

# C O N T E N T S



01-12	Leadway History	17	Notice of Annual General meeting
19-21	Chairman's Statement	22	Corporate Profile
23-27	Board of Directors		
29-33	Directors' Report	34	Directors' Responsibility Statement
35	Independent Auditors' Report		
36-46	Statement of Significant Accounting Policies	47	Leadway at a Glance
48	Consolidated Balance Sheets	49	Consolidated Profit and Loss Accounts
50	Statement of Cash Flows		
51	General Business Balance Sheets	52	General Business Profit and Loss Accounts
53	General Business Revenue Accounts	54	Life Business Balance Sheets
55	Life Business Profit & Loss Accounts		
56	Life Business Revenue Accounts	57	Deposit Administration Revenue Accounts
59-115	Notes to the Financial Statements		
116	Value Added Statements	117	Group's Four-year Financial Summary
118	Company's Five-year Financial Summary		
119	Actual Settled Losses	120	Insurable Assets
123-126	Leadway Today	127	Branch Network

# A G M N O T I C E

## NOTICE OF THE 39TH ANNUAL GENERAL MEETING



**NOTICE IS HEREBY GIVEN** that the 39<sup>th</sup> Annual General Meeting of **LEADWAY ASSURANCE COMPANY LIMITED** will be held at the Leadway Training School (Rooftop) Apex Mill House (Thomas Wyatt Building), 10 Abebe Village Road Iganmu Lagos on Wednesday 6<sup>th</sup> July, 2011 at 11 am for the following purposes:

### Ordinary Business

1. To lay before the meeting, the reports of the Directors and Auditors , including the Statement of Accounts for the year ended 31<sup>st</sup> December, 2010
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 authorized to capitalize the sum of ₦274,362,295 out of the profits declared for the accounting year ended 31<sup>st</sup> December, 2010 and to apply the sum in paying in full 548,724,589 ordinary shares of 50 kobo each which shall be distributed to the shareholders as fully paid shares in the proportion of 1 (one) new share for every 15 (Fifteen) shares held by the shareholders as at 12<sup>th</sup> May, 2011, 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 31<sup>st</sup> December, 2010.



### BY ORDER OF THE BOARD

**Adetola Adegbayi**  
Company Secretary  
28<sup>th</sup> May, 2011

### NOTES

1. Any member entitled to attend and vote at the meeting may appoint a proxy (who need not be a member) to attend and vote in his place. In order to be valid, an instrument appointing a proxy must be deposited at the office of the Company Secretary, Leadway House, 121/123 Funso Williams Avenue, Iponri , Lagos not later than 48 hours before the time appointed for the meeting.
2. The register of members and their shareholding is available for inspection, at the office of the Company Secretary during normal business hours, from the date of this notice until the close of business on 4<sup>th</sup> July, 2011.

# CHAIRMAN'S STATEMENT



Dear Shareholders,

It is with great pleasure that I welcome you all to the 39<sup>th</sup> Annual General Meeting of our company for the purposes of presenting to you the financial statements and reports for the financial year ended 31<sup>st</sup> December, 2010.

## **ECONOMIC BACKGROUND**

The Year 2010 was one of recovery of the financial markets, credit squeeze in the economy and bank debt crises, which led the Federal Government to establish the Asset Management Corporation of Nigeria “in order to stimulate the recovery of Nigeria's financial system ...”, improve liquidity and encourage lending to the real sector. The effect of this has yet to be felt, as lender and investor apathy continues; thus crippling most businesses, with the debt market and equity market in hibernation.

In line with the projection for overall 2010 growth of 7.85%, real Gross Domestic Product (GDP) grew by 7.86% driven by the non-oil sector, especially agriculture with support from Services, and general commerce.

Whilst the Capital Market made a modest recovery in the last quarter of 2010 with the All Share Index recording an 18.9% increase, basic infrastructural problems of power, water and roads continue to be a challenge contributing in worsening the already high cost of doing business in the country.

## **INSURANCE INDUSTRY**

As fallout of the financial market crisis, the pervasive credit crunch meant that purchase of insurance, particularly personal lines, slowed as customers reneged on premium payments and cancelled policies. The majority of quoted insurance stocks witnessed significant devaluation in prices. While insurers grapple under the weight of a weak economy, the National Insurance Commission embarked on a “Market Development and Restructuring Initiative (MDRI)” focusing on public awareness and enforcement of six compulsory insurance policies in a renewed bid to deepen insurance penetration from the current less than 1% to expected levels of at least 3%, given Africa average of 3.6%. As NAICOM forges on with compulsory insurances, Government made a fresh foray into insurance by repealing the Workmen Compensation Act 1987 and transferring the management of its insurance provisions to the National Social Insurance Trust Fund under a contributory compensation savings scheme enacted within the new Employees Compensation Act 2010. Although worker's compensation is a highly volatile insurance book, industry watchers find that the involvement of Government in what was properly managed by private enterprises may be bugged down by bureaucratic inefficiencies. As such, there may still be demand for discretionary employer's liability insurance.

In an effort to ensure that the domestic economy benefits from the Oil sector, the Federal Government enacted the Nigerian Oil and Gas Industry Content Development Act 2010 prescribing within it percentages of local content to be derived from direct, allied and ancillary services connected with the industry aimed at increasing, and, in certain cases, granting exclusivity to indigenous companies and use of local resources in the Oil and Gas Industry. This has opened opportunities for support industries like Insurance. As such 70% minimum domestic expenditure was derived for insurance of oil and gas assets and liabilities. This is expected to increase the volume of insurance business and increase premium retention for Nigerian insurance companies. The implication is that Insurers would be expected to carry larger credit risks which may drive down profits or at worse increase failure of insurers unable to meet claims obligations.

# CHAIRMAN'S STATEMENT



## **FINANCIAL PERFORMANCE**

Against the background of the operating environment and given the recycling nature of high profile annual renewable contracts within the oil and gas sector, the Company witnessed a 43% drop in Gross Premium Written from ₦24.8b in 2009 to ₦14.2bn in 2010. With a resultant dip of 37% in reinsurance cost from ₦11.3bn in 2009 to ₦7.1b in 2010, Net Premium Earned dropped marginally by 3% from ₦8.9b in 2009 to ₦8.6b in 2010. Underwriting year was good with Net Claims Incurred dropping by 18% from ₦2.9b in 2009 to ₦2.4b in 2010, yielding a 6% increase in underwriting profit from ₦4.1b in 2009 to ₦4.3b in 2010. With significant improvement in investment income, despite the financial market lull, from ₦747m in 2009 to ₦1.3b in 2010, the company recorded 40% increase in after tax profit from ₦1b in 2009 to ₦1.4b in 2010.

The Company also improved its balance sheet size by 10% from ₦35.6b in 2009 to ₦39b in 2010, recording 12% increase in Shareholders' fund from ₦11.6b in 2009 to ₦13.1b in 2010.

## **PROFIT CAPITALIZATION & DIVIDEND**

As we seek to take full advantage of the emerging opportunities that abound in our economy and in appreciation of the commitment of our esteemed shareholders to our company, your Board of Directors is recommending that the sum of ₦274,362,295 be capitalized out of the profits declared for the year. This is in continuation of our historical conservative values of capital preservation which have ensured the sustained growth of our company over the years. The Capitalized sum shall be used in paying in full 548,724,589 shares to be distributed to shareholders as 1(one) new share for every 15(fifteen) units of shares held by them as at 12<sup>th</sup> May, 2011 without ranking for dividend distributed for the same year of account.

In recognition of the sacrifice that shareholders continue to make in supporting the growth and development of the company, your board of directors are also recommending a dividend of 6 Kobo per ordinary share for the 2010 financial year.

## **FUTURE OUTLOOK**

The future remains bright for a developing economy like ours and the business community, including our company, only needs to be enabled to exploit the emerging opportunities. For us, we intend to realize the business advantages presented from the marketing and sales of compulsory Insurance Products under the National Insurance Commission's MDRI while also seeking to take full advantage of the benefits of the Nigerian Oil & Gas Industry Content Development Act 2010.

## **CONCLUSION**

This year of meeting marks the 40th year of our business operations and we are humbled by our history and how far we have come. We realize that we are where we are because of our esteemed customers who remain the centre of our universe. To our customers, we remain uncompromising in delivering value through prompt claims payment, customized products and courteous service. We, therefore, thank our customers (whether as intermediaries or directly) for their unflinching stay with us through the years. I should also like to commend and thank our Management and Staff for their devotion in ensuring that Our Words remain Our Bonds.

# CORPORATE PROFILE



## DIRECTORS

1. Alhaji Hassan Hadejia  
(Shettiman Hadejia) Chairman
2. Mr. Oye Hassan-Odukale, MFR (MD/CEO)
3. Mr. Jeremy Rowse
4. Mr. Olawale Oyedele (Executive)
5. Mrs. Fehintola Obatusin  
(Appointed with effect from 9th Feb. 2010)
6. Dr. Konyinsola Ajayi
7. Mallam Umar Yahaya
8. Dr. A.B.C. Orjiako
9. Mr. Tunde Hassan-Odukale (Executive)

## SECRETARY

Adetola Adegbayi

## CONSULTING ACTUARIES

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

Reinsurers - Local  
African Reinsurance Corporation  
Continental Reinsurance PLC

Reinsurers - International  
Swiss Re Zurich Limited Munich Mauritius Reinsurance  
Company Limited  
Hannover Reinsurance Africa Limited  
Kenya Re Corporation Limited

## REGISTERED OFFICE

Leadway Assurance House,  
NN 28/29 Constitution Road,  
P. O. Box 458 Kaduna

## CORPORATE OFFICE

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

## AUDITORS

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

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2010



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 2010.

### **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 general business insurance services to both corporate and individual customers.

### **Subsidiary and associated companies**

The Company holds 53% shareholding in Leadway Capital and Trust Limited (formerly Leadway Trustees Limited), 51% in Leadway Hotels Limited and 100% in Leadway Properties and Investments Limited. The Company also holds 46% shareholding in Leadway Pensure PFA Limited and 25% in Total Health Trust Limited that are associated companies.

The financial results of all the subsidiaries have been consolidated in these financial statements. Leadway Pensure PFA Limited and Total Health Trust Limited, being associated companies, have been accounted for using the equity method.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2010



### Operating results

The highlights of the Group and Company's operating results for the year ended 31 December 2010 were as follows:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Profit before taxation	2,375,400	1,774,111	2,038,439	1,470,749
Taxation	(721,020)	(551,294)	(636,585)	(468,279)
Profit after taxation	1,654,380	1,222,817	1,401,854	1,002,470
Non-controlling interest	(71,857)	(101,362)	-	-
Profit attributable to equity holders	1,582,523	1,121,455	1,401,854	1,002,470
Transfer to statutory contingency reserve	(451,873)	(765,649)	(451,873)	(765,649)
Transfer to asset replacement reserve	(18,850)	(20,264)	-	-
<b>Transfer to general reserve</b>	<b>1,111,800</b>	<b>335,542</b>	<b>949,981</b>	<b>236,821</b>
<b>Shareholders' funds</b>	<b>13,040,332</b>	<b>11,416,840</b>	<b>13,101,431</b>	<b>11,654,142</b>
Earnings per share (k) – Basic	19	20	17	18
Earnings per share (k) – Adjusted	19	14	17	12
Declared dividend per share (k)	7	6	7	6

### Dividends

#### Proposed dividends

The board of directors has proposed a dividend of 6k per share on the issued share capital of 8,230,872,000 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 (2009:1) new ordinary share for every 15 (2009: 2) held subject to the approval of the shareholders at the annual general meeting.

