from the NSE in order to boost risk underwriting capacity and enhance associated financial services business. However, as the year closed, there were some uncertainties on the level of stock market losses that could be attributed to investments from insurance companies. With the dearth of industry data, the result of the effect of the financial downturn on 2008 performance will only show within the current year 2009. On the business side, the industry remains fundamentally sensitive to economic growth and performance. The usual problem of soft pricing remained and there was enlarged involvement in the insurance of oil assets, given the due process of government in ensuring the implementation of the Nigerian Contents Policy within the oil industry. The involvement of the American International Insurance Group in the global financial crisis due to its insurance of collateralized debt obligations also focused attention on the issue of security of Nigerian insurers and their reinsurers, as large corporate clients probed into the underlying securities of insurance companies and sought protection through their own captive arrangements inspired by fear about the strength of local insurers financial capacity. The effect of this bolstered foreign outflow of insurance premium capital, the result of which the insurance industry is yet unable to measure due to dearth of research data and given the single focus of the industry on the insurance of government joint venture oil assets rather than other large industrial/ corporate assets.

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CHAIRMAN'S STATEMENT

DIRECTORS

1. Alhaji Hassan Hadejia (Shettiman Hadejia)(Chairman)
2. Mr. Oye Hassan-Odukale, MFR. (MD/CEO)
3. Mr. Jeremy Rowse
4. Mr. Olawale Oyeniyi Oyedele
5. Mrs. Abimbola Oyebanjo
6. Dr. Konyinsola Ajayi
7. Mallam Umar Yahaya
8. Dr. A.B.C. Orjiako
9. Mr. Tunde Hassan-Odukale

SECRETARY

Adetola Adegbayi

REGISTERED OFFICE

Leadway Assurance House
NN28/29 Constitution Road,
P.O. Box 458, Kaduna.

CORPORATE OFFICE

Leadway Assurance House
121/123 Funso Williams Avenue, Iponri, Lagos.
G.P.O.Box 6437, Marina, Lagos.

AUDITORS

KPMG Professional Services
22A, Gerrard Road, Ikoyi,
Lagos.

CONSULTING ACTUARIES

H.R. (Nigeria) Limited
P.O.Box 75399
Victoria Island, Lagos.

REINSURERS - Local

African Reinsurance Corporation
Nigeria Reinsurance Corporation
Continental Reinsurance Plc.

REINSURERS - International

Swiss Re Africa Limited
Munich Mauritius Reinsurance Company Limited.
General Insurance Corporation of India.

DIRECTORS' REPORT

For the year ended 31 December 2008

The directors have pleasure in presenting their annual report on the affairs of Leadway Assurance Company Limited ("the Company") and subsidiary companies ("the Group") together with the audited financial statements and the auditor's report for the year ended 31 December 2008.

Legal form and principal activity

The Company was incorporated as a private limited liability Company in September 1970. It obtained a license to operate as an insurance Company in January 1971 and commenced business in January 1971.

The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life insurance services to both corporate and individual customers.

Subsidiary and associated companies

The Company holds 53% shareholding in Leadway Trustees Limited, 51% in Leadway Hotels Limited, 100% in Leadway Properties and Investments Limited and 46% in Leadway Pensure PFA.

Following the introduction of Statements of Accounting Standards 27 and 28, effective for financial reporting periods beginning 1 January 2008, which mandate the consolidation of the financial statements of subsidiaries and accounting for investment in associates respectively, where the parent exercises control or significant influence over the operating and/or financing decisions of such subsidiaries or associated companies, the financial statements of the subsidiaries and associates have been consolidated and equity accounted respectively in this financial year.

In the 2007 financial year, no consolidated financial statements were presented, because the directors were of the opinion that such consolidated financial statements would be of no real value and would result in delay out of proportion to their value to members of the company, as allowed by section 336(3) of the Companies and Allied Matters Act, 1990. Corresponding consolidated financial statements for the year ended 31 December 2007 (which was not previously presented) have also been presented.

The investment in Leadway Pensure PFA, an associated company, was accounted for using the equity method.

DIRECTORS' REPORT (CONTS.)

Operating results

The highlights of the Group and Company's operating results for the year ended 31 December 2008 are as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Gross premium	21,714,605	15,114,579	21,714,605	15,114,579
Profit before taxation	1,257,508	1,414,584	1,332,397	1,208,561
Taxation	(255,430)	(200,193)	(225,151)	(181,315)
Profit after taxation	1,002,078	1,214,391	1,107,246	1,027,246
Minority interest	(17,858)	(131,994)	-	-
Profit attributable to equity holders	984,220	1,082,397	1,107,246	1,027,246
Transfer to statutory contingency Reserve	(302,364)	(228,498)	(302,364)	(228,498)
Transfer to bonus issue reserve	(304,847)	-	(304,847)	-
Transfer to general reserve	377,009	853,899	500,035	798,748
Shareholders' funds	12,396,888	18,465,099	12,388,997	18,255,887
Earnings per share (k)	21	27	23	23
Declared dividend per share (k)	10	2	10	2

DIRECTORS' REPORT (CONTS.)

Dividends:

Proposed dividends

The board of directors has proposed a dividend of 6k per share on the issued share capital of 4,877,554,000 ordinary shares of 50k each, subject to the approval of the shareholders at the next annual general meeting.

Script dividend

The board of directors proposed a bonus issue of 1 new ordinary share for every 8 held subject to the approval of the shareholders at the annual general meeting.

Declared dividends:

The Shareholders at the annual general meeting held on 24 July 2008 approved the payment of ₦500,000,000 as dividend during the year. The dividends were subject to deduction of withholding tax.

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 31 December 2008

This statement, which should be read in conjunction with the Auditor's report, is made with a view of setting out for shareholders, the responsibilities of the Directors of the Company and its subsidiaries with respect to the financial statement. In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act 1990, the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Company and the profit for the financial year.

The responsibilities include ensuring that:

- (a) appropriate internal controls are established both to safeguard the assets of the Group and to prevent the detect fraud and other irregularities.
- (b) the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, Insurance Act 2003 and NAICOM guidelines and circulars.
- (c) the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed
- (d) it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Company will not continue in business.

DIRECTORS' REPORT (CONTS.)

Directors and their Interest

The Directors who held office during the year, together with their direct and indirect interests in the shares of the Company, were as follows

	(Number of 50k ordinary shares held)			
	2008 Direct	2008 Indirect	2007 Direct	2008 Indirect
Alhaji Hassan Hadejia - Chairman	59,091,702	132,685,502	59,091,702	132,685,502
Mr. Oye Hassan-Odukale - Managing Director	31,906,763	655,198,586	331,906,763	355,198,586
Mr. Tunde Hassan-Odukale - Executive	-	307,470,726	-	307,470,726
Dr. Konyinsola Ajayi - Non Executive	-	-	-	-
Dr. A.B.C Orjiako - Non Executive	-	-	-	-
Mr. Olawale Oyedele - Executive	27,857,520	-	27,857,520	-
Mr. Jeremy Rowse - Non Executive	-	-	-	-
Mrs. Abimbola Oyebanjo - Non Executive	222,728,986	-	222,728,986	-
Mallam Umar Yahaya - Non Executive	-	-	-	-

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

Share range	No. of shareholders	2008 Percentage of shareholders	No. of holdings	Percentage of holdings
Above 400,000,000	3	9	3,019,726,233	62
200,000,001 - 400,000,000	5	14	731,119,197	15
100,000,001 - 200,000,000	3	9	483,176,949	10
50,000,001 - 100,000,000	4	11	260,671,170	5
1,000,000 - 50,000,000	20	57	382,858,349	8
Total	35	100	4,877,551,898	100

DIRECTORS' REPORT (CONTS.)

Share range	No. of Shareholders	2007 Percentage of shareholders	No. of holdings	Percentage of holdings
Above 400,000,000	3	9	2,364,527,647	49
200,000,001-400,000,000	5	14	1,418,224,546	29
100,000,001-200,000,000	3	9	483,176,949	10
50,000,001 - 100,000,000	4	11	254,671,170	5
1,000,000 - 50,000,000	20	57	356,951,586	7
Total	35	100	4,877,551,898	100

Fixed assets:

Information relating to changes in fixed assets is given in Note 10 to the financial statements.

Donations and charitable gifts

A total sum of N8,127,500 (2007: N6,143,060) was donated to non-political and charitable organizations, in order to identify with the aspirations of the community and the environment within which the Group operates. Details of such donations and charitable contributions are as follows:

Beneficiaries

Chartered Insurance Institute of Nigeria
Nigeria Insurance Association
Franco Nigeria Chambers of Commerce & Ind.
Lagos International Polo Tournament
Nigeria Council of Registered Insurance Brokers
Nigerian Gas Association
Brain Power
Centre for Values in Leadership
Nigerian Red Cross Society
Chalker Foundation
Adekunle Ajasin University
Insurance Parliament of Nigeria
West African Insurance Companies Association
Others

Amount

1,400,000
1,100,000
650,000
500,000
500,000
500,000
300,000
255,000
250,000
250,000
250,000
250,000
250,000
1,672,500

8,127,500

DIRECTORS' REPORT (CONTS.)

Employment of disabled persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the group has no persons on its staff list with physical disability.

Health, safety and welfare of employees

The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.

Employee involvement and training

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Group provides opportunities where employees deliberate on issues affecting the interest of the Group and its employees, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, the Group sponsored its employees for various training courses both locally and overseas in the year under review.

Acquisition of own shares

The Company did not purchase any of its own shares during the year (2007: Nil).

Auditors

Messrs KPMG Professional Services have indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act 1990.

BY ORDER OF THE BOARD



Adetola Adegbayi
Company Secretary
121/123 Funso Williams Avenue
Iponri, Lagos
12 May 2009

INDEPENDENT AUDITOR'S REPORT

To the members of **Leadway Assurance Company Limited**

Report on the financial statements

We have audited the accompanying financial statements of Leadway Assurance Company Limited ("the Company") and its subsidiary companies (together "the Group"), which comprise the balance sheets as at 31 December, 2008, and the profit and loss accounts, statements of cash flows and value added statements for the year then ended, and the statement of accounting policies, notes to the financial statements and the five year financial summaries, as set out on pages 9 to 95.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria and National Insurance Commission (NAICOM) circulars. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT (conts.)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Leadway Assurance Company Limited ("the company") and its subsidiaries (together "the Group") as at 31 December, 2008, and of the Group and Company's financial performance and cash flows for the year then ended in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Company and Allied Matters Act of Nigeria, Insurance Act of Nigeria and relevant NAICOM circulars.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and Company's balance sheet and profit and loss account are in agreement with the books of accounts.

KPMG
12 May 2009
Lagos, Nigeria



STATEMENT OF ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by the Company and its subsidiaries (together referred to as 'the Group') in the preparation of its financial statements. These accounting policies have been consistently applied for all years presented.

1 Basis of accounting

These financial statements are prepared in accordance with, and comply with, Nigeria Statements of Accounting Standards (SAS), Companies and Allied Matters Act of Nigeria, Insurance Act 2003 and its interpretations issued by the National Insurance Commission in its Insurance Industry Guidelines on a yearly basis.

The financial statements are presented in Nigerian currency (Naira). The financial statements have been prepared under the historic cost convention as modified by the carrying of certain investments at valuation amount.

Life business: The financial statements for life business have been prepared using the fund method and under the historical cost convention as modified by the valuation of fixed assets and long term investments at valuation amount.

General business: The financial statements for general insurance business have been prepared using the annual basis of accounting and under the historical cost convention as modified by the valuation of long term investments at valuation amount.

2 Basis of consolidation

(a) Subsidiaries

The consolidated financial statements as at the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as "the Group"). Subsidiary undertakings, which are those companies in which the Group directly or indirectly has an interest of more than half of the voting rights or otherwise has power to control, are consolidated.

The accounting policies of the subsidiary companies are consistent with those of the Company and all intercompany balances and unrealised gains and losses between subsidiaries are eliminated.

The consolidated subsidiaries are Leadway Trustees Limited, Leadway Hotels Limited

STATEMENT OF ACCOUNTING POLICIES (conts)

The consolidated subsidiaries are Leadway Trustees Limited, Leadway Hotels Limited and Leadway Properties and Investments Limited.

b *Associates*

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. The consolidated financial statements include the Group's share of the profits or losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying value of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Leadway Pension PFA an associate of the Company has been accounted for using this method

.3 **Use of estimates in the preparation of financial statements**

The preparation of financial statements in conformity with SAS and the Insurance Act 2003 requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgment in the process of applying the company's accounting policies. Although estimates are determined on the basis of historical information, actuarial analyses and the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis to take account of new and available information. Revisions to accounting estimates are recognized in the year in which the estimate is revised.

The preparation of the financial statements requires Management to make significant estimate and assumption that after the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of income and expense during the reporting period.

A significant degree of judgment has been used in the determination of the adequacy of the provision for outstanding claims and claims incurred but not reported at the balance sheet date (see note 15)

These estimates are determined on the basis of historical information, actuarial analysis and other analytical techniques where actual results could differ from these estimates.