#### Declared dividends:

The shareholders, at the annual general meeting held on 30 July 2010, approved the payment of ₦400,000,000 (2009: ₦292,651,000) as dividend during the year. The dividends were subject to deduction of withholding tax.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2010



### 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)			
		2010	2010	2009	2009
		Direct	Indirect	Direct	Indirect
Alhaji Hassan Hadejia	- Chairman	99,717,246	223,906,783	66,478,164	149,271,189
Mr. Oye Hassan-Odukale	- Managing Director	53,842,662	1,113,208,661	35,895,108	737,098,409
Mr. Tunde Hassan-Odukale	- Executive	-	503,856,849	-	345,904,566
Dr. Konyinsola Ajayi	- Non Executive	-	1,500,000	-	-
Dr. A.B.C Orjiako	- Non Executive	-	-	-	-
Mr. Olawale Oyedele	- Executive	-	36,562,995	-	31,339,710
Mr. Jeremy Rowse	- Non Executive	-	1,563,865,078	-	1,042,576,719
Mrs. Abimbola Oyebanjo	- Non Executive	375,855,163	-	250,570,109	-
Mallam Umar Yahaya	- Non Executive	-	-	-	-
Mrs. Fehintola Obatusin	- Non Executive	339,051,630	-	200,919,485	-

Mrs. Abimbola Oyebanjo resigned from the Board of Directors on 25 January 2010 while Mrs. Fehintola Obatusin joined the Board of Directors on 9 February 2010.

### Analysis of shareholding

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

Share range	<b>2010</b>			
	No. of shareholders	Percentage of shareholders	No. of holdings	Percentage of holdings
Above 400,000,000	5	14%	5,589,911,988	68%
200,000,001 - 400,000,000	5	14%	1,530,267,891	19%
100,000,001 - 200,000,000	2	5%	282,445,747	3%
50,000,001 - 100,000,000	9	25%	647,540,897	8%
1,000,000 - 50,000,000	15	42%	180,702,278	2%
Total	<b>36</b>	<b>100%</b>	<b>8,230,868,801</b>	<b>100%</b>



# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2010



### 2009

Share range	No. of shareholders	Percentage of shareholders	No. of holdings	Percentage of holdings
Above 400,000,000	4	11.4%	3,390,703,427	62%
200,000,001 - 400,000,000	4	11.4%	1,028,363,073	19%
100,000,001 - 200,000,000	2	5.7%	337,720,088	6%
50,000,001 - 100,000,000	5	14.3%	354,469,739	6%
1,000,000 - 50,000,000	20	57.2%	375,989,545	7%
	<b>35</b>	<b>100%</b>	<b>5,487,245,872</b>	<b>100%</b>

### Fixed assets

Information relating to changes in fixed assets is given in Note 12 to the financial statements.

### Donations and charitable gifts

A total sum of ₦7,536,250 (2009: ₦20,009,000) 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

	Amount ₦
Lagos Motor Boat Club	2,500,000
Nigeria Insurers Association	1,500,000
ABTI American University Yola	500,000
Others	3,036,250
	<b>7,536,250</b>

### 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 employment 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.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2010



### **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 employee, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, the Group sponsors its employees for various training courses both locally and overseas.

### **Directors' interests in contracts**

In accordance with section 277 of the Companies and Allied Matters act of Nigeria, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year (2009: Nil).

### **Acquisition of own shares**

The Company did not purchase any of its own shares during the year (2009: 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

20 May 2011

S T A T E M E N T O F D I R E C T O R S '  
RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010



The directors accept responsibility for the preparation of the annual financial statements set out on pages 10 to 90 that give a true and fair view 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.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

**SIGNED ON BEHALF OF THE DIRECTORS BY:**

Alhaji Hassan Hadejia (Shettiman Hadejia)  
20 May 2011

Mr. Oye Hassan-Odukale  
20 May 2011



KPMG Professional Services Tel: 234 (1) 271 8955  
22A, Gerrard Road, Ikoyi Fax: 234 (1) 462 0704  
P.M.B 40014, Falomo www.ng.kpmg.com  
Lagos, Nigeria

## 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, 2010, 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, the Group's four year financial summary and the Company's five year financial summary, as set out on pages 36 to 118.

#### *Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation of financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *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 estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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 subsidiary companies (together “the Group”) as at 31 December, 2010, 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 Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria and relevant National Insurance Commission (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 the Company's balance sheet and profit and loss account are in agreement with the books of accounts.

Lagos, Nigeria  
25 May 2011



# STATEMENT OF SIGNIFICANT 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), the Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria 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 fixed assets and long term investments at valuation amounts.

*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 carrying 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 carrying of long term investments at valuation amount.

## 2 **Basis of consolidation**

### (a) *Subsidiaries*

Subsidiary undertakings, which are those companies in which the Company, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over their operations, have been consolidated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Company. Separate disclosure is made for non-controlling interests.

The consolidated financial statements combine the financial statements of Leadway Assurance Company Limited ("the Company") and its subsidiaries ("the Group") wherein there is majority shareholding and/or control of the Board of Directors and management. The consolidated subsidiaries are Leadway Capital and Trust Limited (formerly Leadway Trustees Limited), Leadway Hotels Limited and Leadway Properties and Investments Limited.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions and any unrealized gains or losses arising from intra-group transactions are eliminated in preparing the group financial statements.

### b *Associates*

Associates are those entities in which the Company has significant influence but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are recognised at cost less impairment in the Company's separate financial statements.

The Group's share of the associates' post acquisition profits or losses is recognised in the profit and loss accounts. Its share of pre-acquisition reserves is recognised in reserves. The cumulative post acquisition investments are adjusted against the carrying amount of the investments.

# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



When the Group's share of losses equals or exceeds its interest in an associate including any other unsecured receivables, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate. Distributions received from an associate are applied to reduce the carrying amount of the investment.

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

The preparation of financial statements 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 certain estimates and assumptions that affect the allocated and reported amounts of assets and liabilities in the different business units as at the date of the financial statements and the reported amount of income and expense during the reporting period.

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.

### 5. **Recognition and measurement of insurance contracts**

Short-term insurance contracts under General business are accounted for on an annual basis while long term insurance which comprise Life and annuity contracts are accounted for using the fund method.

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. All losses are charged to the profit and loss account while a maximum of 40% of surplus is credited to the profit and loss account in line with NAICOM guidelines.

### 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.

# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



### 7. **Gross premium**

Gross premium written is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover. Gross premium earned is written premium after adjusting for the unearned portion of the premium. All written premium relating to risk for period not falling within the accounting period is carried forward as unearned premium.

#### (i) *Short-term insurance contracts premium*

Written premium on short-term insurance contracts are premiums on contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premium earned for the period includes adjustments to premiums written in respect of unearned premium.

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.

#### (ii) *Long-term insurance contracts premium*

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

### 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 reinsurer, and are credited to the profit and loss account.

### 10. **Claims expenses**

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

#### (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 claims incurred but not reported (IBNR), which is computed at a minimum 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 and annuity contracts 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 by the insured are carried at the claim amounts advised.



# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



### 11 **Underwriting expenses**

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy. Underwriting expenses for insurance contracts and deposit administration 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 expenses. They are accounted for on an accrual basis.

### 13 **Reinsurance**

Proportional and non proportional reinsurance premiums are accounted for on an accrual basis. Reinsurance premiums are recognized as outflows in accordance with the tenor of the reinsurance contract. Unexpired reinsurance cost is determined on a time apportionment basis and is accounted for as unexpired reinsurance cost.

### 14 **Technical reserves**

#### a. General business:

#### (i) *Provision for unexpired risks:*

The portion of gross premium income on short-term general business insurance contracts, which is estimated to be unearned in the current period, is accounted for as unexpired risk provision. This is computed separately for each contract and individual policy as at the balance sheet date using principally the time apportionment basis for direct businesses in accordance with the provisions of Section 20 of the Insurance Act 2003, except for marine business, which is based on 50% of the gross premium.

#### (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 reported amounts. 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 the 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.



# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



(ii) **Contingency reserve**

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

15 **Deferred acquisition cost**

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 an asset and recognized in the subsequent period.

16 **Fixed assets**

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

Land and buildings are stated at historical cost or revalued amount (based on valuation by external independent valuers) less depreciation. Revaluation is carried out at the discretion of the management as and when necessary. Surpluses arising on the revaluation of individual fixed assets are credited to the Asset Revaluation Reserve Account. When previously revalued fixed assets are disposed of, any revaluation surplus arising relating to the disposed assets is transferred to the profit and loss account.

All other fixed assets are stated at historical cost less accumulated 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.

Capital work-in-progress is not depreciated. Depreciation is calculated on other fixed 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 and are charged to the profit and loss account.

17 **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

# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



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 taking. Short-term investments are valued at lower of cost and market value.
- b. **Long-term investments**  
Long-term investments relate to investments over a long period of time to earn income. These are investments other than short-term investments and include:
  - i. *Quoted investments*  
Quoted investments are stated at valuation amount (market value) as at the balance sheet date, as provided by Section 24(13)(b) of the Insurance Act 2003. The excess of the valuation amounts 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 Account' to the extent that a previous gain is offset, otherwise, it is recognized in the profit and loss account.
  - ii. *Unquoted investments*  
These are stated at cost. Where in the opinion of the Directors the value of any unquoted investment is below its cost, an appropriate provision for the diminution in value thereof is charged against the profit and loss account of the relevant year.
  - iii. *Investments in subsidiaries*  
Investments in subsidiaries are carried in the Company's balance sheet at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.  
  
On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.
  - iv. *Investments in associates*  
Investments in associates are carried in the Company's balance sheet at cost less impairment.
- 18 **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.
- 19 **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.

# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



### 20 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 2010 operational guidelines set by NAICOM, allowance for outstanding premium is made as follows:

<u>Period outstanding</u>	<u>% allowance required</u>
Up to 3 months	Nil
3 – 6 months	50%
Above 6 months	100%

When a receivable in respect of which a provision has already been made is deemed uncollectible, it is written-off against the related provision and subsequent recoveries are credited to the profit and loss account. Receivables in respect of which a previous provision was not made are written-off directly to the profit and loss account when they are deemed to be uncollectible.

### 21 Commercial loans

Commercial loans represent loans availed to customers at agreed terms. Allowances are determined as stated below:

<u>Period outstanding</u>	<u>% allowance required</u>
Up to 3 months	Nil
3 – 6 months	10%
6 – 12 months	50%
Above one (1) year	100%

When a commercial loan in respect of which an allowance has already been made is deemed not collectible, it is written off against the related provision and subsequent recoveries are credited to the profit and loss account.

Commercial loans in respect of which a previous provision was not made are written off to the profit and loss account when they are deemed to be not collectible.

### 22 Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at that date. Exchange gains arising from the revaluation of long term monetary assets and liabilities are taken to the Foreign Exchange Revaluation Reserve and released to profit and loss on realization of the asset or liability. Exchange losses are recognized in the revaluation reserve to the extent of gain previously recognized otherwise they are taken to the profit and loss account.

# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



### 23 **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.

### 24 **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 probable that the related tax benefit will be realized.

### 25 **Retirement benefit obligations**

#### *Pension costs*

The Company operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Company pays fixed contributions of 7.5% to a separate entity – Pension Fund Administrators; employees also pay the same 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. The Company's obligations are recognized in the profit and loss account.

#### *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 based on benefits determined as at 31 December 2004. The gratuity assets have been transferred to external trustees to manage.

### 26 **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.

### 27 **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.

# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



### 28 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.

### 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 deposit administration revenue account in the period it is earned while interest paid and due to depositors is recognized as an expense.

### 30 Managed funds

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

### 31 Investment property

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the enterprise. A piece of property is treated as an investment property if it is not occupied substantially for use in the operations of the Group. An occupation of more than 15% of the property is considered substantial.

Investment properties are carried in the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there has been a decline in value of an investment property, the carrying amount of the property is written down to recognize the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the Group's policy, in the value of the investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to Asset Revaluation Reserve Account. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against that revaluation surplus rather than the profit and loss account.

An increase in revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit and loss account, is credited to profit and loss account to the extent that it offsets the previously recorded decrease.

Investment properties are disclosed separate from the property and equipment used for the purposes of the business.

### 32 Leases

The Group classifies a lease as a finance lease if the following conditions are met:

(a) The lease is non-cancelable, and

# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



(b) any of the following is applicable

- i. the lease term covers substantially (80% or more) the estimated useful life of the asset or,
- ii. the net present value of the lease at its inception using the minimum lease payments and implicit interest rate is equal to or greater than the fair value of the leased asset or,
- iii. the lease has a purchase option which is likely to be exercised.

A lease that does not qualify as a finance lease as specified above is classified as an operating lease.