4 **Classification of insurance contracts**

Contracts that are classified as insurance contracts are those under which the Company underwrites significant insurance risk from another party (the Broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary

STATEMENT OF ACCOUNTING POLICIES (conts)

5. Recognition and measurement of insurance contracts

Short-term insurance contracts under Non-Life and Life businesses are accounted for on an annual basis except insurance contracts under Contractor's All Risks which may cover the whole period of construction and usually exceeding one year. The Company also accounts for long-term insurance contracts, especially under Life on an annual basis

(I) *Short-term insurance contracts premium*

Written premium on short-term insurance contracts companies premiums on contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premium income for the period includes adjustments to premiums written in prior accounting periods. An estimate is made at the balance sheet date to recognize retrospective adjustments to premium and commission not relating to the year.

Premium relating to the expired risk period is taken as earned and recognized as revenue for the period while premium relating to the unexpired risk period is treated as provision for unearned premium.

The outward reinsurance premiums relating to earned premiums are recognized as outflow in accordance with the reinsurance services received.

(ii) *Long-term insurance contracts premium*

Long-term insurance contracts premium is premium received in respect of insurance contract with maturity period exceeding one year.

(iii) *Claims arising from short-term insurance contracts*

Claims incurred in respect of short-term insurance contracts consist of claims and claims handling expenses paid during the financial year as well as movements in provision for outstanding claims and IBNR, which is computed at the rate of 10% of outstanding claims reported during the year of account as at balance sheet date. All claims paid and incurred are charged against revenue as expense when incurred. Reinsurance recoveries are recognized when the company records the liability for the claims and are netted off claims expense.

(iv) *Claims arising from long-term insurance contracts*

Claims incurred in respect of long-term insurance contracts especially pure life business consist of claims arising during the year including provision for policyholders' liabilities. Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified to the Company by the insured are carried at the claim amounts advised.

The operating surpluses or losses arising from long-term insurance contracts are determined by annual actuarial valuation. These surpluses or losses are arrived at after taking into account the movement in actuarial liabilities under unexpired policies and other reserves within the policyholder liabilities.

STATEMENT OF ACCOUNTING POLICIES (conts)

6. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held with banks, and short term liquid investments, all of which are available for use by the Company.

7. Gross premium

Gross premium is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover.

8. Net Premium

Net premium represents gross premium less reinsurance. It is recognized as income from the date of attachment of risk.

9. Commission earned

Commissions are recognized on ceding business to the reassures, and are credited to the income statement.

10. Claims expenses

All claims paid and incurred are charged against revenue as expense when incurred. Reinsurance recoveries are recognized when the Company records the liability for the claims and netted off claims expense.

11. Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising of the following:- Commission and policy expenses, proportion of staff cost and insurance supervision levy. Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

12. Management expenses

Management expenses are expenses other than claims and underwriting expenses. They include salaries and wages, depreciation expenses and other non-operating expenses. They are accounted for on an accrual basis.

13. Technical reserves

A Non-life business:

(I) Reserve for unexpired risks:

The portion of gross premium income on short-term non-life insurance contracts, which is estimated to be earned in the following or subsequent years, is accounted for as unearned premium reserve. This is computed separately for each contract and individual policy as at the balance sheet date using principally the time apportionment basis for direct and facultative businesses in accordance with the provisions of Section 20 of the Insurance Act 2003.

STATEMENT OF ACCOUNTING POLICIES (conts)

(ii) *Outstanding claims*

Outstanding claims comprise provisions for all the Company's estimated ultimate costs of settling all claims and related claim handling expenses incurred but unpaid at the balance date. Outstanding claims that have occurred at the balance sheet date and have been notified to the Company by the Broker and insured are carried at their face value. Adequate provisions are also made for claims incurred, but not reported (IBNR) at 10% of outstanding claims amount as at the balance sheet date.

(iii) *Contingency reserve*

The company maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

b. Life business

i *General reserve fund*

This is made up of the net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation and an additional 25% of net premium for every year between valuation dates where valuation is not carried out.

(ii) *Contingency reserve*

This is credited with the higher of 1% of gross premiums and 10% of profit after taxation.

14. Deferred acquisition expenses

Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the generation and conclusion of insurance contracts. The proportion of acquisition costs that correspond to the unearned premiums are deferred as asset and transferred into the following period subject to the contract term of the risk period.

15. Fixed assets

The fixed assets comprise land and buildings and other properties owned by the Company.

Fixed assets are stated at historical cost or revalued amount less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. In the case of revalued assets, depreciation is calculated by reference to the enhanced value of the assets concerned. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

STATEMENT OF ACCOUNTING POLICIES (conts)

Freehold land and capital work-in-progress are not depreciated. Depreciation is calculated on other assets and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on fixed assets until they are brought into use.

The principal annual rates used for this purpose, which are consistent with those for the previous years, are as follows:

Land and Buildings	-	2% or over the lease period
Office Equipment	-	20%
Computer Equipment & Software	-	33.33%
Furniture and Fittings	-	20%
Motor Vehicles	-	25%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts.

16 Investments

Investments comprise equity investments and fixed and floating rate debt instruments. At the initial recognition of an investment, management determines its classification in accordance with the Statement of Accounting Standard (SAS 13) on accounting for investments which is dependent on the purpose for which the investment was acquired, and re-evaluates that classification at every reporting date. Investments are classified as follows:

- a. Short-term investments
An investment is classified into this category at inception if acquired principally on temporary basis for a period not more than one year. Such investments can be converted into cash when current financing needs make it desirable, or if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making. Short-term investments are valued at lower of cost or net realizable value.
- b. Long-term investments
Long-term investments relate to funds employed in investments over a long period of time to earn income. These are investments other than short-term investments.

Quoted investments

Quoted investments are stated at market value as at the balance sheet date, as provided by Section 24(13)(b) of the Insurance Act 2003. The excess of the market value over the cost at the balance sheet date is taken to an 'Equities Price Equalization Reserve Account', while unrealized diminution due to a decrease in the carrying value is recognized in the 'Equities Price Equalization Reserve

STATEMENT OF ACCOUNTING POLICIES (conts)

Account' to the extent that a previous gain is offset, otherwise, it is recognized in the profit and loss account.

Unquoted investments

These are stated at cost. Where in the opinion of the Directors the value of any unquoted investment falls below its cost, an appropriate provision for the diminution in value thereof is charged against the profit and loss account of the relevant year. Investment in subsidiary and associated companies are classified as long-term investments and are carried at cost in the Company's separate financial statements. Provisions are made for permanent diminution in the carrying costs of the investments.

17 Investment income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities. Investment income is accounted for on an accrual basis.

18 Dividend income

Dividend is recognized as earned when the quoted price of the related security is adjusted to reflect the value of the dividend and is stated net of withholding tax. Scrip dividend is recognized on the basis of the market value of the shares on the date they are quoted.

19 Debtors

Debtors are stated at cost after writing off bad debts and deducting provision made for other specific debts considered doubtful of recovery. An allowance for specific debt is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables.

In line with the statutory guidelines set by NAICOM, general allowance for outstanding premium is made as follows:

Period outstanding	% allowance required
Up to 3 months	Nil
3 - 6 months	25%
6 - 9 months	50%
9 - 12 months	75%
Above one (1) year	100%

Bad debts are written off to the profit and loss account when the extent of the loss has been determined.

STATEMENT OF ACCOUNTING POLICIES (conts)

20. Foreign currency transactions

Foreign currency transactions are converted into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

21. Taxation

Income tax expenses/credits are recognized in the profit and loss account. Current income tax is the expected tax payable on the taxable income for the year using the statutory tax rate at the balance sheet date.

22. Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer possible that the related tax benefit will be realized.

23. Retirement benefit obligations

Pension costs

The Company operates a defined contributory retirement benefit scheme as stipulated in the Pension Reforms Act 2004. Under the defined contribution scheme, the Company pays fixed contributions into a separate entity Pension Fund Administrators; employees also pay a fixed percentage to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

Gratuity benefits

Prior to 31 December, 2004, the Company operated a gratuity scheme under which employees were entitled to one month basic salary, transport and housing allowance for each completed year of service.

Effective 31 December, 2004 the gratuity scheme was terminated. Under the terms of the termination, amounts payable to employees who were in the employment of the Company as at the termination date will be paid when such employees leave the service of the Company

STATEMENT OF ACCOUNTING POLICIES (conts)

based on benefits determined as at 31 December 2004. The amounts payable are calculated on a pro-rata basis plus accrued interest at 5% per annum. The annual interest costs are recognized in the profit and loss account.

24 Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

25 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

26 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

27 Business combination

With effect from 1 January 2007, the Company acquired the entire business of Atlantic Insurance Company Limited, under an acquisition agreement effective 1 January 2007.

28 Goodwill

Goodwill is measured at cost less accumulated impairment losses. The recoverable amount of goodwill is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds the recoverable amount. The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell. An impairment loss recognized in prior periods in respect of goodwill is not reversed.

29 Deposit administration

Receipts for deposit administration and other business of savings nature are recognized as liabilities. Interest accruing from investment of the savings is recognized in the profit and

STATEMENT OF ACCOUNTING POLICIES (conts)

loss account in the period it is earned while interest paid and due to depositors is recognized as an expense.

30 Investment property

Investment property is property held either to earn rental income or for capital appreciation or both. Investment property is carried in the balance sheet at market value and revalued periodically on a systematic basis not exceeding three years.

A permanent decline in the value of the investment is charged to the income statement while a reduction in the carrying amount of the investment is reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exist. An increase in carrying amount of the investment arising from the revaluation is credited directly to owners' equity as revaluation surplus.

31 Investments in finance lease

Investments in finance leases are stated net of unearned lease finance income. Lease finance income is recognized in a manner which provides a constant yield on the outstanding investment over the lease period.

32 Other assets

Receivables, commercial loans and other sundry debtors are classified as other assets and are stated at cost. Prepayments are stated at cost less accumulated amortization.

Allowances and write offs are recognized when a receivable is deemed not collectable based on the original terms of the contract. Subsequent recoveries are credited to the income statement.

33 Borrowings

Borrowings are recorded at outstanding principal and accrued interest. Interest costs are recognized in the income statement over the duration of the instrument.

34 Managed funds

Managed funds represent cash deposits made by customers. Customer deposits are accounted for at cost and accrued interests

35 Earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of shares outstanding during the year.

CONSOLIDATED BALANCE SHEET

as at 31 december

	Notes	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Assets					
Cash and bank balances	1	1,052,951	1,028,640	868,218	838,878
Short term investments	2	3,478,827	3,138,828	3,301,729	3,528,694
Premium debtors	3	776,767	546,805	776,767	546,805
Reinsurance receivables, other assets and loans	4	3,359,859	2,298,333	2,951,400	881,363
Investments in finance leases	5	188,222	130,581	-	-
Deferred acquisition costs	6	369,755	156,336	369,755	156,336
Long term investments	7	16,351,980	19,465,356	16,067,910	19,316,390
Investment in subsidiary and associated companies	8	58,704	-	1,003,321	764,450
Statutory deposit	9	520,000	520,000	520,000	520,000
Fixed assets	10	2,102,616	1,787,492	1,207,022	798,282
Goodwill	11	-	-	-	-
Total assets		28,259,681	29,072,371	27,066,122	27,351,198
Liabilities					
Creditors and accruals	12	1,761,454	1,317,546	1,156,231	822,355
Dividend payable	13	95,000	-	95,000	-
Borrowings	14	505,225	1,007,189	-	-
Insurance funds	15	8,317,124	3,798,793	8,317,124	3,798,793
Liability for administered Deposits	16	4,827,145	4,213,302	4,827,145	4,213,302
Taxation payable	17	253,109	161,357	232,938	159,614
Deferred taxation	18	103,735	109,085	98,686	101,247
		15,862,792	10,607,272	14,727,124	9,095,311
Capital and reserves					
Paid up share capital	19	2,438,777	2,438,777	2,438,777	2,438,777
Share premium account	20	1,458,867	1,458,867	1,458,867	1,458,867
Statutory contingency reserve	21	1,093,335	790,971	1,093,335	790,971
Asset revaluation reserve		3,277	3,277	3,277	3,277
Bonus issue reserve	22	304,847	-	304,847	-
General reserve	23	1,278,198	1,401,189	1,662,780	1,662,745
Equity price equalization reserve	24	5,335,192	11,901,250	5,377,115	11,901,250
Shareholders' funds		11,912,493	17,994,331	12,338,998	18,255,887
Non controlling interest	25	484,396	470,768	-	-
		12,396,889	18,465,099	12,338,998	18,255,887
Total liabilities and reserves		28,259,681	29,072,371	27,066,122	27,351,198

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

.....
Mr. Oye Hassan Odukale (Managing Director)

.....
Mallam Umar Yahaya (Director)