A Group company can be a lessor or a lessee in either a finance lease or an operating lease.

i. *Where a Group Company is the lessor*

When assets are held subject to a finance lease, the transactions are recognized in the books of the Group at the net investments in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on lease is defined as the difference between the gross investment and the present value of the asset under the lease.

The discount is recognized as unearned in the books of the Group and amortized to income over the life of the lease on a basis that reflects a constant rate of return on the Group's net investment in the lease.

Finance leases are treated as risk assets and the net investment in the lease are subject to a general provisioning of at least 1% of the aggregate net investment in finance leases.

When assets are held subject to an operating lease, the assets are recognized as property and equipment based on the nature of the asset and the Group's normal depreciation policy for that class of asset applies. Lease income is recognized on a straight line over the lease term. All indirect costs associated with the operating lease are charged as incurred to the profit and loss account.

ii. *Where a Group Company is the lessee*

When the assets leased are subject to operating lease, the total payments made under operating leases are charged to profit and loss on a systematic basis in line with the time pattern of the Group's benefit.

When the assets are subject to a finance lease, the Group accounts for it by recording the lease as an acquisition of an asset and the incurrence of a liability.

At the beginning of the lease term, the Group records the initial asset and liability at amounts equal to the fair value of the leased asset less the present value of any unguaranteed or partially guaranteed residual value which would accrue to the lessor at the end of the term of the lease. The discount factor to apply in calculating the present value of the un-guaranteed residual value accruing to the lessor is the interest rate implicit in the lease.

Where the Group cannot determine the fair value of the leased asset at the inception of the lease or is unable to make a reasonable estimate of the residual value of the lease without which the interest rate implicit in the lease could not be computed, the initial asset and liability are recorded at amounts equal to the present value.



# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## CONTD.



The leased asset is depreciated or the rights under the leased asset are amortized in a manner consistent with the Group's own assets.

The minimum lease payment in respect of each accounting period is allocated between finance charge and the reduction of the outstanding lease liability. The finance charge is determined by applying the rate implicit in the lease to the outstanding liability at the beginning of the year.

### 33 **Other assets**

Receivables and other sundry debtors are classified as other assets and are stated at cost less allowances for doubtful amounts.

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 profit and loss account.

Prepayments are stated at cost net of amortization.

### 34 **Borrowings**

Borrowings are recorded at outstanding principal and accrued interest. Interest costs are recognized in the profit and loss account over the duration of the instrument.

### 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.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

### 36 **Asset replacement reserve**

A 5% of the turnover of a subsidiary company, Leadway Hotel Limited is transferred to an asset replacement reserve account for the replacement of fixed assets utilized in its hotel business.

# LEADWAY AT A GLANCE



YEAR OF INCORPORATION:	-	1970
COMMENCEMENT OF OPERATIONS:	-	1971
FINANCIAL YEAR END	-	31 <sup>st</sup> December
SHAREHOLDERS' FUNDS	-	₦ 13 Billion (as at 31 December 2010)
TOTAL ASSET BASE	-	₦ 39 Billion (as at 31 December 2010)
CLASSIFICATION:	-	All classes of Insurance, Managed Funds & Trusteeship
NUMBER OF BRANCHES:	-	19 (excluding Head office & Corporate office)
SUBSIDIARIES:	-	Leadway Capital & Trusts Limited Leadway Properties & Investments Ltd. Leadway Hotels Limited
ASSOCIATE:	-	Leadway Pensure PFA Limited
NUMBER OF EMPLOYEES:	-	399 (as at December 31, 2010)
FOUNDER:	-	Sir Hassan O. Odukale (1926-1999)
DIRECTORS:	-	Alhaji Hassan Hadejia (Shettiman Hadejia) (Chairman) Mr. Oye Hassan-Odukale, mfr (MD/CEO) Mr. Olawale O. Oyedele (Exec. Director) Mr. Tunde Hassan-Odukale (Exec. Director) Mallam Umar Yahaya (Director) Dr. A. B. C. Orjiako (Director) Dr. Konyinsola Ajayi (Director) Mrs. Fehintola Obatusin (Director) Mr. Jeremy Rowse (Director)
SECRETARY:	-	Miss. Adetola Adegbayi
MANAGEMENT:	-	Mr. Oye Hassan-Odukale, mfr (MD/CEO) Mr. Olawale O. Oyedele (ED) Mr. Tunde Hassan-Odukale (ED) Mr. Muftau O. Oyegunle (GM) Miss. Adetola Adegbayi (GM) Mr. Abiodun Foluso (GM) Mr. Adebayo O. Okuwobi (DGM) Mr. Olasoji Tehingbola (DGM) Mr. David Onilado (DGM) Mr. Adetayo Adekunle (AGM) Deacon Clement O. Atere (AGM) Mr. Okegbemi Owoseje (AGM) Mrs. Moji Odusoga (AGM) Mr. Temilolu Aduloju (AGM) Mr. Stephen Chiazor (AGM)



# CONSOLIDATED BALANCE SHEETS

## AS AT 31 DECEMBER



	Notes	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
<b>Assets</b>					
Cash and bank balances	1	2,514,001	3,047,299	2,271,785	2,892,338
Short term investments	2	8,095,076	6,098,493	7,724,198	5,723,274
Premium debtors	3	2,937,015	2,504,409	2,937,015	2,504,409
Reinsurance recoverables, other assets and loans	4	5,513,990	7,245,867	5,200,640	6,812,263
Investments in finance leases	5	222,183	203,407	-	-
Deferred acquisition costs	6	378,120	390,750	378,120	390,750
Long term investments	7	14,043,372	11,851,223	13,874,190	11,553,548
Investment in subsidiaries	8	-	-	342,946	342,946
Investment in associates	9	301,056	164,755	695,375	695,375
Investment properties	10	2,377,140	2,387,140	2,328,896	2,338,896
Statutory deposits	11	520,000	520,000	520,000	520,000
Fixed assets	12	3,569,204	2,691,388	2,752,106	1,863,952
<b>Total assets</b>		<b>40,471,157</b>	<b>37,104,731</b>	<b>39,025,271</b>	<b>35,637,751</b>
<b>Liabilities</b>					
Creditors and accruals	13	6,342,768	4,384,143	5,604,601	3,727,229
Dividend payable	14	-	-	-	-
Borrowings	15	60,405	414,504	-	-
Provision for outstanding claims	16	4,458,402	4,642,537	4,458,402	4,642,537
Insurance funds	17	7,017,711	8,284,042	7,017,711	8,284,042
Liability for administered deposits	18	7,562,545	6,491,997	7,562,545	6,491,997
Taxation payable	19	856,126	533,092	808,464	485,822
Deferred taxation	20	537,414	379,879	472,117	351,982
		<b>26,835,371</b>	<b>25,130,194</b>	<b>25,923,840</b>	<b>23,983,609</b>
<b>Capital and reserves</b>					
Share capital	21	4,115,436	2,743,624	4,115,436	2,743,624
Share premium	22	387,826	387,826	387,826	387,826
Statutory contingency reserve	23	2,310,857	1,858,984	2,310,857	1,858,984
Asset revaluation reserve	24	1,457,828	1,502,482	1,457,828	1,457,828
Equities revaluation reserve	25	2,973,324	2,527,889	2,973,324	2,527,889
Asset replacement reserve	26	39,114	20,264	-	-
Bonus issue reserve	27	274,362	1,371,812	274,362	1,371,812
General reserve	28	1,481,585	1,003,959	1,581,798	1,306,179
<b>Shareholders funds:</b>		<b>13,040,332</b>	<b>11,416,840</b>	<b>13,101,431</b>	<b>11,654,142</b>
Non controlling interest	29	595,454	557,697	-	-
		<b>13,635,786</b>	<b>11,974,537</b>	<b>13,101,431</b>	<b>11,654,142</b>
<b>Total liabilities and reserves</b>		<b>40,471,157</b>	<b>37,104,731</b>	<b>39,025,271</b>	<b>35,637,751</b>

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

*Shettiman Hadejia*

Alhaji Hassan Hadejia (Shettiman Hadejia) - Chairman

*Mr. Oye Hassan-Odukale*

Mr. Oye Hassan-Odukale (Managing Director)

Approved by the Board of Directors on 20 May 2011

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

# CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER



	Notes	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Gross earnings		<b>19,447,355</b>	<b>22,797,776</b>	<b>18,413,200</b>	<b>21,786,771</b>
<b>Income</b>					
Gross premium written		14,207,700	24,817,360	14,207,700	24,817,360
Less: increase in unearned premium	17.1(b)(ii)	1,670,967	(4,454,527)	1,670,967	(4,454,527)
Gross premium earned		15,878,667	20,362,833	15,878,667	20,362,833
Reinsurance cost	30	(7,180,462)	(11,399,527)	(7,180,462)	(11,399,527)
<b>Net premium earned</b>		<b>8,698,205</b>	<b>8,963,306</b>	<b>8,698,205</b>	<b>8,963,306</b>
Commission earned	31	940,024	750,752	940,024	750,752
		<b>9,638,229</b>	<b>9,714,058</b>	<b>9,638,229</b>	<b>9,714,058</b>
<b>Expenses</b>					
Net claims incurred		2,406,158	2,947,780	2,406,158	2,947,780
Acquisition expenses		2,415,977	2,166,935	2,415,977	2,166,935
Maintenance cost		472,102	498,662	472,102	498,662
		<b>5,294,237</b>	<b>5,613,377</b>	<b>5,294,237</b>	<b>5,613,377</b>
<b>Underwriting profit</b>		<b>4,343,992</b>	<b>4,100,681</b>	<b>4,343,992</b>	<b>4,100,681</b>
Shareholders share of valuation surplus		147,360	-	147,360	-
Investment and other income	32(b)	2,288,764	1,708,580	1,390,910	747,893
Profit/(loss) from deposit administration		56,239	(74,707)	56,239	(74,707)
Group's share of associate's profit for the year	9(b)(i)	136,301	50,318	-	-
		<b>6,972,656</b>	<b>5,784,872</b>	<b>5,938,501</b>	<b>4,773,867</b>
Management expenses	33(b)	(2,551,112)	(2,457,819)	(1,921,970)	(1,888,082)
Interest expense on borrowings		(68,451)	(108,066)	-	-
Write offs and provisions for bad and doubtful accounts	34	(1,977,693)	(1,444,876)	(1,978,092)	(1,415,036)
<b>Profit before taxation</b>		<b>2,375,400</b>	<b>1,774,111</b>	<b>2,038,439</b>	<b>1,470,749</b>
Taxation	35	(721,020)	(551,294)	(636,585)	(468,279)
<b>Profit after taxation</b>		<b>1,654,380</b>	<b>1,222,817</b>	<b>1,401,854</b>	<b>1,002,470</b>
Non controlling interest	29(b)	(71,857)	(101,362)	-	-
<b>Profit attributable to equity holders</b>		<b>1,582,523</b>	<b>1,121,455</b>	<b>1,401,854</b>	<b>1,002,470</b>
<b>Appropriations:</b>					
Transfer to statutory contingency reserve	23	451,873	765,649	451,873	765,649
Transfer to asset replacement reserve	26	18,850	20,264	-	-
Transfer to general reserve	28	1,111,800	335,542	949,981	236,821
		<b>1,582,523</b>	<b>1,121,455</b>	<b>1,401,854</b>	<b>1,002,470</b>
Earnings per share (k) - basic	36	<b>19</b>	<b>20</b>	<b>17</b>	<b>18</b>
Earnings per share (k) - adjusted	36	<b>19</b>	<b>14</b>	<b>17</b>	<b>12</b>
Declared dividend per share (k)	36	<b>7</b>	<b>6</b>	<b>7</b>	<b>6</b>

The board of directors has proposed a dividend of 6k per share (2009: 7k per share) on the issued share capital of 8,230,872,000 (2009: 5,487,246,000) ordinary shares of 50k each subject to the approval of the shareholders at the next annual general meeting.

The board of directors also proposed a bonus issue of 1 (2009: 1) new ordinary share for every 15 (2009: 2) held subject to the approval of the shareholders at the next annual general meeting. The bonus was appropriated from the general reserve account.

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



### Statement of Cash Flows

#### For the year ended 31 December

	Notes	Group 2010 ₦'000	Group 2009 ₦'000	Company 2010 ₦'000	Company 2009 ₦'000
<b>Cashflow from operating activities</b>					
Operating profit before changes in working capital	37	1,845,495	7,352,547	1,999,590	6,859,948
<i>Changes in working capital:</i>					
Short term investments		(22,970)	(45,771)	(22,970)	(45,771)
Premium debtors		(2,121,902)	(2,909,678)	(2,121,902)	(2,909,678)
Reinsurance recoverables, other assets and loans		1,534,240	(3,715,925)	1,417,944	(3,672,667)
Investment in finance leases		(18,776)	(15,185)	-	-
Deferred acquisition costs		12,630	(20,995)	12,630	(20,995)
Creditors and accruals		1,958,625	2,622,689	1,877,372	2,570,998
Liability for administered deposits		1,070,548	1,664,852	1,070,548	1,664,852
		<u>4,257,890</u>	<u>4,932,534</u>	<u>4,233,212</u>	<u>4,446,687</u>
Tax paid	19	(325,248)	(260,275)	(278,605)	(227,207)
<b>Net cash flow from operating activities</b>		<u>3,932,642</u>	<u>4,672,259</u>	<u>3,954,607</u>	<u>4,219,480</u>
<b>Cashflow from investing activities</b>					
Purchase of fixed assets	12	(1,201,051)	(451,471)	(1,098,860)	(421,514)
Proceeds from sale of fixed assets		14,172	2,349	2,582	2,349
Purchase of long term investments	7(c)	(2,408,251)	(909,139)	(1,827,656)	(880,217)
Purchase of investment properties	10(a)	(10,570)	(96,910)	(10,570)	(96,910)
Proceeds from disposal of investments		1,338,832	1,576,158	508,673	1,576,158
Rent received		47,880	47,880	14,466	47,880
Dividend from investments		583,311	588,142	214,159	586,845
<b>Net cashflow from investing activities</b>		<u>(1,635,677)</u>	<u>757,009</u>	<u>(2,197,206)</u>	<u>814,591</u>
<b>Cashflow from financing activities</b>					
Cash paid to minority	29(b)	(34,100)	(28,061)	-	-
Dividend paid	14	(400,000)	(387,651)	(400,000)	(387,651)
Loan repayment		(354,099)	(90,721)	-	-
Interest paid on term loans		(68,451)	(108,066)	-	-
<b>Net cashflow from financing activities</b>		<u>(856,650)</u>	<u>(614,499)</u>	<u>(400,000)</u>	<u>(387,651)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,440,315	4,814,769	1,357,401	4,646,420
Cash and bank balances, beginning of year		9,025,762	4,210,993	8,495,582	3,849,162
<b>Cash and bank balances, end of year</b>	38	<u><u>10,466,077</u></u>	<u><u>9,025,762</u></u>	<u><u>9,852,983</u></u>	<u><u>8,495,582</u></u>

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

# GENERAL BUSINESS BALANCE SHEETS

## AS AT 31 DECEMBER



	Notes	2010 ₦'000	2009 ₦'000
<b>Assets</b>			
Cash and bank balances	1.1	1,592,410	2,623,031
Short term investments	2.1	4,619,056	2,993,402
Premium debtors	3.1	2,841,907	2,443,150
Reinsurance recoverables, other assets and loans	4.1	4,159,023	6,021,716
Deferred acquisition costs	6	378,120	390,750
Long term investments	7.1	7,845,414	6,334,808
Investment in subsidiaries	8.1	342,946	342,946
Investment in associates	9	35,000	35,000
Investment properties	10.1	1,573,896	1,573,896
Statutory deposits	11	320,000	320,000
Fixed assets	12.1	1,611,196	1,293,849
<b>Total assets</b>		<b>25,318,968</b>	<b>24,372,548</b>
<b>Liabilities</b>			
Creditors and accruals	13.1	4,907,210	4,080,107
Dividend payable	14	-	-
Provision for outstanding claims	16.1	3,776,412	4,168,336
Insurance funds	17.1	5,555,261	7,226,228
Taxation payable	19.1	730,610	420,875
Deferred taxation	20.1	362,413	275,129
		15,331,906	16,170,675
<b>Capital and reserves</b>			
Share capital	21.1	2,865,436	1,794,395
Share premium	22	387,826	387,826
Statutory contingency reserve	23.1	2,122,301	1,696,070
Asset revaluation reserve	24.1	1,080,227	1,080,227
Equities revaluation reserve	25.1	1,651,414	958,051
Bonus issue reserve	27.1	274,362	1,071,041
General reserve	28.1	1,605,496	1,214,263
		9,987,062	8,201,873
<b>Total liabilities and reserves</b>		<b>25,318,968</b>	<b>24,372,548</b>

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

# GENERAL BUSINESS PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER



	Notes	2010 K'000	2009 K'000
<b>Income</b>			
Gross premium written		14,207,700	24,817,360
Add: decrease/(increase) in unearned premium		1,670,967	(4,454,527)
Gross premium earned		15,878,667	20,362,833
Reinsurance cost		(7,180,462)	(11,399,527)
<b>Net premium earned</b>		8,698,205	8,963,306
Commission earned		940,024	750,752
<b>Total income</b>		9,638,229	9,714,058
<b>Expenses</b>			
Net claims incurred		2,406,158	2,947,780
Acquisition expenses		2,415,977	2,166,935
Maintenance cost		472,102	498,662
		5,294,237	5,613,377
<b>Underwriting profit</b>		4,343,992	4,100,681
Investment income	32.1	1,195,036	520,903
<b>Net operating income</b>		5,539,028	4,621,584
Management expenses	33.1	(1,866,951)	(1,848,805)
Write offs and provisions for bad and doubtful accounts	34.1	(1,585,430)	(1,315,100)
<b>Profit before taxation</b>		2,086,647	1,457,679
Taxation	35.1	(594,821)	(411,626)
<b>Profit after taxation</b>		1,491,826	1,046,053
Transfer to statutory contingency reserve	23.1	426,231	744,521
Transfer to general reserve	28.1	1,065,595	301,532
		1,491,826	1,046,053

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

# GENERAL BUSINESS REVENUE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER



Notes	Motor N'000	Fire N'000	General Accident N'000	Marine N'000	Workmen Compensation N'000	Bond N'000	Engineering N'000	Oil & Gas N'000	2010 Total N'000	2009 Total N'000
<b>INCOME</b>										
Direct premium	3,691,336	1,630,435	1,947,841	1,044,924	122,553	421,418	560,513	4,772,195	14,191,215	24,807,949
Inward premium	11,355	-	707	4,243	-	-	180	-	16,485	9,411
<b>Gross premium written</b>	<b>3,702,691</b>	<b>1,630,435</b>	<b>1,948,548</b>	<b>1,049,167</b>	<b>122,553</b>	<b>421,418</b>	<b>560,693</b>	<b>4,772,195</b>	<b>14,207,700</b>	<b>24,817,360</b>
Less: increase/(decrease) in unearned premium	(33,005)	14,252	(123,598)	(43,564)	(958)	6,040	7,460	1,844,340	1,670,967	(4,454,527)
<b>Gross premium earned</b>	<b>3,669,686</b>	<b>1,644,687</b>	<b>1,824,950</b>	<b>1,005,603</b>	<b>121,595</b>	<b>427,458</b>	<b>568,153</b>	<b>6,616,535</b>	<b>15,878,667</b>	<b>20,362,833</b>
Reinsurance cost	30 (53,063)	(525,231)	(266,409)	(216,718)	(19,324)	(268,276)	(188,265)	(5,643,176)	(7,180,462)	(11,399,527)
<b>Net premium earned</b>	<b>3,616,623</b>	<b>1,119,456</b>	<b>1,558,541</b>	<b>788,885</b>	<b>102,271</b>	<b>159,182</b>	<b>379,888</b>	<b>973,359</b>	<b>8,698,205</b>	<b>8,963,306</b>
Commissions earned	31 37,568	152,831	52,991	73,919	4,849	60,052	65,247	492,567	940,024	750,752
<b>Total income</b>	<b>3,654,191</b>	<b>1,272,287</b>	<b>1,611,532</b>	<b>862,804</b>	<b>107,120</b>	<b>219,234</b>	<b>445,135</b>	<b>1,465,926</b>	<b>9,638,229</b>	<b>9,714,058</b>
<b>EXPENSES</b>										
Gross claims paid	1,414,480	896,233	680,535	217,703	49,745	157,401	132,769	660,491	4,209,357	4,272,558
Increase/(decrease) in outstanding claims provision	16.1(b) (47,849)	(471,849)	18,074	(18,215)	11,425	(77,136)	7,824	185,802	(391,924)	(798,504)
<b>Gross Claims incurred</b>	<b>1,366,631</b>	<b>424,384</b>	<b>698,609</b>	<b>199,488</b>	<b>61,170</b>	<b>80,265</b>	<b>140,593</b>	<b>846,293</b>	<b>3,817,433</b>	<b>3,474,054</b>
Deduct: reinsurance claims recoveries/recoverable	(214,021)	(473,862)	(286,516)	(23,462)	(16,304)	(33,667)	(136,508)	(226,935)	(1,411,275)	(526,274)
<b>Net claims incurred</b>	<b>1,152,610</b>	<b>(49,478)</b>	<b>412,093</b>	<b>176,026</b>	<b>44,866</b>	<b>46,598</b>	<b>4,085</b>	<b>619,358</b>	<b>2,406,158</b>	<b>2,947,780</b>
<b>Add underwriting expenses:</b>										
Acquisition expenses	39 779,553	387,829	375,113	248,097	23,660	36,787	134,721	430,217	2,415,977	2,166,935
Maintenance expenses	40 196,295	60,759	84,591	42,817	5,551	8,640	20,619	52,830	472,102	498,662
	975,848	448,588	459,704	290,914	29,211	45,427	155,340	483,047	2,888,079	2,665,597
<b>Total expenses and claims incurred</b>	<b>2,128,458</b>	<b>399,110</b>	<b>871,797</b>	<b>466,940</b>	<b>74,077</b>	<b>92,025</b>	<b>159,425</b>	<b>1,102,405</b>	<b>5,294,237</b>	<b>5,613,377</b>
<b>Underwriting profit</b>	<b>1,525,733</b>	<b>873,177</b>	<b>739,735</b>	<b>395,864</b>	<b>33,043</b>	<b>127,209</b>	<b>285,710</b>	<b>363,521</b>	<b>4,343,992</b>	<b>4,100,681</b>

# LIFE BUSINESS BALANCE SHEETS

## AS AT 31 DECEMBER



	Notes	2010 N'000	2009 N'000
<b>Assets</b>			
Cash and bank balances	1.2	679,375	269,307
Short term investments	2.2	3,105,142	2,729,872
Premium debtors	3.2	95,108	61,259
Reinsurance recoverables, other assets and loans	4.2	1,157,154	1,456,093
Long term investments	7.2	6,028,776	5,218,740
Investment in associates	9	660,375	660,375
Investment properties	10.2	755,000	765,000
Statutory deposits	11	200,000	200,000
Fixed assets	12.2	1,140,910	570,103
<b>Total assets</b>		<b>13,821,840</b>	<b>11,930,749</b>
<b>Liabilities</b>			
Creditors and accruals	13.2	812,928	312,668
Provision for outstanding claims	16.2	681,990	474,201
Insurance funds	17.2	1,462,450	1,057,814
Liability for administered deposits	18	7,562,545	6,491,997
Taxation payable	19.2	77,854	64,947
Deferred taxation	20.2	109,704	76,853
		<b>10,707,471</b>	<b>8,478,480</b>
<b>Capital and reserves</b>			
Share capital	21.2	1,250,000	949,229
Statutory contingency reserve	23.2	188,556	162,914
Asset revaluation reserve	24.2	377,601	377,601
Equities revaluation reserve	25.2	1,321,910	1,569,838
Bonus issue reserve	27.2	-	300,771
General reserve	28.2	(23,698)	91,916
		<b>3,114,369</b>	<b>3,452,269</b>
<b>Total liabilities and reserves</b>		<b>13,821,840</b>	<b>11,930,749</b>