Approved by the Board of Directors on 12 May 2009

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December

	Notes	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Income					
Gross premium		21,714,605	15,114,579	21,714,605	15,114,579
Outward reinsurance premium		(12,714,430)	(7,700,949)	(12,714,430)	(7,700,949)
Net premium		9,000,175	7,413,630	9,000,175	7,413,630
Increase in provision for unexpired risks	15.1(a)(ii)	(1,355,528)	(269,347)	(1,355,528)	(269,347)
Increase in life fund	15.2(a)(ii)	(42,261)	(11,499)	(42,261)	(11,499)
Premium earned		7,602,386	7,132,784	7,602,386	7,132,784
Commission received		908,013	572,095	908,013	572,095
Total income		8,510,399	7,704,879	8,510,399	7,704,879
Expenses					
Claims incurred		(4,292,841)	(3,137,645)	(4,292,841)	(3,137,645)
Underwriting expenses		(2,773,632)	(1,806,881)	(2,773,632)	(1,806,881)
Underwriting profit		1,443,926	2,760,353	1,443,926	2,760,353
Investment and other income	26	3,987,366	2,207,206	2,993,980	1,446,143
Group's share of associate's loss	8(b)(i)	(180,167)	(93,171)	-	-
Management expenses	27	5,251,125	4,874,388	4,437,906	4,206,496
Interest on deposit administration	16	(2,735,602)	(1,723,252)	(2,141,401)	(1,366,117)
Interest expense on term loans		(419,770)	(432,400)	(419,770)	(432,400)
Write offs and provisions for bad and doubtful accounts		(290,907)	(100,667)	-	-
	28	(266,272)	(1,182,739)	(263,272)	(1,178,672)
Transfer to liabilities for Administered deposit	16	(281,066)	(20,746)	(281,066)	(20,746)
Profit before taxation		1,257,508	1,414,584	1,332,397	1,208,561
Taxation	29	(255,430)	(200,193)	(225,151)	(181,315)
Profit after taxation		1,002,078	1,214,391	1,107,246	1,027,246
Non controlling interest	25	(17,858)	(131,994)	-	-
Profit attributable to equity holders		984,220	1,082,397	1,107,246	1,027,246
Appropriations:					
Transfer to statutory contingency reserve	21	302,364	228,498	302,364	228,498
Transfer to bonus issue reserve	22	304,847	-	304,847	-
Transfer to general reserve	23	377,009	853,899	500,035	798,748
Profit attributable to equity holders		984,220	1,082,397	1,107,246	1,027,246
Earnings per share (k)	30	21	27	23	23
Declared dividend per share (k)	30	10	2	10	2

The board of directors has proposed a dividend of 6k per share on the issued share capital of 4,877,554,000 ordinary shares of 50k each, subject to the approval of the shareholders at the annual general meeting.

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

STATEMENT OF CASH FLOWS

For The Year Ended 31 December

	Notes	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Cashflow from operating activities					
Net cashflow from operating activities before changes in operating assets	31	4,744,943	3,112,626	4,197,280	2,837,184
Changes in working capital:					
Short term investments		(87,106)	297,854	(87,106)	297,854
Premium debtors		(340,929)	(1,074,059)	(340,929)	(1,074,059)
Loans and other assets		(1,295,421)	(1,180,513)	(2,219,784)	(322,529)
Investment in finance leases		(57,641)	52,664	-	-
Deferred acquisition expenses		(213,419)	(56,419)	(213,419)	(56,419)
Statutory deposit		-	(465,000)	-	(465,000)
Creditors and accruals		443,908	(298,826)	333,877	(125,062)
Liability for administered deposits		613,843	622,568	613,843	622,568
Tax paid	17	3,808,178 (169,030)	1,010,895 (124,461)	2,283,762 (154,388)	1,714,537 (113,376)
Net cashflow from operating activities		3,639,148	886,434	2,129,374	1,601,161
Cashflow from investing activities					
Purchase of fixed assets	10	(719,764)	(1,391,289)	(661,162)	(406,621)
Proceeds from sale of fixed assets		39,379	11,717	2,856	5,804
Purchase of long term investments		(4,078,537)	(2,778,497)	(3,901,510)	(2,726,861)
Purchase of investments in subsidiary and associated companies		(238,871)	(93,171)	(238,871)	(93,171)
proceeds from disposal of investments		2,250,796	1,169,169	2,250,796	903,455
Dividend received		558,154	272,751	509,786	266,401
Cash paid for business acquisition		-	(265,714)	-	(265,714)
Cash acquired from business acquisition		-	4,789	-	4,789
Net cashflow from investing activities		(2,188,843)	(3,070,245)	(2,038,105)	(2,311,918)
Cashflow from financing activities					
Proceeds from share issue		-	2,276,735	-	1,701,735
Cash paid to minority		(4,230)	(4,230)	-	-
Dividend paid	13	(405,000)	(100,222)	(405,000)	(100,222)
Proceeds from term loans		-	558,832	-	-
Loan repayment		(501,964)	-	-	-
Interest paid on term loans		(290,907)	(100,667)	-	-
Net cashflow from financing Activities		(1,202,101)	2,630,448	(405,000)	1,601,513
Net increase/(decrease)in cash and cash equivalents		248,204	446,637	(313,731)	890,756
Cash and bank balances, beginning Of the year		3,992,719	3,546,082	4,192,823	3,302,067
Cash and cash equivalents, end Of the year	32	4,240,923	3,992,719	3,879,092	4,192,823

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

GENERAL BUSINESS BALANCE SHEET

As At 31 December

	Notes	2008 N'000	2007 N'000
Assets			
Cash and bank balances	1.1	437,893	427,671
Short term investments	2.1	1,236,729	2,111,181
Premium debtors	3	776,767	546,805
Reinsurance receivables, other assets and loans	4.1	2,365,066	679,582
Deferred acquisition costs	6	369,755	156,336
Long term investments	7.1	9,594,210	11,268,388
Investment in subsidiary and associated companies	8.1	360,712	310,651
Statutory deposit	9	320,000	320,000
Fixed assets	10.1	782,170	631,586
Goodwill	11	-	-
Total assets		16,243,302	16,452,200
Liabilities			
Creditors and accruals	12.1	1,233,815	1,104,221
Dividend payable	13	95,000	-
Insurance funds	15.1	7,434,071	3,130,315
Taxation payable	17.1	150,000	114,083
Deferred taxation	18.1	79,426	88,791
		8,992,312	4,437,410
Shareholders' funds			
Paid up share capital	19.1	1,794,395	1,794,395
Share premium account	20	1,458,867	1,458,867
Statutory contingency reserve	21.1	951,549	728,469
Asset revaluation reserve		3,219	3,219
General reserve	23.1	1,205,382	1,614,058
Equity price equalization reserve	24.1	1,837,578	6,415,782
		7,250,990	12,014,790
Total liabilities and reserves		16,243,302	16,452,200

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

GENERAL BUSINESS REVENUE ACCOUNT

For the year ended 31 December

Notes	Motor N'000	Fire N'000	Gen. Acc N'000	Marine N'000	W/M Comp. N'000	Bond N'000	Engineering N'000	* Oil & Gas N'000	2008 Total N'000	2007 Total N'000
Income										
Direct premium	3,386,955	1,525,301	1,372,614	760,032	138,180	359,051	544,400	11,687,862	19,774,395	13,952,760
Inward reinsurance premium	3,167	-	-	2,057	-	-	3,315	-	8,539	594
Gross written premium	3,390,122	1,525,301	1,372,614	762,089	138,180	359,051	547,715	11,687,862	19,782,934	13,953,354
Outward reinsurance premium	(78,015)	(416,291)	(439,488)	(373,784)	(23,990)	(78,953)	(98,494)	(10,837,935)	(12,346,950)	(7,648,339)
Net written premium	3,312,107	1,109,010	933,126	388,305	114,190	280,098	449,221	849,927	7,435,984	6,305,015
increase/decrease in unexpired risk provision	(688,556)	(204,550)	(283,748)	43,192	(10,752)	(25,003)	(47,888)	(138,223)	(1,355,528)	(269,347)
15.1(a)(ii)										
Premium earned	2,623,551	904,460	649,378	431,497	103,438	255,095	401,333	711,704	6,080,456	6,035,668
Commissions received	21,362	44,375	81,757	100,055	6,318	21,712	22,679	502,680	800,938	555,366
	2,644,913	948,835	731,135	531,552	109,756	276,807	424,012	1,214,384	6,881,394	6,591,034
EXPENSES										
Direct claims paid	1,263,456	630,152	399,145	264,966	39,051	111,273	52,099	24,418	2,784,560	2,154,620
Inward reinsurance claims paid	-	-	-	-	-	-	-	-	-	-
Gross claims paid	1,263,456	630,152	399,145	264,966	39,051	111,273	52,099	24,418	2,784,560	2,154,620
Deduct: reinsurance claims recoveries/recoverable	(103,836)	(1,685,952)	(74,701)	(224,445)	(57,899)	(126,002)	(40,186)	-	(2,313,021)	(497,922)
Net claims paid	1,159,620	(1,055,800)	324,444	40,521	(18,848)	(14,729)	11,913	24,418	471,539	1,656,698
Increase in outstanding claims provision	70,509	2,116,679	223,078	48,967	13,434	12,175	92,803	370,583	2,948,228	949,609
15.1(b)(ii)										
Claims incurred	1,230,129	1,060,879	547,522	89,488	(5,414)	(2,554)	104,716	395,001	3,419,767	2,606,307
Add underwriting expenses:										
Acquisition expenses	737,534	443,684	328,682	104,593	26,250	104,154	145,452	241,979	2,132,328	1,365,208
Maintenance expenses	110,922	37,141	31,250	13,004	3,824	9,380	15,044	28,464	249,029	209,154
	848,456	480,825	359,932	117,597	30,074	113,534	160,496	270,443	2,381,357	1,574,362
Total expenses and claims incurred	2,078,585	1,541,704	907,454	207,085	24,660	110,980	265,212	665,444	5,801,124	4,180,669
Underwriting profit transferred										
To profit and loss account	566,328	(592,869)	(176,319)	324,467	85,096	165,827	158,800	548,940	1,080,270	2,410,365

* Figures include revenue generated from Aviation, Hull and Liability Insurance Business.

GENERAL BUSINESS REVENUE ACCOUNT

For the year ended 31 December

Notes	Motor N'000	Fire N'000	Gen. Acc N'000	Marine N'000	W/M Comp. N'000	Bond N'000	Engineering N'000	* Oil & Gas N'000	2008 Total N'000	2007 Total N'000
Income										
Direct premium	3,386,955	1,525,301	1,372,614	760,032	138,180	359,051	544,400	11,687,862	19,774,395	13,952,760
Inward reinsurance premium	3,167	-	-	2,057	-	-	3,315	-	8,539	594
Gross written premium										
Outward reinsurance premium	3,390,122	1,525,301	1,372,614	762,089	138,180	359,051	547,715	11,687,862	19,782,934	13,953,354
	(78,015)	(416,291)	(439,488)	(373,784)	(23,990)	(78,953)	(98,494)	(10,837,935)	(12,346,950)	(7,648,339)
Net written premium										
(increase)/decrease in unexpired risk provision	3,312,107	1,109,010	933,126	388,305	114,190	280,098	449,221	849,927	7,435,984	6,305,015
15.1(a)(ii)	(688,556)	(204,550)	(283,748)	43,192	(10,752)	(25,003)	(47,888)	(138,223)	(1,355,528)	(269,347)
Premium earned										
Commissions received	2,623,551	904,460	649,378	431,497	103,438	255,095	401,333	711,704	6,080,456	6,035,668
	21,362	44,375	81,757	100,055	6,318	21,712	22,679	502,680	800,938	555,366
	2,644,913	948,835	731,135	531,552	109,756	276,807	424,012	1,214,384	6,881,394	6,591,034
EXPENSES										
Direct claims paid	1,263,456	630,152	399,145	264,966	39,051	111,273	52,099	24,418	2,784,560	2,154,620
Inward reinsurance claims paid	-	-	-	-	-	-	-	-	-	-
Gross claims paid										
Deduct: reinsurance claims recoveries/recoverable	1,263,456	630,152	399,145	264,966	39,051	111,273	52,099	24,418	2,784,560	2,154,620
	(103,836)	(1,685,952)	(74,701)	(224,445)	(57,899)	(126,002)	(40,186)	-	(2,313,021)	(497,922)
Net claims paid										
Increase in outstanding claims provision	1,159,620	(1,055,800)	324,444	40,521	(18,848)	(14,729)	11,913	24,418	471,539	1,656,698
15.1(b)(ii)	70,509	2,116,679	223,078	48,967	13,434	12,175	92,803	370,583	2,948,228	949,609
Claims incurred										
Add underwriting expenses:										
Acquisition expenses	1,230,129	1,060,879	547,522	89,488	(5,414)	(2,554)	104,716	395,001	3,419,767	2,606,307
Maintenance expenses	737,534	443,684	328,682	104,593	26,250	104,154	145,452	241,979	2,132,328	1,365,208
33.1	110,922	37,141	31,250	13,004	3,824	9,380	15,044	28,464	249,029	209,154
34.1	848,456	480,825	359,932	117,597	30,074	113,534	160,496	270,443	2,381,357	1,574,362
Total expenses and claims incurred	2,078,585	1,541,704	907,454	207,085	24,660	110,980	265,212	665,444	5,801,124	4,180,669
Underwriting profit transferred										
To profit and loss account										
	566,328	(592,869)	(176,319)	324,467	85,096	165,827	158,800	548,940	1,080,270	2,410,365

* Figures include revenue generated from Aviation, Hull and Liability Insurance Business.