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

# LIFE BUSINESS PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER



	Notes	2010 ₹'000	2009 ₹'000
<b>Income</b>			
Investment and other income	32(b)	195,874	226,990
Shareholders' share of valuation surplus		147,360	-
Profit/(loss) from deposit administration		56,239	(74,707)
Net operating income		399,473	152,283
Management expenses	33(b)	(55,019)	(39,277)
Write offs and provisions for bad and doubtful accounts	34.2	(392,662)	(99,936)
<b>(Loss)/profit before taxation</b>		(48,208)	13,070
Taxation	35.2	(41,764)	(56,653)
<b>Loss after taxation</b>		<b>(89,972)</b>	<b>(43,583)</b>
Transfer to statutory contingency reserve	23.2	25,642	21,128
Transfer to bonus issue reserve	27	-	-
Transfer to general reserve statements.	28.2	(115,614)	(64,711)
		<b>(89,972)</b>	<b>(43,583)</b>

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



# LIFE BUSINESS REVENUE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER



	Note	Individual Life ₦'000	Group Life ₦'000	Annuity	2010 Total ₦'000	2009 Total ₦'000
<b>Income</b>						
Gross premium		215,188	2,108,864	240,188	2,564,240	2,112,818
Reinsurance cost		(9,694)	(573,831)	-	(583,525)	(592,430)
<b>Premium retained</b>		<u>205,494</u>	<u>1,535,033</u>	<u>240,188</u>	<u>1,980,715</u>	<u>1,520,388</u>
Commissions earned		3,797	224,762	-	228,559	175,932
Investment income		3,168	31,044	25,768	59,980	101,504
Other income		3,079	30,173	1,239	34,491	36,969
<b>Total income</b>		<u>215,538</u>	<u>1,821,012</u>	<u>267,195</u>	<u>2,303,745</u>	<u>1,834,793</u>
Direct claims paid		20,916	942,099	-	963,015	1,044,997
Surrenders		25	-	-	25	5
Maturity claims		1,116	-	-	1,116	388
Annuity payments				31,766	31,766	-
Increase/(decrease) in outstanding claims	16.2(b)	(2,720)	210,509	-	207,789	194,721
<b>Gross claims incurred</b>		<u>19,337</u>	<u>1,152,608</u>	<u>31,766</u>	<u>1,203,711</u>	<u>1,240,111</u>
<b>Deduct:</b>						
Reinsurance claims recoveries/recoverables		-	(252,460)	-	(252,460)	(468,052)
<b>Net claims incurred</b>		<u>19,337</u>	<u>900,148</u>	<u>31,766</u>	<u>951,251</u>	<u>772,059</u>
Acquisition expenses	39.2	46,275	453,495	4,178	503,948	346,525
Maintenance expenses	40.2	8,123	79,610	-	87,733	60,950
Operating expenses		19,213	188,291	1,313	208,817	201,018
<b>Total expenses</b>		<u>92,948</u>	<u>1,621,544</u>	<u>37,257</u>	<u>1,751,749</u>	<u>1,380,552</u>
Surplus before taxation		122,590	199,468	229,938	551,996	454,241
Taxation		-	-	-	-	-
<b>Surplus after taxation</b>		<u>122,590</u>	<u>199,468</u>	<u>229,938</u>	<u>551,996</u>	<u>454,241</u>
Shareholders' share of valuation surplus		(41,633)	185,757	3,236	147,360	-
Accretion/increase to life fund	17.2(b)	164,223	13,711	226,702	404,636	454,241
		<u>122,590</u>	<u>199,468</u>	<u>229,938</u>	<u>551,996</u>	<u>454,241</u>

# DEPOSIT ADMINISTRATION REVENUE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER



	Company 2010 N'000	Company 2009 N'000
Interest income	300,424	339,466
Gains from sale of investment	98,730	116,437
Other investment income	218,732	166,042
Total income	<u>617,886</u>	<u>621,945</u>
<b>Expenses</b>		
Acquisition expenses	94,691	141,723
Maintenance cost	3,697	5,107
Guaranteed interest	438,847	526,173
Management expenses	24,412	23,649
Total expenses	<u>561,647</u>	<u>696,652</u>
<b>Profit/(loss) from deposit administration</b>	<u>56,239</u>	<u>(74,707)</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER



### 1 Cash and bank balances

Cash and bank balances comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Cash in hand	1,774	719	1,394	551
Cash at bank	2,512,227	3,046,580	2,270,391	2,891,787
	<b>2,514,001</b>	<b>3,047,299</b>	<b>2,271,785</b>	<b>2,892,338</b>

#### 1.1 General business

	2010 N'000	2009 N'000
Cash in hand	635	495
Cash at bank	1,591,775	2,622,536
	<b>1,592,410</b>	<b>2,623,031</b>

#### 1.2 Life business

	2010 N'000	2009 N'000
Cash in hand	759	56
Cash at bank	678,616	269,251
	<b>679,375</b>	<b>269,307</b>

### 2 Short term investments

(a) Short term investments comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Short term placements	7,952,076	5,978,463	7,581,198	5,603,244
Subscription for shares	-	105,030	-	105,030
Investment in bonds (see note (b) below)	143,000	15,000	143,000	15,000
	<b>8,095,076</b>	<b>6,098,493</b>	<b>7,724,198</b>	<b>5,723,274</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(b) The investment in bonds comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Lagos State Fixed rate series bond 2014	143,000	-	143,000	-
Access Bank N13.5 billion 14% redeemable convertible bond 2010	-	15,000	-	15,000
	<b>143,000</b>	<b>15,000</b>	<b>143,000</b>	<b>15,000</b>

## 2.1 General business

(a) Short term investments comprise:

	2010 N'000	2009 N'000
Short term placements	4,476,056	2,938,397
Subscription for shares	-	50,005
Investment in bonds (see note (b) below)	143,000	5,000
	<b>4,619,056</b>	<b>2,993,402</b>

(b) The investment in bonds comprise:

	2010 N'000	2009 N'000
Lagos State Fixed rate series bond 2014	143,000	-
Access Bank N13.5 billion 14% redeemable convertible bond 2010	-	5,000
	<b>143,000</b>	<b>5,000</b>

## 2.2 Life business

(a) Short term investments comprise:

	2010 N'000	2009 N'000
Short term placements	3,105,142	2,664,847
Subscription for shares	-	55,025
Investment in bonds (see note (b) below)	-	10,000
	<b>3,105,142</b>	<b>2,729,872</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(b) The investment in bonds comprise:

	2010 N'000	2009 N'000
Access Bank N13.5 billion 14% redeemable convertible bond 2010	-	10,000

## 3 Premium debtors

(a) Premium debtors comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Premium debtors	5,919,314	3,797,412	5,919,314	3,797,412
Less: allowance for doubtful accounts (see note (b) below)	(2,982,299)	(1,293,003)	(2,982,299)	(1,293,003)
	<b>2,937,015</b>	<b>2,504,409</b>	<b>2,937,015</b>	<b>2,504,409</b>

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	1,293,003	110,967	1,293,003	110,967
Addition during the year (see note 34)	1,689,296	1,182,036	1,689,296	1,182,036
Balance, end of year	<b>2,982,299</b>	<b>1,293,003</b>	<b>2,982,299</b>	<b>1,293,003</b>

(c) The age analysis of premium debtors and related provisions are as follows:

	Company 2010 Gross premium N'000	Company 2010 Provision N'000
0 - 90 days	2,054,438	1,387,957
91 - 180 days	1,765,156	916,487
181 days and above	2,099,720	1,492,968
	<b>5,919,314</b>	<b>3,797,412</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 3.1 General business:

### (a) Premium debtors comprise:

	2010 N'000	2009 N'000
Premium debtors	5,487,135	3,656,304
Less: allowance for doubtful accounts (see note (b) below)	(2,645,228)	(1,213,154)
	<b>2,841,907</b>	<b>2,443,150</b>

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

	2010 N'000	2009 N'000
Balance, beginning of year	1,213,154	110,967
Addition during the year (see note 34.1)	1,432,074	1,102,187
Balance, end of year	<b>2,645,228</b>	<b>1,213,154</b>

### (c) The age analysis of premium debtors and related provisions are as follows:

	2010 Gross premium N'000	2009 Provision N'000
0 - 90 days	1,985,554	1,366,316
91 - 180 days	1,712,706	896,983
181 days and above	1,788,875	1,393,005
	<b>5,487,135</b>	<b>3,656,304</b>

## 3.2 Life business:

### (a) Premium debtors comprise:

	2010 N'000	2009 N'000
Premium debtors	432,179	141,108
Less: allowance for doubtful accounts (see note (b) below)	(337,071)	(79,849)
	<b>95,108</b>	<b>61,259</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



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

	2010 N'000	2009 N'000
Balance, beginning of year	79,849	-
Addition during the year (see note 34.2)	257,222	79,849
Balance, end of year	<b>337,071</b>	<b>79,849</b>

(c) The age analysis of premium debtors and related provisions are as follows:

	2010 Gross premium N'000	2010 Provision N'000
0 - 90 days	68,884	21,641
91 - 180 days	52,450	19,504
181 days and above	310,845	99,963
	<b>432,179</b>	<b>141,108</b>

## 4 Reinsurance recoverables, other assets and loans

(a) Reinsurance recoverables, other assets and loans comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Claims recoverable from re-insurers	1,026,261	1,497,506	1,026,261	1,497,506
Commercial loans	745,823	617,425	585,884	284,358
Unexpired reinsurance cost	2,851,534	4,302,939	2,851,534	4,302,939
Loans to policy holders	298,628	255,110	298,628	255,110
Staff loans	131,007	169,210	126,799	168,560
Prepayments	80,939	69,318	80,464	68,787
Agency loans	23,470	21,737	23,470	21,737
Stock and inventory	21,609	16,897	-	-
Other debtors	656,371	434,136	504,667	330,920
	<b>5,835,642</b>	<b>7,384,278</b>	<b>5,497,707</b>	<b>6,929,917</b>
Less: allowance for doubtful accounts (see note (b) below)	(321,652)	(138,411)	(297,067)	(117,654)
	<b>5,513,990</b>	<b>7,245,867</b>	<b>5,200,640</b>	<b>6,812,263</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	138,411	365,511	117,654	356,983
Addition during the year (see note 34)	197,637	134,387	193,679	116,274
Written-off	(14,396)	(361,487)	(14,266)	(355,603)
Balance, end of year	<b>321,652</b>	<b>138,411</b>	<b>297,067</b>	<b>117,654</b>

## 4.1 General business

(a) Reinsurance recoverables, other assets and loans comprise:

	2010 N'000	2009 N'000
Claims recoverable from re-insurers	897,968	1,351,807
Commercial loans	151,074	59,451
Unexpired reinsurance cost	2,851,534	4,302,939
Staff loans	108,158	153,994
Prepayments	41,236	35,294
Other debtors	276,164	215,798
	<b>4,326,134</b>	<b>6,119,283</b>
Less: allowance for doubtful accounts (see note (b) below)	<b>(167,111)</b>	<b>(97,567)</b>
	<b>4,159,023</b>	<b>6,021,716</b>

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

	2010 N'000	2009 N'000
Balance, beginning of year	97,567	299,792
Addition during the year (see note 34.1)	78,809	96,187
Written-off	(9,265)	(298,412)
Balance, end of year	<b>167,111</b>	<b>97,567</b>



# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 4.2 Life business

(a) Reinsurance recoverables, other assets and loans comprise:

	2010 N'000	2009 N'000
Due from general business	115,537	665,546
Loans to policy holders	298,628	255,110
Commercial loans	434,810	224,907
Claims recoverable from reinsurers	128,293	145,699
Prepayments	39,228	33,493
Agency loans	23,470	21,737
Staff loans	18,641	14,566
Other debtors	228,503	115,122
	1,287,110	1,476,180
Less: allowance for doubtful accounts (see note (b) below)	(129,956)	(20,087)
	<b>1,157,154</b>	<b>1,456,093</b>

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

	2010 N'000	2009 N'000
Balance, beginning of year	20,087	57,191
Addition during the year (see note 34.2)	114,870	20,087
Written-off	(5,001)	(57,191)
Balance, end of year	<b>129,956</b>	<b>20,087</b>