LIFE BUSINESS BALANCE SHEET

As at 31 December

Notes		2008 N'000	2007 N'000
Assets			
Cash and bank balances	1.2	430,325	411,207
Short term investments	2.2	2,065,000	1,417,513
Reinsurance receivables, other assets and loans	4.2	894,729	639,353
Long term investments	7.2	6,473,700	8,048,002
Investment in subsidiary and associated companies	8.2	642,609	453,799
Statutory deposit	9	200,000	200,000
Fixed assets	10.2	424,852	166,696
Total assets		11,131,215	11,336,570
Liabilities			
Creditors and accruals	12.2	230,811	155,706
Insurance funds	15.2	883,053	668,478
Liability for administered deposits	16	4,827,145	4,213,302
Taxation payable	17.2	82,938	45,531
Deferred taxation	18.2	19,260	12,456
		6,043,207	5,095,473
Shareholders' funds			
Paid up share capital	19.2	644,382	644,382
Statutory contingency reserve	21.2	141,786	62,502
Asset revaluation reserve		58	58
Bonus issue reserve	22	304,847	-
General reserve	23.2	457,398	48,687
Equity price equalization reserve	24.2	3,539,537	5,485,468
		5,088,008	6,241,097
Total liabilities and reserve		11,131,215	11,336,570

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

LIFE BUSINESS PROFIT AND LOSS ACCOUNT

As at 31 December

	Notes	2008 N'000	2007 N'000
Income			
Gross premium		1,931,671	1,161,225
Outward reinsurance premium		(367,480)	(52,610)
Net premium		1,564,191	1,108,615
Increase in life funds	15.2(a)(ii)	(42,261)	(11,499)
Premium earned		1,521,930	1,097,116
Commission received		107,075	16,729
Total income		1,629,005	1,113,845
Expenses			
Claims incurred		(873,074)	(531,338)
Underwriting expenses		(392,275)	(232,519)
Underwriting profit		363,656	349,988
Investment and other income	26.2	1,589,273	736,473
		1,952,929	1,086,461
Management expenses	27.2	(358,960)	(148,021)
Interest on deposit administration		(419,770)	(432,400)
Write offs and provisions for bad and doubtful accounts	28.2	(16,223)	(33,824)
Transfer to liabilities for administered deposit	16	(281,066)	(20,746)
		(1,076,019)	(634,991)
Profit before taxation		876,910	451,470
Taxation	29.2	(84,068)	(57,987)
Profit after taxation		792,842	393,483
Appropriations			
Transfer to statutory contingency reserve	21.2	79,284	39,348
Transfer to bonus issue reserve	22	304,847	-
Transfer to general reserve	23.2	408,711	354,135
		792,842	393,483

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

LIFE BUSINESS REVENUE ACCOUNT

For the year ended 31 December

	Note	Individual Life N'000	Group Life N'000	2008 Total N'000	2007 Total N'000
Income					
Direct premiums		121,770	1,809,901	1,931,671	1,161,225
Inward reinsurance premiums		-	-	-	-
Gross written premiums		121,770	1,809,901	1,931,671	1,161,225
Deduct:					
Reinsurance outwards		(10,562)	(356,918)	(367,480)	(52,610)
Net written premiums		111,208	1,452,983	1,564,191	1,108,615
Commissions received		-	107,075	107,075	16,729
		111,208	1,560,058	1,671,266	1,125,344
Direct claims paid		26,755	836,509	863,264	517,050
Surrenders		22	-	22	27
Withdrawals		247	-	247	11,794
Gross claims paid		27,024	836,509	863,533	528,871
Deduct:					
Reinsurance claims recoveries /recoverables		-	(162,773)	(162,773)	(14,466)
Net claims paid		27,024	673,736	700,760	514,405
Provision for outstanding claims	15.2(b)(ii)	-	172,314	172,314	16,933
Claims incurred		27,024	846,050	873,074	531,338
Acquisition expenses	33.2	22,376	309,941	332,317	185,249
Maintenance expenses	34.2	4,263	55,695	59,958	47,270
Underwriting expenses		26,639	365,636	392,275	232,519
Transfer to life funds	15.2(a)(ii)	14,087	28,174	42,261	11,499
Total expenses and transfer to life fund		67,750	1,239,860	1,307,610	775,356
Underwriting profit transferred To profit and loss account		43,458	320,198	363,656	349,988

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 December

1 Cash and bank balances

Cash and bank balances comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Cash in hand	3,361	74,140	3,164	73,868
Cash at bank	1,049,590	954,500	865,054	765,010
	<u>1,052,951</u>	<u>1,028,640</u>	<u>868,218</u>	<u>838,878</u>

1.1 General business

	2008 N'000	2007 N'000
Cash in hand	1,829	52,329
Cash at bank	436,064	375,342
	<u>437,893</u>	<u>427,671</u>

1.2 Life business

	2008 N'000	2007 N'000
Cash in hand	1,335	21,539
Cash at bank	428,990	389,668
	<u>430,325</u>	<u>411,207</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

2 Short term investments

(a) Short term investments comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Short term placements	3,187,972	2,964,079	3,010,874	3,353,945
Subscription for shares	125,785	233,679	125,785	233,679
Investment in bonds (see note (a)(i) below)	195,000	-	195,000	-
	<u>3,508,757</u>	<u>3,197,758</u>	<u>3,331,659</u>	<u>3,587,624</u>
Allowance for doubtful placements (see note (a)(ii) below)	(29,930)	(58,930)	(29,930)	(58,930)
	<u>3,478,827</u>	<u>3,138,828</u>	<u>3,301,729</u>	<u>3,528,694</u>

(a)(i) The investment in bonds comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
3 rd FGN Bond 2009 Series II (12.5%)	150,000	-	150,000	-
Access Bank 13.5 billion 14% redeemable convertible bond	45,000	-	45,000	-
	<u>195,000</u>	<u>-</u>	<u>195,000</u>	<u>-</u>

(a)(ii) The movement in allowance for doubtful placements during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	58,930	60,297	58,930	60,297
Addition during the year (see note 28)	-	10,820	-	10,820
Allowance no longer required (see note 28)	(29,000)	(12,187)	(29,000)	(12,187)
	<u>29,930</u>	<u>58,930</u>	<u>29,930</u>	<u>58,930</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

2.1 General business

(a) This comprises:

	2008 N'000	2007 N'000
Short term placements	1,025,874	2,016,433
Subscription for shares	120,785	119,678
Investment in bond (see note (a)(i) below)	115,000	-
	1,261,659	2,136,111
Allowance for doubtful placements (see note (a)(ii) below)	(24,930)	(24,930)
	1,236,729	2,111,181

(a)(i) The investment in bonds comprise:

	Company 2008 N'000	Company 2007 N'000
3 rd FGN Bond 2009 Series II (12.5%)	100,000	-
Access Bank 13.5billion 14% redeemable convertible bond	15,000	-
	115,000	-

(a) (ii) The movement in allowance for doubtful placements during the year was as follows:

	2008 N'000	2007 N'000
Balance, beginning of the year	24,930	22,297
Addition during the year (see note 28.1)	-	10,820
Allowance no longer required (see note 28.1)	-	(8,187)
Balance, end of the year	24,930	24,930

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

2.2 Life business

(a)

	2008 N'000	2007 N'000
Short term placements	1,985,000	1,337,512
Subscription for shares	5,000	114,001
Investment in Bond (see note (a)(i) below)	80,000	-
	<hr/>	<hr/>
	2,070,000	1,451,513
Allowance for doubtful placements (see note (a)(ii) below)	(5,000)	(34,000)
	<hr/>	<hr/>
	<u>2,065,000</u>	<u>1,417,513</u>

(a)(i) The investment in bonds comprise:

	Company 2008 N'000	Company 2007 N'000
3 rd FGN Bond 2009 Series II (12.5%)	50,000	-
Access Bank 13.5billion 14% redeemable convertible bond	30,000	-
	<hr/>	<hr/>
	<u>80,000</u>	<u>-</u>

(a)(ii) The movement in allowance for doubtful placements during the year was as follows:

	2008 N'000	2007 N'000
Balance, beginning of the year	34,000	38,000
Allowance no longer required (see note 28.2)	(29,000)	(4,000)
	<hr/>	<hr/>
Balance, end of the year	<u>5,000</u>	<u>34,000</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

3 Premium debtors

(a) This comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Premium debtors	887,734	546,805	887,734	546,805
Less: allowance for doubtful accounts (see note (b) below)	(110,967)	-	(110,967)	-
	<u>776,767</u>	<u>546,805</u>	<u>776,767</u>	<u>546,805</u>

(b) The movement in allowance for doubtful premium debtors during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	-	-	-	-
Addition during the year (see note 28)	110,967	-	110,967	-
Balance, end of the year	<u>110,967</u>	<u>-</u>	<u>110,967</u>	<u>-</u>

4 Reinsurance receivables, other assets and loans:

These comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Claims recoverable from re-insurer	2,181,017	300,705	2,181,017	300,705
Commercial loans	598,325	1,087,201	276,304	86,844
Loans to policy holders	172,177	118,149	172,177	118,148
Agency loans	18,560	13,817	18,560	13,817
Staff loans	168,996	125,514	168,517	125,277
Other debtors	487,011	662,527	424,337	450,207
Prepayments	49,831	63,101	37,541	47,263
Deferred charges	-	182,220	-	-
Stock and inventory	19,523	17,306	-	-
	<u>3,695,440</u>	<u>2,570,540</u>	<u>3,278,453</u>	<u>1,142,262</u>
Less: Allowance for doubtful accounts (see note (b) below)	(335,581)	(272,207)	(327,053)	(260,898)
	<u>3,359,859</u>	<u>2,298,333</u>	<u>2,951,400</u>	<u>881,363</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(b) The movements in allowance for doubtful accounts during the year were as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	272,207	19,110	260,898	11,868
Allowance made in the year (see note 28)	152,746	253,097	149,746	249,030
Written off during the year	(89,372)	-	(83,591)	-
Balance, end of the year	335,581	272,207	327,053	260,898

4.1 General business

(a)

	2008 N'000	2007 N'000
Claims recoverable from re-insurers	2,119,230	300,705
Commercial loans	38,539	86,844
Staff loans	153,807	117,093
Other debtors	290,811	350,751
Prepayments	37,541	47,263
	2,639,928	902,656
Less: Allowances for doubtful Accounts (see note (b) below)	(274,862)	(223,074)
	2,365,066	679,582

(b) The movements in allowance for doubtful accounts during the year were as follows:

	2008 N'000	2007 N'000
Balance, beginning of year	223,074	11,868
Addition during the year (See note 28.1)	104,523	211,206
Written off during the year	(52,735)	-
Balance, end of year	274,862	223,074

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

4.2 Life business

(a)

	2008 N'000	2007 N'000
Claims recoverable from reinsurers	61,787	-
Commercial loans	237,765	-
Loans to policy holders	172,177	118,148
Agency loans	18,560	13,817
Staff loans	14,710	8,184
Due from general business (see note (c) below)	308,395	437,572
Other debtors	133,526	99,456
	946,920	677,177
Less: Allowances for doubtful accounts (see note (b) below)	(52,191)	(37,824)
	894,729	639,353

(b) The movements in allowance for doubtful accounts during the year were as follows:

	2008 N'000	2007 N'000
Balance, beginning of year	37,824	-
Addition during the year (see note 28.2)	45,223	37,824
Written off during the year	(30,856)	-
Balance, end of year	52,191	37,824

5. Investment in finance leases

(a) Investment in finance lease comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Gross investment in finance lease	229,379	149,346	-	-
Un-earned income	(41,157)	(18,765)	-	-
Net investment in finance lease	188,222	130,581	-	-

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(b) The analysis of the net investment in finance lease is shown below:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Gross investment in finance lease	92,451	105,237	-	-
Un-earned income	95,771	25,344	-	-
Net investment in finance lease	188,222	130,581	-	-

6. Deferred acquisition expenses

Deferred acquisition expenses represent deferred commission expenses on un-earned premiums relating to the unexpired period of risks and comprise:

General business

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Motor	119,242	46,349	119,242	46,349
Fire	110,787	30,526	110,787	30,526
General accident	69,559	28,926	69,559	28,926
Marine and aviation	18,739	9,661	18,739	9,661
Workmens' compensation	3,191	5,106	3,191	5,106
Bond	21,220	13,181	21,220	13,181
Engineering	26,333	22,037	26,333	22,037
Oil and gas	684	550	684	550
	369,755	156,336	369,755	156,336

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

7. Long term investments

Long term investments comprise:

Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
12,198,133	17,454,561	12,109,575	17,395,689
3,193,648	1,070,596	3,001,726	984,092
960,199	940,199	956,609	936,609
16,351,980	19,465,356	16,067,910	19,316,390

Quoted investments (see note (a) below)

Unquoted investments (see note (b) below)

Investment properties (see note (c) below)

(a) Quoted investments

	Group			Company		
	Market Value 2008 N'000	Cost 2008 N'000	Market value 2007 N'000	Cost 2008 N'000	Market value 2007 N'000	Cost 2007 N'000
Bonds (see note (a) (i) below)	20,000	20,000	260,000	20,000	260,000	260,000
Ordinary shares	12,175,888	6,840,696	17,176,207	6,710,215	17,117,335	5,226,194
Other quoted stocks	2,245	2,245	18,354	2,245	18,354	8,245
	12,198,133	6,862,941	17,454,561	6,732,460	17,395,689	5,494,439
Excess of market value Over cost (see note 24)		5,335,192		5,377,115		11,901,250
	12,198,133	12,198,133		12,109,575		17,395,689

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(a)(i) The investments in bonds comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
3rd FGN Bond 2009 Series II (12.5%)	-	150,000	-	150,000
2 nd FGN Bonds 2008 Series I (11.5%)	-	50,000	-	50,000
2 nd FGN Bonds 2008 Series 7 (11.25%)	-	20,000	-	20,000
1 st FGN Bond 2008 Series	-	20,000	-	20,000
1 st FGN Bonds 2010 (TB + 3%)	10,000	10,000	10,000	10,000
2 nd FGN Bonds 2013 (TB + 3.75%)	10,000	10,000	10,000	10,000
	20,000	260,000	20,000	260,000

(a)(ii) Quoted investments valued at N281,115,764 were pledged with First Bank Nigeria Plc, as collateral, against a loan obtained from the Bank to finance the purchase of investments. The loan was repaid during the year; however, the investments were still under lien as at year end.

(b) Unquoted investments:

This comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Ordinary shares	3,225,207	970,596	3,033,285	884,092
Investment in mutual funds	-	100,000	-	100,000
Less: Allowance for diminution in				
Unquoted investments (see note (b)(i))	(31,559)	-	(31,559)	-
	3,193,648	1,070,596	3,001,726	984,092

(b)(i) The movement in allowance for diminution in unquoted investment is shown below:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance beginning of the year	-	-	-	-
Addition during the year	31,559	-	31,559	-
Balance, end of year	31,559	-	31,559	-

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(c) Investment properties

The movement in investment properties during the year is shown below:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	940,199	401,512	936,609	397,922
Addition during the year	20,000	538,687	20,000	538,687
Balance, end of year	960,199	940,199	956,609	936,609

7.1 General business

	Company 2008 N'000	Company 2007 N'000
Quoted investments (see note (a) below)	6,726,399	10,126,933
Unquoted investments (see note (b) below)	2,314,889	743,533
Investment properties (see note (c) below)	552,922	397,922
	9,594,210	11,268,388

(a) Quoted investments

	Market value 2008 N'000	Cost 2008 N'000	Market value 2007 N'000	Cost 2007 N'000
Bonds (see note (a) (i) below)	-	-	120,000	120,000
Ordinary shares	6,724,154	4,886,576	10,004,997	3,588,906
Other quoted stocks	2,245	2,245	1,936	2,245
	6,726,399	4,888,821	10,126,933	3,711,151
Excess of market value over cost (See note 24.1)		1,837,578		6,415,782
		6,726,399		10,126,933

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(a)(i) The investments in bonds comprise

	2008 N'000	2007 N'000
3 rd FGN Bonds 2009 Series II (12.5%)	-	100,000
2 nd FGN Bonds 2008 Series 7 (11.25%)	-	20,000
	-	120,000

(b) Unquoted investments

	2008 N'000	2007 N'000
Ordinary shares	2,346,448	643,533
Investment in mutual funds	-	100,000
Less: Allowance for diminution in unquoted investments (see note (b)(i) below)	(31,559)	-
	2,314,889	743,533

(b)(i) The movement in allowance for diminution in unquoted investment is shown below:

	2008 N'000	2007 N'000
Balance, beginning of the year	-	-
Additions during the year (see note 28.1)	31,559	-
Balance, end of the year	31,559	-

(c) Investment properties

	2008 N'000	2007 N'000
Balance, beginning of the year	397,922	397,922
Additions during the year	20,000	-
Transfer from life business during the year	135,000	-
	552,922	397,922

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

7.2 Life business:

	2008 N'000	2007 N'000
Quoted investments (see note (a) below)	5,383,176	7,268,756
Unquoted investments (see note (b) below)	686,837	240,559
Investment properties (see note (c) below)	403,687	538,687
	<u>6,473,700</u>	<u>8,048,002</u>

(a) Quoted investments

The movement in investment properties during the year is shown below:

	Market value 2008 N'000	Cost 2008 N'000	Market value 2007 N'000	Cost 2007 N'000
Bonds (see note (a) (i) below)	20,000	20,000	140,000	140,000
Ordinary shares	5,363,176	1,823,639	7,112,338	1,637,288
Other quoted stocks	-	-	16,418	6,000
	<u>5,383,176</u>	<u>1,843,639</u>	<u>7,268,756</u>	<u>1,783,288</u>
Excess of market value over cost (See note 24.2)		<u>3,539,537</u>		<u>5,485,468</u>
		<u>5,383,176</u>		<u>7,268,756</u>

(a)(i) The investments in bonds comprise:

	2008 N'000	2007 N'000
3rd FGN Bond 2009 Series II (12.5%)	-	50,000
2 nd FGN Bonds 2008 Series I (11.5%)	-	50,000
1st FGN Bonds 2008 Series (18.25%)	-	20,000
1 st FGN Bond 2010 (TB + 3%)	10,000	10,000
2 nd FGN Bonds 2013 (TB + 3.75%)	10,000	10,000
	<u>20,000</u>	<u>140,000</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(b) Unquoted investments

	Cost 2008 N'000	Cost 2007 N'000
Ordinary shares	686,837	240,559

(c) Investment properties

The movement in investment properties during the year is shown below:

	Cost 2008 N'000	Cost 2007 N'000
Balance, beginning of the year	538,687	538,687
Additions during the year	-	-
Transfer to General business during the year	(135,000)	-
Balance, end of year	403,687	538,687

8. Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Subsidiaries				
Leadway Trustees Limited (see note (a) below)	-	-	47,696	47,696
Leadway Hotels Limited (see note (a) below)	-	-	293,250	293,250
Leadway Properties and Investments Limited (see note (a) below)	-	-	2,000	2,000
Associated company				
Leadway Pensure PFA Limited (See note (a) and (b) below)	58,704	-	660,375	421,504
	58,704	-	1,003,321	764,450

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(a)(i) The details of consolidated subsidiaries as at 31 December 2008 are shown below:

	<i>Country of Incorporation</i>	<i>Nature of Business</i>	<i>Percentage of equity capital held</i>	<i>Year end consolidated</i>
Company name				
<i>Subsidiary companies</i>				
Leadway Trustees Limited	Nigeria	Trusteeship	53%	31 December 2008
Leadway Hotels Limited	Nigeria	Hospitality	51%	31 December 2008
Leadway Properties and Investments Limited	Nigeria	Property management	100%	31 December 2008
<i>Associated company</i>				
Leadway Pensure PFA Limited	Nigeria	Pension fund administration	46%	31 December 2008

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(a)(ii) The condensed financial data of the consolidated entities (i.e. subsidiary companies, associated company and the unconsolidated parent company) are as follows:

	Total assets N'000	Total Liabilities N'000	Net assets N'000	Gross earnings N'000	Profit before taxation N'000	c ash and cash equivalents N'000
<i>Subsidiary companies/ parent company</i>						
Leadway Assurance Company Limited	27,066,122	14,727,124	12,338,998	25,616,598	1,332,397	3,879,092
Leadway Trustees Limited	1,155,944	698,166	457,778	293,253	62,165	323,197
Leadway Hotels Limited	1,132,491	583,064	549,427	683,715	4,948	145,783
Leadway Properties and investments Limited	101,358	61,401	39,957	21,188	1,012	14,330
Eliminations	(1,196,234)	(206,963)	(989,271)	(4,770)	(143,014)	(121,479)
Consolidated amount	28,259,681	15,862,792	12,396,889	26,609,984	1,257,508	4,240,923

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(b)(i) The movement in investment in associated company during the year is as shown below

	Group 2008 N'000	Group 2007 N'000
<i>Cost:</i>		
Beginning of the year	421,504	328,333
Additional investment during the year	238,871	93,171
End of the year	660,375	421,504
<i>Share of associated company's loss:</i>		
Beginning of the year	(421,504)	(328,333)
Net loss for the year	(180,167)	(93,171)
	(601,671)	(421,504)
Balance, end of year	58,704	-

(b)(ii) The summarized financial information of the associated company is shown below:

	Group 2008 N'000	Group 2007 N'000
Total assets	301,934	251,331
Total liabilities	177,072	432,896
Net assets /(liabilities)	124,862	(181,565)
Total revenue	358,196	187,343
Loss for the year	(180,167)	(373,691)
unrecognized share of loss of associate	-	(83,641)

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

8.1 General business

Subsidiaries

Leadway Trustees Limited (see note (a) below)

Leadway Hotels Limited (see note (a) below)

Leadway Properties and Investment Limited
(see note (a) below)

Associated Company

Leadway PFA Limited (see note (a) below)

2008 N'000	2007 N'000
33,387	33,387
193,250	193,250
2,000	2,000
132,075	82,014
<u>360,712</u>	<u>310,651</u>

(a)

Company name	Country of Incorporation	Nature of Business	Percentage of equity capital held	Year end
<i>Subsidiary companies</i>				
Leadway Trustees Limited	Nigeria	Trusteeship Hotel and Hospitality Property Management	37%	31 December 2008
Leadway Hotels Limited	Nigeria		17%	31 December 2008
Leadway Properties and investments Limited	Nigeria		100%	31 December 2008
<i>Associated company</i>				
Leadway Pensure PFA	Nigeria	Pension fund Administration	9%	31 December 2008

8.2 Life business

Subsidiaries

Leadway Trustees Limited (see note (a) below)

Leadway Hotels Limited (see note (a) below)

Associated company

Leadway PFA Limited (see note (a) below)

2008 N'000	2007 N'000
14,309	14,309
100,000	100,000
528,300	339,490
<u>642,609</u>	<u>453,799</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

	Country of Incorporation	Nature of Business	Percentage of equity capital held	Year end
Company name				
<i>Subsidiary companies</i>				
Leadway Trustees Limited	Nigeria	Trusteeship	16%	31 December 2008
Leadway Hotels Limited	Nigeria	Hotel and Hospitality	34%	31 December 2008
Leadway Pension PFA	Nigeria	Pension fund Administration	37%	31 December 2008

9. Statutory deposits

This represents the Company's deposit with the Central bank of Nigeria as at 31 December 2008, in compliance with the Insurance Act CAP 117 LFN 2004 and comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
General business	320,000	320,000	320,000	320,000
Life business	200,000	200,000	200,000	200,000
	<u>520,000</u>	<u>520,000</u>	<u>520,000</u>	<u>520,000</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

10 Fixed Assets Group

	Land and Buildings N'000	Office Equipment N'000	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Capital Work in progress N'000	Total N'000
Cost							
Balance, beginning of year	976,556	418,060	283,075	223,937	571,055	201,292	2,673,975
Additions	91,474	37,001	126,507	72,041	99,245	293,496	719,764
Disposals	(2,025)	-	-	(1,490)	(161,100)	-	(164,615)
Balance, end of year	1,066,005	455,061	409,582	294,488	509,200	494,788	3,229,124
Accumulated depreciation							
Balance, beginning of year	57,645	143,392	223,063	91,854	370,528	-	886,482
Charge for the year	19,773	80,764	109,390	51,373	97,454	-	358,754
Disposals	-	-	-	(241)	(118,487)	-	(118,728)
Balance, end of year	77,418	224,156	332,453	142,986	349,495	-	1,126,508
Net book value							
End of year	988,587	230,905	77,129	151,502	159,705	494,788	2,102,616
Beginning of year	918,911	274,668	60,012	132,083	200,527	201,291	1,787,492

The Group has capital commitments of N365,884,857 (31 December 2007: Nil) as at the balance sheet date.
No leased assets are included in the fixed assets.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

Company

	Land and Buildings N'000	Office Equipment N'000	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Capital Work in progress N'000	Total N'000
Cost							
Balance, beginning of year	345,892	159,058	282,523	139,616	418,792	201,292	1,547,173
Additions	86,483	25,535	126,003	32,900	96,745	293,496	661,162
Disposals	-	-	-	(250)	(19,250)	-	(19,500)
Balance, end of year	432,375	184,593	408,526	172,266	496,287	494,788	2,188,835
Accumulated depreciation							
Balance, beginning of year	51,383	110,892	222,606	82,899	281,111	-	748,891
Charge for the year	8,648	24,332	109,175	29,552	80,565	-	252,272
Disposals	-	-	-	(100)	(19,250)	-	(19,350)
Balance, end of year	60,031	135,224	331,781	112,351	342,426	-	981,813
Net book value							
End of year	372,344	49,369	76,745	59,915	153,861	494,788	1,207,022
Beginning of year	294,509	48,166	59,917	56,717	137,681	201,292	798,282

The Company has capital commitments of ₦365,884,857 (31 December 2007: Nil) as at the balance sheet date. No leased assets are included in the fixed assets.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