## 5 Investment in finance leases

(a) Investment in finance lease comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Gross investment in finance lease (see note (b) below)	282,154	251,071	-	-
Unearned finance income	(57,727)	(47,664)	-	-
Net investment in finance lease	224,427	203,407	-	-
Less: allowance for doubtful accounts (see note (c) below)	(2,244)	-	-	-
	<b>222,183</b>	<b>203,407</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Current portion	110,715	110,221	-	-
Non-current portion	113,712	93,186	-	-
Net investment in finance lease	<b>224,427</b>	<b>203,407</b>	-	-

(c) The movement in allowance for doubtful account is as follows:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Addition during the year (see note 34)	<b>2,244</b>	-	-	-

## 6 Deferred acquisition costs

(i) Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:

### General business

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Motor	123,122	115,086	123,122	115,086
Fire	63,780	73,432	63,780	73,432
General accident	61,378	57,465	61,378	57,465
Marine and aviation	83,305	91,188	83,305	91,188
Workmen's compensation	4,232	3,845	4,232	3,845
Bond	7,614	8,667	7,614	8,667
Engineering	34,689	39,894	34,689	39,894
Oil and gas	-	1,173	-	1,173
	<b>378,120</b>	<b>390,750</b>	<b>378,120</b>	<b>390,750</b>

(ii) The movement in the deferred acquisition costs during the year is as shown below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	390,750	378,120	390,750	369,755
(Decrease)/increase during the year	(12,630)	12,630	(12,630)	20,995
Balance, end of year	<b>378,120</b>	<b>390,750</b>	<b>378,120</b>	<b>390,750</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 7 Long term investments

Long term investments comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Quoted investments (see note (a) below)	10,785,674	8,433,087	10,702,244	8,350,605
Unquoted investments (see note (b) below)	3,257,698	3,418,136	3,171,946	3,202,943
	<b>14,043,372</b>	<b>11,851,223</b>	<b>13,874,190</b>	<b>11,553,548</b>

### (a) Quoted investments

Quoted investments comprise:

	Group				Company			
	Market value 2010 N'000	Cost 2010 N'000	Market value 2009 N'000	Cost 2009 N'000	Market value 2010 N'000	Cost 2010 N'000	Market 2009 N'000	Cost 2009 N'000
Ordinary shares	9,974,114	7,245,699	8,009,316	5,802,033	9,890,684	7,115,219	7,926,834	5,671,553
Bonds (see note (a)(i) below)	809,315	809,315	416,526	416,526	809,315	809,315	416,526	416,526
Other quoted investments	2,245	2,245	7,245	7,245	2,245	2,245	7,245	7,245
	<b>10,785,674</b>	<b>8,057,259</b>	<b>8,433,087</b>	<b>6,225,804</b>	<b>10,702,244</b>	<b>7,926,779</b>	<b>8,350,605</b>	<b>6,095,324</b>
Excess of market value over cost (see note (a)(iii) below)		2,728,415		2,207,283		2,775,465		2,255,281
		<b>10,785,674</b>		<b>8,433,087</b>		<b>10,702,244</b>		<b>8,350,605</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Lagos State Government fixed bonds series 1, 2014 (13%)	538,280	150,000	538,280	150,000
Ist FGN Bonds 2010 (TB+3%)	10,000	10,000	10,000	10,000
Ist FGN Bonds 2013 (TB+3.75%)	10,000	10,000	10,000	10,000
GTB unsecured 8.5% Eurobond 2012	251,035	246,526	251,035	246,526
	<b>809,315</b>	<b>416,526</b>	<b>809,315</b>	<b>416,526</b>

(a)(ii) Quoted investments valued at N247,029,000 (2009: N151,861,175) were pledged with First Bank Nigeria Plc, as collateral, against a loan obtained from the Bank by a subsidiary company. The loan was repaid during the year; however, the investments were still under lien as at year end.

(a)(iii) The analysis of excess of market value over cost is shown below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Parent company's excess of market value over cost (see note 25)	2,775,465	2,255,281	2,775,465	2,255,281
Subsidiaries' shortfall of market value over cost (see note (a)(iv) below)	(47,050)	(47,998)	-	-
	<b>2,728,415</b>	<b>2,207,283</b>	<b>2,775,465</b>	<b>2,255,281</b>

(a)(iv) The movement in allowance for diminution in quoted investment is shown below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	47,998	-	-	-
Reclassification from equities revaluation reserve	-	41,923	-	-
(Recovery)/addition during the year (see note 34)	(948)	6,075	-	-
Balance, end of year	<b>47,050</b>	<b>47,998</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## (b) Unquoted investments

	Group Cost 2010 N'000	Group Cost 2009 N'000	Company Cost 2010 N'000	Company Cost 2009 N'000
Cost	3,118,518	3,299,465	3,032,766	3,078,620
Foreign exchange gain (see note 25(b)(ii))	278,857 3,397,375	272,608 3,572,073	278,857 3,311,623	272,608 3,351,228
Less: allowance for diminution in unquoted investments (see note (b)(i) below)	(139,677)	(153,937)	(139,677)	(148,285)
Carrying value	<u>3,257,698</u>	<u>3,418,136</u>	<u>3,171,946</u>	<u>3,202,943</u>

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	153 937	31 559	148 285	31,559
Addition during the year (see note 34)	68,895	122,378	74,547	116,726
Write-off during the year	(83,155)	-	(83,155)	-
Balance, end of year	<u>139,677</u>	<u>153,937</u>	<u>139,677</u>	<u>148,285</u>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(c) The movement in long term investments during the year is as shown below:

	Group 2010 K'000	Group 2009 K'000	Company 2010 K'000	Company 2009 K'000
<b>Cost</b>				
Balance, beginning of year	9,525,269	10,088,148	9,173,944	9,765,745
Addition during the year	2,428,155	1,155,665	2,563,248	1,126,743
Disposal during the year	(777,647)	(1,683,544)	(777,647)	(1,683,544)
Transfer to investment in associates (see note 7(b) above)	-	(35,000)	-	(35,000)
	11,175,777	9,525,269	10,959,545	9,173,944
Excess of market value over cost (see note 7(a) above)	2,728,415	2,207,283	2,775,465	2,255,281
Provision for diminution in value of unquoted investment (see note 7(b) above)	(139,677)	(153,937)	(139,677)	(148,285)
Foreign exchange gain on unquoted investments (see note 7(b) above)	278,857	272,608	278,857	272,608
Balance, end of year	<b>14,043,372</b>	<b>11,851,223</b>	<b>13,874,190</b>	<b>11,553,548</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 7.1 General Business

	Company 2010 N'000	Company 2009 N'000
Quoted investments (see note (a) below)	6,310,045	4,790,052
Unquoted investments (see note (b) below)	1,535,369	1,544,756
	<b>7,845,414</b>	<b>6,334,808</b>

### (a) Quoted investments

	Market value 2010 N'000	Cost 2010 N'000	Market value 2009 N'000	Cost 2009 N'000
Ordinary shares	6,056,765	4,480,142	4,536,281	3,681,275
GTB unsecured 8.5% Eurobond 2012	251,035	251,035	246,526	246,526
Other quoted investments	2,245	2,245	7,245	7,245
	<b>6,310,045</b>	4,733,422	<b>4,790,052</b>	3,935,046
Excess of market value over cost (see note 25.1)		1,576,623		855,006
		<b>6,310,045</b>		<b>4,790,052</b>

### (b) Unquoted investments

	2010 N'000	2009 N'000
Cost	1,572,001	1,589,996
Foreign exchange gain (see note 25.1(b))	103,045	103,045
	1,675,046	1,693,041
Less: allowance for diminution in unquoted investments (see note (b)(i) below)	(139,677)	(148,285)
Carrying value	<b>1,535,369</b>	<b>1,544,756</b>

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

	2010 N'000	2009 N'000
Balance, beginning of year	148,285	31,559
Addition during the year (see note 34.1)	74,547	116,726
Write-off during the year	(83,155)	-
Balance, end of year	<b>139,677</b>	148,285



# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



	2010 ₦'000	2009 ₦'000
<b>(b)(ii) Unquoted investments comprise;</b>		
Equity investments in unquoted companies at cost	1,151,996	1,169,991
Convertible debt notes	420,005	420,005
	1,572,001	1,589,996
Foreign exchange gain on convertible debt notes	103,045	103,045
	<b>1,675,046</b>	<b>1,693,041</b>

## 7.2 Life business

	2010 ₦'000	2009 ₦'000
Quoted investments (see note (a) below)	4,392,199	3,560,553
Unquoted investments (see note (b) below)	1,636,577	1,658,187
	<b>6,028,776</b>	<b>5,218,740</b>

## (a) Quoted investments

	Market value 2010 ₦'000	Cost 2010 ₦'000	Market value 2009 ₦'000	Cost 2009 ₦'000
Ordinary shares	3,833,919	2,635,077	3,390,553	1,990,278
Bonds (see note (a)(i) below)	558,280	558,280	170,000	170,000
	<b>4,392,199</b>	3,193,357	<b>3,560,553</b>	2,160,278
Excess of market value over cost (see note 25.2)		1,198,842		1,400,275
		<b>4,392,199</b>		<b>3,560,553</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



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

	2010 N'000	2009 N'000
Lagos State Government fixed bonds series 1, 2014 (13%)	238,280	150,000
Bayelsa State Fixed rate bonds, 2017 (13.75%)	150,000	-
UBA Fixed rate subordinated unsecured bond, 2017 (14%)	150,000	-
1st FGN Bonds 2010 (TB+3%)	10,000	10,000
1st FGN Bonds 2013 (TB+3.75%)	10,000	10,000
	<b>558,280</b>	<b>170,000</b>

(b) Unquoted investments

	Cost 2010 N'000	Cost 2009 N'000
Cost	1,460,765	1,488,624
Foreign exchange gain (see notes b(iv) and 25.2(b))	175,812	169,563
Carrying value	<b>1,636,577</b>	<b>1,658,187</b>

(b)(ii) Unquoted investments comprise;

	2010 N'000	2009 N'000
Equity investments in unquoted companies at cost	769,645	797,504
Convertible debt notes	691,120	691,120
	1,460,765	1,488,624
Foreign exchange gain on convertible debt notes	175,812	169,563
	<b>1,636,577</b>	<b>1,658,187</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 8 Investment in subsidiaries

### General business:

Investment in subsidiaries comprises:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Leadway Capital and Trusts Limited	-	-	47,696	47,696
Leadway Hotels Limited	-	-	293,250	293,250
Leadway Properties and Investments Limited	-	-	2,000	2,000
	-	-	<b>342,946</b>	<b>342,946</b>

(a) The details of consolidated subsidiaries are shown below

Company name	Country of Incorporation	Nature of Business	Percentage of equity capital held		Year end consolidated
			2010	2009	
Leadway Capital and Trusts Limited (formerly Leadway Trustee Limited)	Nigeria	Trusteeship Hotel and hospitality	53%	53%	31 December 2010
Leadway Hotels Limited	Nigeria	Property management	51%	51%	31 December 2010
Leadway Properties and Investments Limited	Nigeria		100%	100%	31 December 2010

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



**(b) Condensed results of consolidated entities**

**(i)** The condensed financial data of the consolidated entities as at 31 December 2010, are as follows:

<i>Subsidiary companies/parent company</i>	<i>Total Assets N'000</i>	<i>Total liabilities N'000</i>	<i>Net assets N'000</i>	<i>Gross earnings N'000</i>	<i>Profit/(loss) before tax N'000</i>	<i>Cash and cash equivalent N'000</i>
Leadway Assurance Company Limited	39,025,271	25,923,840	13,101,431	18,413,200	2,038,439	9,852,983
Leadway Capital and Trusts Limited	1,093,201	573,719	519,482	169,171	74,505	284,747
Leadway Hotels Limited	1,225,934	507,640	718,294	754,900	158,738	317,699
Leadway Properties and Investments Limited	97,096	63,252	33,844	9,682	3,316	10,648
Eliminations	(970,345)	(233,080)	(737,265)	100,402	100,402	-
Consolidated amount	<b>40,471,157</b>	<b>26,835,371</b>	<b>13,635,786</b>	<b>19,447,355</b>	<b>2,375,400</b>	<b>10,466,077</b>

**(ii)** The condensed financial data of the consolidated entities as at 31 December 2009, are as follows:

<i>Subsidiary companies/parent company</i>	<i>Total Assets N'000</i>	<i>Total liabilities N'000</i>	<i>Net assets N'000</i>	<i>Gross earnings N'000</i>	<i>Profit/(loss) before tax N'000</i>	<i>Cash and cash equivalent N'000</i>
Leadway Assurance Company Limited	35,637,751	23,983,609	11,654,142	21,786,771	1,470,749	8,495,582
Leadway Capital and Trusts Limited	1,183,340	715,704	467,636	188,667	46,414	293,359
Leadway Hotels Limited	1,131,084	441,518	689,566	803,302	241,434	226,688
Leadway Properties and Investments Limited	96,147	104,042	(7,895)	10,238	(34)	10,133
Eliminations	(943,591)	(114,679)	(828,912)	8,798	15,548	-
Consolidated amount	<b>37,104,731</b>	<b>25,130,194</b>	<b>11,974,537</b>	<b>22,797,776</b>	<b>1,774,111</b>	<b>9,025,762</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 9 Investment in associates

(a)(i) Investment in associates comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Leadway Pensure PFA Limited	216,255	99,794	660,375	660,375
Total Health Trust Limited	84,801	64,961	35,000	35,000
	<b>301,056</b>	<b>164,755</b>	<b>695,375</b>	<b>695,375</b>

(ii) The details of associates accounted for using the equity method of accounting are shown below:

Company name	Country of Incorporation	Nature of Business	Percentage of equity capital held		Year end accounted for using equity method
			2010	2009	
Leadway Pensure PFA Limited (see note (iii) below)	Nigeria	Pension fund administration	46%	46%	31 December 2010
Total Health Trust Limited (see note (iv) below)	Nigeria	Health care provider	25%	25%	31 December 2010

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(iii) The Company's holdings in the associate is as stated below:

	Percentage holding		Amount invested	
	2010	2009	2010	2009
			N'000	N'000
Life Business	46%	46%	660,375	660,375

(iv) The Company's holdings in the associate is as stated below:

	Percentage holding		Amount invested	
	2010	2009	2010	2009
			N'000	N'000
General Business	25%	25%	35,000	35,000

(b) The movement in investment in associates during the year is as shown below:

(i) Group

	Leadway Pensure PFA 2010 N'000	Total Health Trust 2010 N'000	Group 2010 N'000	Group 2009 N'000
Balance, beginning of year	99,794	64,961	164,755	58,704
Transferred from unquoted investments (see note 7(c))	-	-	-	35,000
Addition during the year	-	-	-	-
	99,794	64,961	164,755	93,704
Previously unrecognised reserve (see note 28(b))	-	-	-	25,564
Dividend paid	-	-	-	(4,831)
Share of profit/(loss) for the year	116,461	19,840	136,301	50,318
Balance, end of year	216,255	84,801	301,056	164,755

(ii) Company

	Leadway Pensure PFA 2010 N'000	Total Health Trust 2010 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	660,375	35,000	695,375	660,375
Transferred from unquoted investments	-	-	-	35,000
Balance, end of year	660,375	35,000	695,375	695,375

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(c) The summarized financial information of the Group's associates is set out below:

	Leadway Pensure PFA 2010 N'000	Total Health Trust 2010 N'000	Total 2010 N'000	Total 2009 N'000
Total assets	603,038	935,617	1,538,655	1,484,777
Total liabilities	(132,918)	(596,416)	(729,334)	(1,007,991)
Net assets	<b>470,120</b>	<b>339,201</b>	<b>809,321</b>	<b>476,786</b>
Total revenue	<b>967,327</b>	<b>3,328,934</b>	<b>4,296,261</b>	<b>2,500,192</b>
Profit/(loss) for the year	<b>253,177</b>	<b>79,357</b>	<b>332,534</b>	<b>123,924</b>

## 10 Investment properties

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Cost				
Balance, beginning of year	1,128,275	960,199	1,080,031	956,609
Addition during the year	10,570	96,910	10,570	96,910
Transfer from fixed assets	-	26,512	-	26,512
	1,138,845	1,083,621	1,090,601	1,080,031
Revaluation surplus (see note (b) below)	1,258,865	1,303,519	1,258,865	1,258,865
Less: allowance for diminution in investment properties (see note 10.2(b) below)	(20,570)	-	(20,570)	-
Balance, end of year	<b>2,377,140</b>	<b>2,387,140</b>	<b>2,328,896</b>	<b>2,338,896</b>

(b) The Company's investment properties were revalued by Funsho Oladimeji & Co., estate surveyors and valuers on 18th and 21st December 2009 using both the Investment method and the Comparative method of valuation to arrive at the open market value.

### 10.1 General business

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

	2010 N'000	2009 N'000
Cost		
Balance, beginning of year	670,887	552,922
Addition during the year	-	1,910
Transfer from/(to) life business during the year	-	116,055
	670,887	670,887
Revaluation surplus	903,009	903,009
Balance, end of year	<b>1,573,896</b>	<b>1,573,896</b>



# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 10.2 Life business

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

	2010 N'000	2009 N'000
Cost		
Balance, beginning of year	409,144	403,687
Addition during the year	10,570	95,000
Transfer from/(to) General business during the year	-	(116,055)
Transfer from fixed assets	-	26,512
	419,714	409,144
Revaluation surplus	355,856	355,856
Less: allowance for dimunition in investment properties (see note (b)below)	(20,570)	-
Balance, end of year	<b>755,000</b>	<b>765,000</b>

(b) The movement in allowance for dimunition in investment properties is shown below:

	2010 N'000	2009 N'000
Balance, beginning of year	-	-
Addition during the year	(20,570)	-
Write-off during the year	-	-
Balance, end of year	<b>(20,570)</b>	-

## 11 Statutory deposits

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2010, in compliance with the Insurance Act, CAP 117 LFN 2004 and comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
General Business	320,000	320,000	320,000	320,000
Life Business	200,000	200,000	200,000	200,000
	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 12 Fixed assets (a) 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
<b>Cost/valuation</b>							
Balance, beginning of year	1,504,637	485,184	456,915	322,392	544,576	772,022	4,085,726
Additions	11,108	11,901	96,042	23,893	36,383	1,021,724	1,201,051
Revaluation surplus	-	-	-	-	-	-	-
Transfers	-	153,205	-	(153,205)	-	-	-
Transfer to investment property (see note 10)	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
Disposals	-	-	-	(23,854)	(8,425)	-	(32,279)
Balance, end of year	<u>1,515,745</u>	<u>650,290</u>	<u>552,957</u>	<u>169,226</u>	<u>572,534</u>	<u>1,793,746</u>	<u>5,254,498</u>
<b>Accumulated depreciation</b>							
Balance, beginning of year	94,332	301,261	405,958	190,422	402,365	-	1,394,338
Charge for the year	22,097	79,536	82,761	47,293	77,376	-	309,063
Transfers	-	25,621	-	(25,621)	-	-	-
Disposals	-	-	-	(11,799)	(6,308)	-	(18,107)
Balance, end of year	<u>116,429</u>	<u>406,418</u>	<u>488,719</u>	<u>200,295</u>	<u>473,433</u>	<u>-</u>	<u>1,685,294</u>
<b>Net book value</b>							
End of year	<u>1,399,316</u>	<u>243,872</u>	<u>64,238</u>	<u>(31,069)</u>	<u>99,101</u>	<u>1,793,746</u>	<u>3,569,204</u>
Beginning of year	<u>1,410,305</u>	<u>183,923</u>	<u>50,957</u>	<u>131,970</u>	<u>142,211</u>	<u>772,022</u>	<u>2,691,388</u>

- The Company's land and buildings were revalued by Funsho Oladimeji & Co., estate surveyor and valuers in December 2009 using both Investment method and Comparative method of valuation to arrive at the open market value.
- The Group has capital commitments of ₦745,516,000 (31 December 2009: ₦536,863,580) as at the balance sheet date.
- Capital work in progress represents construction costs in respect of new offices in Lagos and Abuja. On completion of construction, the related amounts will be transferred to other categories of fixed assets.
- No leased assets are included in the fixed assets (2009: Nil).

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## (b) 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
<b>Cost/valuation</b>							
Balance, beginning of year	869,977	212,094	455,738	188,107	531,208	762,527	3,019,651
Additions	2,690	8,709	96,042	3,598	33,383	954,438	1,098,860
Disposals	-	-	-	-	(8,425)	-	(8,425)
Balance, end of year	<b>872,667</b>	<b>220,803</b>	<b>551,780</b>	<b>191,705</b>	<b>556,166</b>	<b>1,716,965</b>	<b>4,110,086</b>
<b>Accumulated depreciation</b>							
Balance, beginning of year	65,762	154,942	405,042	133,826	396,127	-	1,155,699
Charge for the year	10,748	21,214	82,371	20,972	73,284	-	208,589
Write-off	-	-	-	-	-	-	-
Disposals	-	-	-	-	(6,308)	-	(6,308)
Balance, end of year	<b>76,510</b>	<b>176,156</b>	<b>487,413</b>	<b>154,798</b>	<b>463,103</b>	<b>-</b>	<b>1,357,980</b>
<b>Net book value</b>							
End of year	<b>796,157</b>	<b>44,647</b>	<b>64,367</b>	<b>36,907</b>	<b>93,063</b>	<b>1,716,965</b>	<b>2,752,106</b>
Beginning of year	<b>804,215</b>	<b>57,152</b>	<b>50,696</b>	<b>54,281</b>	<b>135,081</b>	<b>762,527</b>	<b>1,863,952</b>

- The Company's land and buildings were revalued by Funsho Oladimeji & Co., estate surveyor and valuers in December 2009 using both Investment method and Comparative method of valuation to arrive at the open market value.
- The Company has capital commitments of N 740,580,000 (31 December 2009: N525,957,000) as at the balance sheet date.
- Capital work in progress represents construction costs in respect of new offices in Lagos and Abuja. On completion of construction, the related amounts will be transferred to other categories of fixed assets.
- No leased assets are included in the fixed assets (31 December 2009: Nil)

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 12.1 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
<b>Cost/valuation</b>							
Balance, beginning of year	702,131	152,333	411,094	153,911	461,054	425,754	2,306,277
Additions	2,389	6,937	85,218	1,591	33,383	459,286	588,804
Revaluation surplus	-	-	-	-	-	-	-
Transfer to life business	(88,979)	-	-	-	-	(5,581)	(94,560)
Reversals	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
Disposals	-	-	-	-	(8,425)	-	(8,425)
Balance, end of year	<u>615,541</u>	<u>159,270</u>	<u>496,312</u>	<u>155,502</u>	<u>486,012</u>	<u>879,459</u>	<u>2,792,096</u>
<b>Accumulated depreciation</b>							
Balance, beginning of year	56,890	126,740	368,389	111,852	348,557	-	1,012,428
Charge for the year	7,385	12,132	73,593	16,645	65,025	-	174,780
Disposals	-	-	-	-	(6,308)	-	(6,308)
Balance, end of year	<u>64,275</u>	<u>138,872</u>	<u>441,982</u>	<u>128,497</u>	<u>407,274</u>	<u>-</u>	<u>1,180,900</u>
<b>Net book value</b>							
End of year	<u>551,266</u>	<u>20,398</u>	<u>54,330</u>	<u>27,005</u>	<u>78,738</u>	<u>879,459</u>	<u>1,611,196</u>
Beginning of year	<u>645,241</u>	<u>25,593</u>	<u>42,705</u>	<u>42,059</u>	<u>112,497</u>	<u>425,754</u>	<u>1,293,849</u>

- The General business' land and buildings were revalued by Funsho Oladimeji & Co., estate surveyor and valuers in December 2009 using both Investment method and Comparative method of valuation to arrive at the open market value.
- The business has capital commitments of ₦164,280,000 (31 December 2009: 450,970,000) as at the balance sheet date.
- Capital work in progress represents construction costs in respect of new office in Lagos. On completion of construction, the related amounts will be transferred to other categories of fixed assets.
- No leased assets are included in the fixed assets (31 December 2009: Nil)