10.1 General business

	Land and Buildings N'000	Office Equipment N'000	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Capital Work in progress N'000	Total N'000
Cost							
Balance, beginning of year	321,326	130,312	253,857	113,608	372,136	97,545	1,288,784
Additions	-	17,421	113,076	25,597	92,407	131,531	380,032
Disposals	-	-	-	(250)	(17,250)	-	(17,500)
Balance, end of year	321,326	147,733	366,933	138,955	447,293	229,076	1,651,316
Accumulated depreciation							
Balance, beginning of year	45,753	95,270	196,955	68,365	250,855	-	657,198
Charge for the year	6,427	19,780	104,303	25,795	72,993	-	229,298
Disposals	-	-	-	(100)	(17,250)	-	(17,350)
Balance, end of year	52,180	115,050	301,258	94,060	306,598	-	869,146
Net book value							
End of year	269,146	32,683	65,675	44,895	140,695	229,076	782,170
Beginning of year	275,573	35,042	56,902	45,243	121,281	97,545	631,586

The business has capital commitments of N365,884,857 (31 December 2007: Nil) as at the balance sheet date.
No leased assets are included in the fixed assets.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

	Land and Buildings N'000	Office Equipment N'000	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Capital Work in progress N'000	Total N'000
Cost							
Balance, beginning of year	24,566	28,746	28,666	26,008	46,656	103,747	258,389
Additions	86,483	8,114	12,927	7,303	4,338	161,965	281,130
Disposals	-	-	-	-	(2,000)	-	(2,000)
Balance, end of year	111,049	36,860	41,593	33,311	48,994	265,712	537,519
Accumulated depreciation							
Balance, beginning of year	5,630	15,622	25,651	14,534	30,256	-	91,693
Charge for the year	2,221	4,552	4,872	3,757	7,572	-	22,974
Disposals	-	-	-	-	(2,000)	-	(2,000)
Balance, end of year	7,851	20,174	30,523	18,291	35,828	-	112,667
Net book value							
End of year	103,198	16,686	11,070	15,020	13,166	265,712	424,852
Beginning of year	18,936	13,124	3,015	11,474	16,400	103,747	166,696

The business has no capital commitments (31 December 2007: Nil) as at the balance sheet date.
No leased assets are included in the fixed assets.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

11. Goodwill

General business

- (a) The carrying value of goodwill is analysed below

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Goodwill (see note (b) below)	13,207	13,207	13,207	13,207
Impairment loss (see note 26.1)	(13,207)	(13,207)	(13,207)	(13,207)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance, end of year	<hr/> <hr/> -	<hr/> <hr/> -	<hr/> <hr/> -	<hr/> <hr/> -

- (b) Effective 1 January 2007, the Company acquired the entire business of Atlantic Insurance Company Limited. As stipulated in the terms of the acquisition, which was settled in cash, Atlantic Insurance was liquidated without winding up and its assets and liabilities were transferred into the books of the Company.

The details of the recognised value of the assets and liabilities acquired and goodwill arising are as follows:

	2007 N'000
Assets	
Cash and bank balances	4,789
Short term investments	256,553
Debtors and prepayments	58,606
Quoted equities	81,579
Unquoted investments	11,570
Statutory deposit	20,000
Fixed assets	20,979
Total assets	<hr/> 454,076 <hr/>
Liabilities	
Creditors and accruals	16,476
Taxation	26,697
Deferred taxation	4,769
Insurance funds	153,627
Total liabilities	<hr/> 201,569 <hr/>
Net assets	<hr/> 252,507 <hr/>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

Goodwill represents the excess of the cost of acquisition over the fair value of identifiable net assets acquired and was determined as follows:

	N'000
Cash paid	265,714
Net assets acquired (see note (a))	(252,507)
Goodwill	13,207

12. Creditors and accruals

(a) Creditors and accruals comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Due to reinsurers	580,697	284,755	580,697	284,755
Premium deposits	90,971	65,137	90,971	65,137
Gratuity provision (see note (b) below)	22,041	136,533	22,041	136,533
Accruals	92,229	33,075	72,988	17,884
Other creditors	695,833	512,157	389,534	318,046
Managed funds	279,683	285,889	-	-
	1,761,454	1,317,546	1,156,231	822,355

(b) The movement on gratuity provision account during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	136,533	-	136,533	-
Prior year under-provision for gratuity benefits	-	135,243	-	135,243
Current year provision	-	1,290	-	1,290
Transfer to external trustees	-	-	-	-
During the year (see note (c) below)	(114,492)	-	(114,492)	-
Balance, end of year	22,041	136,533	22,041	136,533

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

- (c) During the year, the Company transferred N114,492,000 out of the gratuity fund account to Leadway Trustees Limited, to be manage on behalf of the beneficiaries.

12.1 General business

	2008 N'000	2007 N'000
Due to reinsurers	580,697	252,327
Due to life business	308,395	437,572
Gratuity provision (see note (b) below)	4,596	119,088
Accruals	63,754	17,884
Other creditors	276,373	277,350
	<u>1,233,815</u>	<u>1,104,221</u>

- (b) The movement on gratuity provision account during the year was as follows:

	2008 N'000	2007 N'000
Balance, beginning of year	119,088	
Prior year under provision for gratuity benefits	-	118,484
Current year provision	-	604
Transfer to external trustees during the year (see note (c) below)	(114,492)	-
Balance, end of year	<u>4,596</u>	<u>119,088</u>

- (c) during the year, the business transferred N114,492,000 out of the gratuity fund account to Leadway Trustees Limited to manage on behalf of the beneficiaries.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

12.2 Life business

	2008 N'000	2007 N'000
Due to reinsurers	-	32,428
Premium deposits	90,971	65,137
Gratuity provision (see note (b) below)	17,445	17,445
Accruals	9,034	-
Other creditors	113,361	40,696
	<u>230,811</u>	<u>155,706</u>

(b) The movement on gratuity provision account during the year was as follows:

	2008 N'000	2007 N'000
Balance, beginning of year	17,445	-
Prior year under provision for gratuity benefits	-	16,759
Current year provision	-	686
Balance end of year	<u>17,445</u>	<u>17,445</u>

13. Dividend payable

The movement on the dividend payable account during the year is as shown below:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	-	-	-	-
Dividend declared during the year	500,000	100,222	500,000	100,222
Payment during the year	(405,000)	(100,222)	(405,000)	(100,222)
Balance, end of the year	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

14. Borrowings

Borrowings comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Term loans (see note (a) below)	494,307	1,007,189	-	-
Others	10,918	-	-	-
	<u>505,225</u>	<u>1,007,189</u>	<u>-</u>	<u>-</u>

The analysis of the term loans is shown below:

First Bank of Nigeria Plc (see note (a)(i) below)

First Registrars Ltd. (see note (a)(ii) below)

First Bank share purchase loss (See note (a)(iii) below)

388,889	500,000	-	-
-	507,189	-	-
105,418	-	-	-
<u>494,307</u>	<u>1,007,189</u>	<u>-</u>	<u>-</u>

- (a)(i) This represents the outstanding balance on a facility granted to Leadway Hotels Limited by First Bank of Nigeria Plc. at an interest rate of 15% per annum for a period of 5 years commencing from 1 July 2007. The Loan is repayable over eighteen (18) equal quarterly instalments from March 2008, after a six (6) months moratorium.
- (a)(ii) This represents the outstanding balance on a facility granted to Leadway Trustees Limited by First Registrars Limited at 14.75% interest per annum with a tenor of 90 days. The facility has been repaid.
- (a)(iii) This represents the outstanding balance on a facility granted to Leadway Trustees Limited by First Bank of Nigeria Plc. at an interest rate of LIBOR plus 5, (subject to a minimum of 9.5%). The loan is repayable as a bullet repayment with the option of the borrower paying on account as deemed fit.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

15. Insurance funds

Insurance funds comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Provision for unexpired risks	2,467,231	1,111,703	2,467,231	1,111,703
Outstanding claims	5,246,320	2,125,778	5,246,320	2,125,778
Life funds	603,573	561,312	603,573	561,312
	<u>8,317,124</u>	<u>3,798,793</u>	<u>8,317,124</u>	<u>3,798,793</u>

15.1 General business Insurance funds

Insurance funds comprise:

	Company 2008 N'000	Company 2007 N'000
Provision for unexpired risks (See note (a) below)	2,467,231	1,111,703
Outstanding claims (see note (b) below)	4,966,840	2,018,612
	<u>7,434,071</u>	<u>3,130,315</u>

(a)(i) Provision for unexpired risk comprises:

	Company 2008 N'000	Company 2007 N'000
Motor	1,034,173	345,617
Fire	338,349	133,799
General accident	419,879	136,131
Marine and aviation	204,767	247,959
Workmen's compensation	37,728	26,976
Bond	84,119	59,116
Engineering	143,827	95,939
Oil and gas	204,389	66,166
	<u>2,467,231</u>	<u>1,111,703</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(ii) The movement on the reserve for unexpired risk during the year was as follows:

	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	1,111,703	842,356
Net increase in unexpired risk provision	1,355,528	269,347
Balance, end of year	2,467,231	1,111,703

(b)(i) Provision for outstanding claims comprises:

	Company 2008 N'000	Company 2007 N'000
Motor	459,570	389,061
Fire	2,674,176	557,497
General accident	542,709	319,631
Marine and aviation	240,498	191,531
Workmen's compensation	55,859	42,425
Bond	66,531	54,356
Engineering	180,405	87,602
Oil and gas	747,092	376,509
	4,966,840	2,018,612

(ii) The movement on the reserve for outstanding claims during the year was as follows:

	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	2,018,612	1,025,293
Increase in outstanding claims provision	2,948,228	949,609
Taken over during business acquisition	-	43,710
Balance, end of the year	4,966,840	2,018,612

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

15.2 Life business

Insurance funds comprise:

	Company 2008 N'000	Company 2007 N'000
Life funds (see note (a) below)	603,573	561,312
Provision for outstanding claims (see note (b) below)	279,480	107,166
	<u>883,053</u>	<u>668,478</u>

(a)(i) Life funds comprise:

	Company 2008 N'000	Company 2007 N'000
Group life	300,493	272,319
Individual life	303,080	288,993
	<u>603,573</u>	<u>561,312</u>

(ii) The movement on the life funds account during the year was as follows:

	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	561,312	549,813
Addition during the year	42,261	11,499
Balance, end of the year	<u>603,573</u>	<u>561,312</u>

(iii) Actuarial valuation

The actuarial liabilities of the life fund and liabilities for administered deposit as at 31 December 2008 were professionally valued by HR Nigeria Limited. The book value of the life fund as at that date equals the net actuarial liabilities (2007: equals net liabilities).

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(b)(i) Provision for outstanding claims comprise:

	Company 2008 N'000	Company 2007 N'000
Group life	274,902	104,439
Individual life	4,578	2,727
	<u>279,480</u>	<u>107,166</u>

(ii) The movement on the reserve for outstanding claims during the year was as follows:

	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	107,166	90,233
Additional during the year	172,314	16,933
Balance, end of the year	<u>279,480</u>	<u>107,166</u>

16. Liability for administered deposits

Life business

The movement on liability for administered deposit during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year as previously reported	4,213,302	3,160,041	4,213,302	3,160,041
Prior year under-provision for administered deposits	-	430,693	-	430,693
Adjusted balance, beginning of the year	4,213,302	3,590,734	4,213,302	3,590,734
Outstanding claims	-	899	-	899
Deposits received	1,663,275	921,552	1,663,275	921,552
Guaranteed interest	419,770	432,400	419,770	432,400
	<u>6,296,347</u>	<u>4,945,585</u>	<u>6,296,347</u>	<u>4,945,585</u>
Less withdrawals	(1,750,268)	(753,029)	(1,750,268)	(753,029)
Transfer from profit and loss Account (see note (a) below)	281,066	20,746	281,066	20,746
Balance, end of the year	<u>4,827,145</u>	<u>4,213,302</u>	<u>4,827,145</u>	<u>4,213,302</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

- (a) This represents amount transferred from the profit and loss account to fund the difference between the actuarially determined liability and the actual liability, in respect of liability for administered deposit.

17. Taxation payable

The movement on taxation payable account during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	161,359	74,444	159,614	72,656
Payment during the year	(169,030)	(124,461)	(154,388)	(113,376)
Charge for the year (see note 29)	260,780	184,677	227,712	173,637
Taken over from business acquisition	-	26,697	-	26,697
Balance, end of the year	253,109	161,357	232,938	159,614

17.1 General business

	2008 N'000	2007 N'000
Balance, beginning of the year	114,083	72,656
Payment during the year	(114,531)	(113,376)
Charge for the year (see note 29.1)	150,448	128,106
Taken over from business acquisition	-	26,697
Balance, end of the year	150,000	114,083

17.2 Life business

	2008 N'000	2007 N'000
Balance, beginning of the year	45,531	-
Payment during the year	(39,857)	-
Charge for the year (see note 29.2)	77,264	45,531
Balance, end of the year	82,938	45,531

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

18. Deferred taxation

(a) The movement on deferred taxation account during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	109,085	88,800	101,247	88,800
Charge during the year (see note 29)	(5,350)	15,516	(2,561)	7,678
Taken over from business acquisition	-	4,769	-	4,769
Balance, end of the year	103,735	109,085	98,686	101,247

(b) The deferred taxation resulted from timing difference between depreciation of fixed assets and capital allowance.

18.1 General business

	2008 N'000	2007 N'000
Balance, beginning of the year	88,791	88,800
Reversal during the year (see note 29.1)	(9,365)	(4,778)
Taken over from business Acquisition	-	4,769
Balance, end of the year	79,426	88,791

18.2 Life business

	2008 N'000	2007 N'000
Balance, beginning of the year	12,456	-
Charge during the year (see note 29.2)	6,804	12,456
Balance, end of the year	19,260	12,456

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

19. Share capital

Share capital comprises:

(a) **Authorised**

Ordinary shares of 50k

General business (6,000,000,000 units)

Life business (2,000,000,000 units)

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Ordinary shares of 50k				
General business (6,000,000,000 units)	3,000,000	3,000,000	3,000,000	3,000,00
Life business (2,000,000,000 units)	1,000,000	1,000,000	1,000,000	1,000,000
	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>
	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000

(b) **Issued and fully paid**

Ordinary shares of 50k each

General business 3,588,790,000 units

Life business 1,288,764,000 units

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Ordinary shares of 50k each				
General business 3,588,790,000 units	1,794,395	1,794,395	1,794,395	1,794,395
Life business 1,288,764,000 units	644,382	644,382	644,382	644,382
	<u>2,438,777</u>	<u>2,438,777</u>	<u>2,438,777</u>	<u>2,438,777</u>

(c) The movement on the share capital account during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	2,438,777	1,975,409	2,438,777	1,975,409
Additions during the year(see notes (d) below)	-	463,368	-	463,368
Balance, end of the year	<u>2,438,777</u>	<u>2,438,777</u>	<u>2,438,777</u>	<u>2,438,777</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

- (d) In 2007, the Company offered 926,734,862 ordinary shares of 50k each to International Finance Corporation (IFC) for N 1,701,735,104 based on the resolution of the shareholders at an extra-ordinary meeting held on 16 February 2007. The proceeds from the offer were accounted for as follows:

	2007 N'000
Gross proceeds from the offer	1,701,735
Transfer to share capital account	(463,368)
Transfer to share premium account	(1,238,367)
	<u>-</u>

19.1 General business

	2008 N'000	2007 N'000
Balance, beginning of the year	1,794,395	1,331,027
Additions during the year (see note 19(d))	-	463,368
Balance, end of the year	<u>1,794,395</u>	<u>1,794,395</u>

19.2 Life business

	2008 N'000	2007 N'000
Balance, beginning of the year	644,382	644,382
Additions during the year	-	-
Balance, end of the year	<u>644,382</u>	<u>644,382</u>

20. Share premium

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	1,458,867	220,500	1,458,867	220,500
Additions during the year	-	1,238,367	-	1,238,367
Balance, end of the year	<u>1,458,867</u>	<u>1,458,867</u>	<u>1,458,867</u>	<u>1,458,867</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

21. Statutory contingency reserve

The movement on statutory contingency reserve account during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	790,971	562,473	790,971	562,473
Transfer during the year	302,364	228,498	302,364	228,498
Balance, end of the year	<u>1,093,335</u>	<u>790,971</u>	<u>1,093,335</u>	<u>790,971</u>

21.1 General business

	2008 N'000	2007 N'000
Balance, beginning of the year	728,469	539,319
Transfer during the year	223,080	189,150
Balance, end of the year	<u>951,549</u>	<u>728,469</u>

21.2 Life business

	2008 N'000	2007 N'000
Balance, beginning of the year	62,502	23,154
Transfer during the year	79,284	39,348
Balance, end of the year	<u>141,786</u>	<u>62,502</u>

22. Bonus issue reserve

(a) The movement on the bonus issue reserve account during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	-	-	-	-
Bonus capitalized	-	-	-	-
Transfer during the year	304,847	-	304,847	-
Balance, end of the year	<u>304,847</u>	<u>-</u>	<u>304,847</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

- (b) The Board of Directors have proposed a bonus of 1 ordinary share of the Company for every 8 held, subject to the approval of the shareholders at the next Annual General Meeting. An amount of N304, 847,000 has therefore been transferred from the general reserve account to the Bonus issue reserve account.

23. General reserve

The movement on the general reserve during the year is shown below:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year as previously reported	1,401,189	1,213,447	1,662,745	1,530,154
Prior year adjustment to opening general reserve	-	(565,935)	-	(565,935)
Balance, beginning of the year - adjusted	1,401,189	647,512	1,662,745	964,219
Transfer from profit and loss account	377,009	853,899	500,035	798,748
Dividend declared	(500,000)	(100,222)	(500,000)	(100,222)
Balance, end of the year	1,278,198	1,401,189	1,662,780	1,662,745

23.1 General business

	2008 N'000	2007 N'000
Balance, beginning of the year as previously reported	1,614,058	1,388,151
Prior year adjustment to opening general reserve	-	(118,484)
Balance, beginning of the year - adjusted	1,614,058	1,269,667
Transfer from profit and loss account	91,324	444,613
Dividend declared	(500,000)	(100,222)
Balance, end of the year	1,205,382	1,614,058

23.2 Life business

	2008 N'000	2007 N'000
Balance, beginning of the year as previously reported	48,687	142,003
Prior year adjustment to opening general reserve	-	(447,451)
General reserve beginning of the year - adjusted	48,687	(305,448)
Transfer from profit and loss account	408,711	354,135
Dividend declared	-	-
Balance, end of the year	457,398	48,687

24. Equity price equalization reserve

The movement on equities price revaluation reserve during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	11,901,250	5,132,291	11,901,250	5,132,291
(Diminution)/addition during the year	(6,566,058)	6,768,959	(6,524,135)	6,768,959
Balance, end of the year	5,335,192	11,901,250	5,377,115	11,901,250

24.1 General business

	2008 N'000	2007 N'000
Balance, beginning of the year	6,415,782	3,408,063
(Diminution)/addition during the year	(4,578,204)	3,007,719
Balance, end of the year	1,837,578	6,415,782

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

24.2 Life business

	2008 N'000	2007 N'000
Balance, beginning of the year	5,485,468	1,724,228
(Diminution)/Addition during the year	(1,945,931)	3,761,240
Balance, end of the year	3,539,537	5,485,468

25. Non controlling interest

The movement in non controlling interest account during the year is shown below:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	470,768	61,254	-	-
Cash paid in by minority interest	-	281,750	-	-
Dividend	(4,230)	(4,230)	-	-
Minority's share of profit for the year	17,858	131,994	-	-
Balance, end of the year	484,396	470,768	-	-

26. Investment and other income

Investment and other income comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Gain from sale of investments	1,656,500	784,769	1,656,500	540,843
Dividends	558,154	272,751	509,786	266,401
Interest income	725,179	662,878	599,534	532,664
Other income	1,052,043	462,615	225,454	82,479
Profit on sale of fixed assets	(6,687)	(521)	2,706	(958)
Reversal of diminution in investment	-	24,714	-	24,714
Foreign exchange gain	2,177	-	-	-
Net investment and other income	<u>3,987,366</u>	<u>2,207,206</u>	<u>2,993,980</u>	<u>1,446,143</u>

26.1 General business

	2008 N'000	2007 N'000
Gain from sale of investments	779,046	241,803
Dividends	342,525	164,949
Interest income	253,803	234,630
Other income	26,827	44,532
Profit/(loss) on sale of fixed assets	2,506	(958)
Reversal of diminution in investment	-	24,714
Net investment and other income	<u>1,404,707</u>	<u>709,670</u>

26.2 Life business

	2008 N'000	2007 N'000
Gain from sale of investments	877,454	299,040
Dividends	167,261	101,452
Interest income	345,731	298,034
Other income	198,627	37,947
Profit/(loss) on sale of fixed assets	200	-
Net investment and other income	<u>1,589,273</u>	<u>736,473</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

27. Management expenses

Management expenses comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Staff and directors' costs (see Note 35(c) (ii))	1,013,173	408,582	917,831	366,577
Other management expenses	774,979	676,256	464,692	483,353
Depreciation	358,754	208,516	252,272	130,273
Foreign exchange loss	779	-	779	-
Finance charges	22,787	-	21,847	-
Maintenance expenses	49,856	66,825	49,856	66,825
Travelling and tours	129,082	113,556	129,082	113,556
Training expenses	42,932	25,801	42,932	25,801
Advertisement	83,118	65,739	83,118	65,739
Telecommunication	31,829	22,523	31,829	22,523
Goodwill impairment	-	13,207	-	13,207
Commission on deposit administration	147,163	78,263	147,163	78,263
Amortisation of deferred charges	81,150	43,984	-	-
	<u>2,735,602</u>	<u>1,723,252</u>	<u>2,141,401</u>	<u>1,366,117</u>

27.1 General business

	2008 N'000	2007 N'000
Staff and directors' costs	867,038	344,548
Depreciation	229,298	119,695
Exchange loss	10,097	-
Finance charges	21,847	-
Maintenance expenses	47,674	60,692
Travelling and tours	114,796	107,359
Training expenses	42,932	25,040
Advertisement	33,498	59,669
Telecommunication	31,829	22,523
Other management expenses	383,432	465,363
Goodwill impairment	-	13,207
	<u>1,782,441</u>	<u>1,218,096</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

27.2 Life business

	2008 N'000	2007 N'000
Staff and directors' costs	50,793	22,029
Depreciation	22,974	10,578
Exchange loss/(gain)	(9,318)	-
Maintenance expenses	2,182	6,133
Travelling and tours	14,286	6,197
Training expenses	-	761
Advertisement	49,620	6,070
Other management expenses	81,260	17,990
Commission on deposit administration	147,163	78,263
	<u>358,960</u>	<u>148,021</u>

28. Write offs and provision for bad and doubtful accounts

Write offs and allowances for bad and doubtful accounts comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Bad debts and write off	-	931,009	-	931,009
Allowance for doubtful premium Debtors (see note 3b)	110,967	-	110,967	-
Allowance for doubtful for other assets (see note 4b)	152,746	253,097	149,746	249,030
Allowance for doubtful placements (see note 2(a)(ii))	-	10,820	-	10,820
Allowance no longer required on placements (see note 2(a)(ii))	(29,000)	(12,187)	(29,000)	(12,187)
Allowance for doubtful unquoted Investments (see note 7.1b)	31,559	-	31,559	-
	<u>266,272</u>	<u>1,182,739</u>	<u>263,272</u>	<u>1,178,672</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

28.1 General business

	2008 N'000	2007 N'00
Bad debt written off	-	931,009
Allowance for doubtful premium debtors (see note 3.1b)	110,967	-
Allowance for doubtful and other assets (see note 4.1b)	104,523	211,206
Allowance for doubtful placements (see note 2.1(a)(ii))	-	10,820
Allowance no longer required on placements (see note 2.1(a)(ii))	-	(8,187)
Allowance for doubtful unquoted investments (see note 7.1b)	31,559	-
	<u>247,049</u>	<u>1,144,848</u>

28.2 Life business

	Company 2008 N'000	Company 2007 N'000
Allowances for doubtful for other assets (see note 4.2b)	45,223	37,824
Allowance no longer required on placements (see note 2.2(a)(ii))	(29,000)	(4,000)
	<u>16,223</u>	<u>33,824</u>

29. Taxation charge

(a) Taxation charge comprises:

	Group 2008	Group 2007	Company 2008	Company 2007
Company income tax	256,500	170,802	227,712	162,646
Education tax	4,280	13,875	-	10,991
	<u>260,780</u>	<u>184,677</u>	<u>227,712</u>	<u>173,637</u>
Deferred tax (credit)/charge	(5,350)	15,516	(2,561)	7,678
	<u>255,430</u>	<u>200,193</u>	<u>225,151</u>	<u>181,315</u>

- (b) The Company did not have taxable profit for both its General and Life business during the year. Company income tax for the general business was calculated as 30% of dividend declared during the year while that for the life business was calculated based on minimum tax. Education tax levy was also not calculated for both businesses because There was no assessable profit after considering all non-allowable items.

29.1 General business

	2008 N'000	2007 N'000
Company income tax	150,448	118,724
Education tax	-	9,382
	150,448	128,106
Deferred tax (credit)	(9,365)	(4,778)
	141,083	123,328

29.2 Life business

	2008 N'000	2007 N'000
Company income tax	77,264	43,922
Education tax	-	1,609
	77,264	45,531
Deferred tax charge	6,804	12,456
	84,068	57,987

30. Earnings per share

Earnings per share has been computed based on the profit after taxation and the weighted average number of ordinary shares outstanding during the year of 4,521,309,000 (2007; 3,940,965,000).

Dividend per share has been computed based on the profit after taxation and the number of ordinary shares outstanding during the year of 4,521,309,000 (2007; 4,521,309,000)

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

31 Net cash flow from operating activities before changes in operating assets comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Profit after taxation	1,002,078	1,214,391	1,107,245	1,027,246
Add: Taxation	255,430	200,193	225,151	181,315
Profit before taxation	1,257,508	1,414,584	1,332,396	1,208,561
Share of loss of associate	180,167	93,171	-	-
Depreciation	358,754	208,516	252,272	130,273
Amortisation of deferred charges	81,150	43,984	-	-
Increase in provision for unexpired risks	1,355,528	269,347	1,355,528	269,347
Increase in Life fund	42,261	11,499	42,261	11,499
Provision for outstanding claims	3,120,543	966,542	3,120,543	966,542
Bad debt written off	-	931,009	-	931,009
Allowance for doubtful premium receivables	110,967	-	110,967	-
Allowance for bad and doubtful accounts	152,746	253,097	149,746	249,030
Allowances for doubtful investments	(29,000)	10,820	(29,000)	10,820
Reversal of provision for diminution In investments	-	(24,714)	-	(24,714)
Allowance for doubtful un-quoted investments	31,559	-	31,559	-
Allowances no longer required	-	(12,187)	-	(12,187)
Decrease in unexpired risk taken over from Business combination	-	(109,917)	-	(109,917)
Goodwill impairment	-	13,207	-	13,207
Loss/(Profit) on sale of fixed assets	6,508	521	(2,706)	958
Gain on disposal of investments	(1,656,500)	(784,769)	(1,656,500)	(540,843)
Interest expense on loans	290,907	100,667	-	-
Dividend income	(558,154)	(272,751)	(509,786)	(266,401)
	<u>4,744,942</u>	<u>3,112,626</u>	<u>4,197,280</u>	<u>2,837,184</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

32. Analysis of cash equivalents

Cash and cash equivalents comprise

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Cash and bank balances (see note 1)	1,052,951	1,028,640	868,218	838,878
Short term placements (see note 2)	3,187,972	2,964,079	3,010,874	3,353,945
	<u>4,240,923</u>	<u>3,992,719</u>	<u>3,879,092</u>	<u>4,192,823</u>

33. Acquisition expenses

Acquisition expenses comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
General business	2,132,328	1,365,208	2,132,328	1,365,208
Life business	332,317	185,249	332,317	185,249
	<u>2,464,645</u>	<u>1,550,457</u>	<u>2,464,645</u>	<u>1,550,457</u>

33.1 General business

	2008 N'000	2007 N'000
Commissions	1,486,804	886,643
Staff cost	350,028	226,239
Other acquisition expenses	295,496	252,326
	<u>2,132,328</u>	<u>1,365,208</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

33.2. Life business

	2008 N'000	2007 N'000
Commissions	188,850	97,588
Staff cost	122,380	64,030
Other acquisition expenses	21,087	23,631
	<u>332,317</u>	<u>185,249</u>

34. Maintenance expenses

Maintenance expenses comprise

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
General business	249,030	209,154	249,030	209,154
Life business	59,958	47,270	59,958	47,270
	<u>308,988</u>	<u>256,424</u>	<u>308,988</u>	<u>256,424</u>

34.1. General business

	2008 N'000	2007 N'000
Insurance supervision levy	198,445	150,373
Other maintenance expenses	50,584	58,781
	<u>249,029</u>	<u>209,154</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

34.2 Life business

	2008 N'000	2007 N'000
Insurance supervision levy	59,958	11,513
Other maintenance expenses	-	35,757
	<u>59,958</u>	<u>47,270</u>

35. Supplementary profit and loss information

(a) General information

The Company's profit before taxation for the year is stated after Charging/(crediting) the following:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Depreciation	358,754	208,516	252,272	130,273
(Profit)/Loss on disposal of fixed assets	(6,508)	(521)	2,706	(958)
Auditor's remuneration	<u>22,300</u>	<u>20,550</u>	<u>19,000</u>	<u>18,000</u>

(b) Staff and directors' information

The average number of full time employees employed by the Company during the year as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Management staff	49	34	31	29
Non-management staff	481	435	394	346
	<u>530</u>	<u>469</u>	<u>425</u>	<u>375</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(c) Staff and director's costs:

i. Employee costs, including executive directors during the year comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Wages and salaries	1,310,826	669,575	1,200,305	635,710
Pension costs	37,248	22,828	32,746	19,846
Other benefits	22,255	10,611	17,096	1,290
	<u>1,370,329</u>	<u>703,014</u>	<u>1,250,148</u>	<u>656,846</u>

Employees earning more than N100,000 per annum received salaries in the following range:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
N101,001 - N500,000	89	129	-	43
N500,001 - N750,000	-	48	-	48
N750,000 - N1,000,000	93	2	88	-
N1,000,000N2,000,000	73	220	68	216
N2,000,000N3,000,000	176	32	170	30
Over N3,000,000	99	38	99	38
	<u>530</u>	<u>469</u>	<u>425</u>	<u>375</u>

	2008 N'000	2007 N'000	2008 N'000	2007 N'000

ii Staff and directors' costs comprise:

Charged to management expenses	963,173	408,582	867,831	366,577
Charged to underwriting expenses	332,317	185,249	332,317	290,269
	<u>1,295,490</u>	<u>593,831</u>	<u>1,200,148</u>	<u>656,846</u>

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

iii. Directors' remuneration, excluding pension and other benefits was as follows:

	2008 N'000	2007 N'000
Director's fees	6,050	6,050
Other emoluments	24,427	24,427
	<u>30,477</u>	<u>30,477</u>

iv Directors' remuneration shown above includes

	2008 N'000	2007 N'000
Chairman	4,210	4,210
Highest paid director	<u>5,342</u>	<u>5,342</u>

The emoluments of all other directors fell within the following ranges:

N2,300,000 - N4,800,000	2	2
N1,750,000 - N2,300,000	5	5
	<u>7</u>	<u>7</u>

36. Related party transactions

(a) Related parties to the Company as follows:

Name of related party	Relationship	Nature of related party transactions	Outstanding balance as at year end
Leadway Trustees Limited	Subsidiaries	Investments	N51,268,770
Leadway Hotels Limited	Subsidiaries	Commercial paper	N89,614,424
Leadway Properties and Investments Limited	Subsidiaries	Nil	Nil
Leadway Pension PFA	Associated Company	Nil	Nil

Business transactions with these related parties were done at arm's length.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

(b) Details of directors remuneration are disclosed in note 34 to the financial statements.

37. Contravention of laws and regulations

The Company did not contravene any law or regulation during the year and no penalty was paid

38. Contingent liabilities litigations and claims

There are litigation claims against the Company as at 31 December 2008 amounting to ₦4.7 billion (2007: ₦4.5 billion). These litigation claims arose in the normal course of business and are being contested by the Company. The directors, having sought advice of professional counsel, are of the opinion that no significant liability will crystallise from these claims. No provisions have been made in these financial statements.

39. Subsequent events

The board of directors proposed a dividend of 6k per share (2007: 10k per share) from the retained earnings as at 31 December 2008 on the issued share capital of 4,877,544,000 ordinary shares of 50k each subject to the approval of the shareholders at the next annual general meeting.

The board of directors proposed a bonus issue of 1 new ordinary share for every 8 held subject to the approval of the shareholders at the annual general meeting.

40. Five years financial summary

No five year financial summary is presented because the group did not prepare consolidated financial statements for the years 2004 to 2006

41. Prior year comparative figures

Certain prior year corresponding balances have been reclassified to conform with the current year presentation format.

NOTES TO THE FINANCIAL STATEMENT (CONTS.)

41. Segment information

Segment information is presented in respect of the Company's business segments which represents the primary segment reporting format and is based on the Company's management and reporting structure. No geographical segment information has been provided in these financial statements as there is only one Geographical segment.

Business Segments

The Company operates the following main business segments:

Non-life (General business)	Includes general insurance transactions with individual and corporate customers
Life business	Includes life insurance policies with individual and corporate customers
Trusteeship	Includes the provision of trusteeship and investment management services
Hospitality	Includes the provision hotels and hospitality services
Property management	includes the provision of real estate development and estate management services

41(a) Business reporting	None life Business		Life Business		Trusteeship		Hospitality		Property Management		Total	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000	2008 N'000	2007 N'000	2008 N'000	2007 N'000	2008 N'000	2007 N'000	2008 N'000	2007 N'000
(a) Revenue from External customer												
Gross premium	19,782,934	13,953,354	1,931,671	1,161,225	-	-	-	-	-	-	21,714,605	15,114,579
Net premium	7,435,984	6,305,015	1,564,191	1,108,615	-	-	-	-	-	-	9,000,175	7,413,630
Premium earned	6,080,456	6,035,668	1,521,930	1,097,116	-	-	-	-	-	-	7,602,386	7,132,784
Investment and other income	1,401,368	704,900	1,587,842	736,473	293,253	550,922	683,715	202,364	21,188	12,547	3,987,366	2,207,206
Commission received	800,938	555,366	107,075	16,729	-	-	-	-	-	-	908,013	572,095
Total segment revenue	8,282,762	7,295,934	3,216,847	1,850,318	293,253	550,922	683,715	202,364	21,188	12,547	12,497,765	9,912,085
Profit on ordinary Activities Before taxation	416,115	738,962	731,345	318,441	99,552	351,122	7,083	2,218	3,413	3,841	1,257,508	1,414,584
Assets and Liabilities												
Segment assets	15,745,028	15,835,489	10,124,860	10,234,305	1,155,944	1,527,488	1,132,491	1,316,617	101,358	158,472	28,259,681	29,072,371
Segment liabilities	8,560,138	3,779,989	5,960,023	4,843,021	698,166	1,113,299	583,064	753,188	61,401	117,775	15,862,792	10,607,272
Net assets	7,184,890	12,055,500	4,164,837	5,391,284	457,778	414,189	549,427	563,429	39,957	40,697	12,396,889	18,465,099
Depreciation	229,298	119,695	22,974	10,578	16,486	29,741	88,665	47,373	1,331	1,129	358,754	208,516

STATEMENT OF VALUE ADDED

for the year ended 31 December

Group	2008 N'000	%	2007 N'000	%
Gross premium (Local)	21,714,605		15,114,579	
Other income				
Local	4,852,588		3,814,956	
Foreign	42,791		87,037	
	26,609,984		19,016,572	
Bought in materials and services				
Local	(12,226,737)		(15,817,660)	
Foreign	(10,837,935)		(276,294)	
Value added	3,545,312	100%	2,922,618	100
Distribution of value added				
<i>To government</i>				
Government as taxes	255,430	7%	200,193	7%
<i>To employees</i>				
Employee cost	1,345,490	38%	698,851	24%
<i>To providers of finance</i>				
To lenders	290,907	8%	100,667	4%
<i>Retained in the business</i>				
To replace fixed assets (depreciation)	358,754	10%	208,516	7%
To augment reserves	1,002,078	29%	1,214,391	41%
To pay proposed dividend	292,653	8%	500,000	17%
Value added	3,545,312	100%	2,922,618	100%

STATEMENT OF VALUE ADDED

for the year ended 31 December

Company	N'ooo	2008 %	N'ooo	2007 %
Gross premium (Local)	21,714,605		15,114,579	
Other income				
Local	3,859,202		1,931,201	
Foreign	42,791		87,037	
	25,616,598		17,132,817	
Bought in materials				
And services				
Local	(12,560,769)		(14,817,839)	
Foreign	(10,837,935)		(276,294)	
Value added	2,217,894	100%	2,038,684	100%

Distribution of value added

<i>To government</i>				
Government as taxes	225,151	10%	181,315	9%
<i>To employees</i>				
Employee cost	1,250,148	57%	656,846	32%
<i>Retained in the business</i>				
To replace fixed assets				
(depreciation)	252,272	11%	130,273	6%
To augment reserves	197,670	9%	570,250	28%
To pay proposed dividend	292,653	13%	500,000	25%
Value added	2,217,894	100%	2,038,684	100%

FIVE-YEAR FINANCIAL SUMMARY

	2008 N'000	2007 N'000	2006 N'000	2005 N'000	2004 N'000
Results					
Gross premium written	21,714,605	15,114,579	4,528,803	3,875,974	2,904,193
Net Premium written	9,000,175	7,413,630	3,956,169	3,335,479	2,425,106
Premium earned	7,602,386	7,132,784	2,439,651	2,476,906	2,065,949
Profit before taxation	1,332,397	1,208,561	727,478	510,674	347,573
Taxation	(225,151)	(181,315)	(85,987)	(64,442)	(41,146)
Profit after taxation	1,107,246	1,027,246	641,491	446,232	306,427
Dividends declared	500,000	100,222	125,000	105,000	105,000
Earnings per share (k)	23	23	33	45	44
Dividend per share (k)	10	2	6	11	15
Balance sheet Assets					
Current assets	9,271,190	6,716,526	3,088,407	1,622,250	1,301,868
Long term investments	16,067,910	19,316,390	6,730,402	5,716,869	4,203,709
Statutory deposits	520,000	520,000	35,000	35,000	35,000
Fixed assets	1,207,022	798,282	434,426	402,820	411,693
Total Assets	27,066,122	27,351,198	10,288,235	7,776,939	5,952,270
Liabilities and capital					
Insurance funds	8,317,124	3,798,793	2,145,818	1,567,354	1,444,007
Other liabilities	6,410,000	5,296,518	3,413,270	2,873,209	1,777,042
Share capital	2,438,777	2,438,777	975,409	500,000	350,000
Share premium	1,458,867	1,458,867	236,108	10,699	10,699
Reserves	8,441,354	14,358,243	3,517,631	2,825,677	2,370,522
Total liabilities and reserves	27,066,122	27,351,198	10,288,236	7,776,939	5,952,270