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 12.2 Life 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
<b>Cost/valuation</b>							
Balance, beginning of year	167,846	59,761	44,644	34,196	70,154	336,773	713,374
Additions	301	1,772	10,824	2,007	-	495,152	510,056
Revaluation surplus	-	-	-	-	-	-	-
Transfer from General business	88,979	-	-	-	-	5,581	94,560
Transfer to investment property (see note 10.2)	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
Balance, end of year	<u>257,126</u>	<u>61,533</u>	<u>55,468</u>	<u>36,203</u>	<u>70,154</u>	<u>837,506</u>	<u>1,317,990</u>
<b>Accumulated depreciation</b>							
Balance, beginning of year	8,872	28,202	36,653	21,974	47,570	-	143,271
Charge for the year	3,363	9,082	8,778	4,327	8,259	-	33,809
Write-off	-	-	-	-	-	-	-
Balance, end of year	<u>12,235</u>	<u>37,284</u>	<u>45,431</u>	<u>26,301</u>	<u>55,829</u>	<u>-</u>	<u>177,080</u>
<b>Net book value</b>							
End of year	<u>244,891</u>	<u>24,249</u>	<u>10,037</u>	<u>9,902</u>	<u>14,325</u>	<u>837,506</u>	<u>1,140,910</u>
Beginning of year	<u>158,974</u>	<u>31,559</u>	<u>7,991</u>	<u>12,222</u>	<u>22,584</u>	<u>336,773</u>	<u>570,103</u>

- (i) The Life business' land and buildings were revalued by Funsho Oladimeji & Co., estate surveyor and valuers in December 2009 using Investment method and Comparative method of valuation to arrive at the open market value.
- (ii) The business has capital commitments of ₦576,300,000 (31 December 2009: ₦ 74,987,000) as at the balance sheet date.
- (iii) Capital work in progress represents construction costs in respect of new office in Abuja. On completion of construction, the related amounts will be transferred to other categories of fixed assets.
- (iv) No leased assets are included in the fixed assets (31 December 2009: Nil)

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 13 Creditors and accruals

(a) Creditors and accruals comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Due to reinsurers	1,444,013	1,141,223	1,444,013	1,141,223
Due to brokers and co-insurers	2,130,572	1,513,794	2,130,572	1,513,794
Premium deposits	160,128	118,553	160,128	118,553
Gratuity provision (see note (b) below)	10,745	10,745	10,745	10,745
Unearned income	96,412	138,013	89,222	130,208
Accruals	278,924	203,635	237,354	179,278
Other credit balances	1,827,408	812,588	1,532,567	633,428
Managed funds	394,566	445,592	-	-
	<b>6,342,768</b>	<b>4,384,143</b>	<b>5,604,601</b>	<b>3,727,229</b>

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	10,745	22,041	10,745	22,041
Transfer to external trustees	-	(11,296)	-	(11,296)
Balance, end of year	<b>10,745</b>	<b>10,745</b>	<b>10,745</b>	<b>10,745</b>

### 13.1 General business

(a) Creditors and accruals comprise:

	2010 N'000	2009 N'000
Due to reinsurers	1,444,013	1,141,223
Due to brokers and co-insurers	2,130,572	1,513,794
Due to life business	115,537	665,546
Gratuity provision (see note (b) below)	4,596	4,596
Unearned income	89,222	84,225
Accruals	184,583	153,937
Other credit balances	938,687	516,786
	<b>4,907,210</b>	<b>4,080,107</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



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

	2010 N'000	2009 N'000
Balance, beginning of year	4,596	4,596
Transfer to external trustees	-	-
Balance, end of year	4,596	4,596

## 13.2 Life business

(a) Creditors and accruals comprise:

	2010 N'000	2009 N'000
Premium deposits	160,128	118,553
Gratuity provision (see note (b) below)	6,149	6,149
Unearned income	-	45,983
Accruals	52,771	25,341
Other credit balances	593,880	116,642
	812,928	312,668

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

	2010 N'000	2009 N'000
Balance, beginning of year	6,149	17,445
Transfer to external trustees	-	(11,296)
Balance, end of year	6,149	6,149

## 14 Dividend payable

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of the year	-	95,000	-	95,000
Dividend declared during the year	400,000	292,651	400,000	292,651
Payment during the year	(400,000)	(387,651)	(400,000)	(387,651)
Balance, end of year	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 15 Borrowings

(a) Borrowings comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Term loans (see note (b) below)	60,405	414,504	-	-
Other borrowings	-	-	-	-
	<b>60,405</b>	<b>414,504</b>	<b>-</b>	<b>-</b>

(b) The analysis of the term loans is shown below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Prestige Assurance Company Plc (see note (b)(i) below)	60,405	277,778	-	-
First Bank share purchase loan (see note (b)(ii) below)	-	136,726	-	-
	<b>60,405</b>	<b>414,504</b>	<b>-</b>	<b>-</b>

**(b)(i)** This represents the outstanding balance on a facility granted to Leadway Hotels Limited, a subsidiary, by First Bank of Nigeria Plc, taken over by Leadway Assurance Plc and Prestige Assurance Plc with effect from April 2010 for a three year tenor at an interest rate of 25% per annum (up to September 2010) and 15% per annum from October 2010. The balance due to Leadway Assurance Company Limited of ₦161,081,082 (2009: nil) was eliminated on consolidation.

**(b)(ii)** This represents the outstanding balance on a facility granted to Leadway Capital and Trusts Limited by First Bank of Nigeria Plc. at an interest rate of 12% .The loan is repayable as a bullet repayment with the option of the borrower paying on account as deemed fit. This loan was fully repaid during the year.

## 16 Provision for outstanding claims

(a) Provision for outstanding claims comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
General business	3,776,412	4,168,336	3,776,412	4,168,336
Life business	681,990	474,201	681,990	474,201
	<b>4,458,402</b>	<b>4,642,537</b>	<b>4,458,402</b>	<b>4,642,537</b>



# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(b) The age analysis of provision for outstanding claims is analysed below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
0 - 90 days	2,345,614	2,363,845	2,345,614	2,363,845
91 - 180 days	540,794	517,458	540,794	517,458
181 - 270 days	573,214	549,038	573,214	549,038
271 - 360 days	343,484	279,339	343,484	279,339
361 days and above	655,296	932,857	655,296	932,857
	<b>4,458,402</b>	<b>4,642,537</b>	<b>4,458,402</b>	<b>4,642,537</b>

## 16.1 General business

(a) Provision for outstanding claims is inclusive of 10% Incurred But Not Reported (IBNR) provision as required under section 20(1)(b) of the Insurance Act 2003 and it comprises:

	2010 N'000	2009 N'000
Motor	711,098	758,947
Fire	488,370	960,219
General accident	457,481	439,407
Marine and aviation	260,183	278,398
Workmen's compensation	62,901	51,476
Bond	79,707	156,843
Engineering	224,802	216,978
Oil and gas	1,491,870	1,306,068
	<b>3,776,412</b>	<b>4,168,336</b>

(b) The movement on the provision for outstanding claims during the year was as follows:

	2010 N'000	2009 N'000
Gross provision for outstanding claims	3,433,102	3,789,396
Provision for IBNR	343,310	378,940
Provision for outstanding claims - Closing	3,776,412	4,168,336
Less: provision for outstanding claims - Opening	(4,168,336)	(4,966,840)
Increase/(decrease) in provision for outstanding claims	<b>(391,924)</b>	<b>(798,504)</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(c) The age analysis of provision for outstanding claims is shown below:

	2010 N'000	2009 N'000
0 - 90 days	1,897,224	2,216,099
91 - 180 days	461,538	435,175
181 - 270 days	537,374	509,125
271 - 360 days	304,202	220,593
361 days and above	576,074	787,344
	<b>3,776,412</b>	<b>4,168,336</b>

## 16.2 Life business

(a) Provision for outstanding claims comprises:

	2010 N'000	2009 N'000
Group life	681,560	471,051
Individual life	430	3,150
	<b>681,990</b>	<b>474,201</b>

(b) The movement in the provision for outstanding claims during the year was as follows:

	Group life 2010 N'000	Individual life 2010 N'000	Company 2010 N'000	Company 2009 N'000
Opening balance	471,051	3,150	474,201	279,480
Increase/(decrease) in provision for outstanding claims	210,509	(2,720)	207,789	194,721
Closing balance	<b>681,560</b>	<b>430</b>	<b>681,990</b>	<b>474,201</b>

(c) The age analysis of provision for outstanding claims is shown below:

	Company 2010 N'000	Company 2009 N'000
0 - 90 days	448,390	147,746
91 - 180 days	79,256	82,283
181 - 270 days	35,840	39,913
271 - 360 days	39,282	58,746
361 days and above	79,222	145,513
	<b>681,990</b>	<b>474,201</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 17 Insurance funds

### (a) Insurance funds comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Unearned premium	5,555,261	7,226,228	5,555,261	7,226,228
Life funds	1,462,450	1,057,814	1,462,450	1,057,814
	<b>7,017,711</b>	<b>8,284,042</b>	<b>7,017,711</b>	<b>8,284,042</b>

### 17.1 General business

#### (a) Insurance funds comprise:

	Company 2010 N'000	Company 2009 N'000
Unearned premium (see note (b) below)	<b>5,555,261</b>	<b>7,226,228</b>

#### (b)(i) Unearned premium comprises:

	Company 2010 N'000	Company 2009 N'000
Motor	983,254	950,249
Fire	342,020	356,272
General accident	527,680	404,082
Marine and aviation	524,888	481,324
Workmen's compensation	28,026	27,068
Bond	39,369	45,409
Engineering	201,624	209,084
Oil and gas	2,908,400	4,752,740
	<b>5,555,261</b>	<b>7,226,228</b>

#### (ii) The movement in the unearned premium account during the year was as follows:

	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	7,226,228	2,771,701
Addition during the year	(1,670,967)	4,454,527
Balance, end of year	<b>5,555,261</b>	<b>7,226,228</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 17.2 Life business

### (a) Life fund comprises:

	Company 2010 N'000	Company 2009 N'000
Group life	779,836	766,125
Individual life	455,912	291,689
Annuity (See Note (d))	226,702	-
	<b>1,462,450</b>	<b>1,057,814</b>

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

	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	1,057,814	603,573
Addition during the year	404,636	454,241
Balance, end of year	<b>1,462,450</b>	<b>1,057,814</b>

### (c) Actuarial valuation

The valuation of the life business funds was as at 31 December 2010. The actuarial value of the net liability of the fund was ₦ 1,171,209,000 which has been provided for. The valuation of the Company's life business funds as at 31 December 2010 was carried out by HR Nigeria Limited (Consultants and actuaries). The valuation was done based on the following principles:

- For all individual and group life policies, the gross premium method of valuation was adopted. Future expenses related to the business were allowed for by deducting 30% of the office premiums payable. The reserve for individual deposit administration policies were taken as the amount standing to the credit of the policyholder at the valuation date plus the estimated value of the mortality risk;
- For group life policies, the net liabilities for annual premium contracts were calculated in the same way as individual business. An unearned premium reserve was included for group life policies allowing for 30% expenses;
- For all endowment policies, the valuation age was taken as the nearest age at the valuation date. The outstanding premium paying term has been calculated as the year of maturity minus 2010. In all cases, an allowance has been made for premiums due between the valuation date and the next policy anniversary.
- The valuation of the liabilities was made on the assumptions that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment. No specific adjustment has been made for immediate payment of claims or for expenses after premiums have ceased in the case of limited payment policies. An additional reserve is provided in the valuation against adverse mortality experience, future expense overrun and any other contingencies;
- The Mortality of Assured Lives A49/52 Ultimate Table was used in the valuation; and the valuation assumed an interest rate of 7%.

### (d) Annuity liabilities is a new product by the Company in line with the Pension Reform Act 2004 and is represented by the following assets:

	Company 2010 N'000	Company 2009 N'000
Quoted investments	114,707	-
Short term investments	107,098	-
Cash and Bank balances	4,897	-
	<b>226,702</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 18 Liability for administered deposits

### Life business

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	6,491,997	4,827,145	6,491,997	4,827,145
Deposits received	1,995,891	1,929,090	1,995,891	1,929,090
Guaranteed interest	438,847	526,173	438,847	526,173
	8,926,735	7,282,408	8,926,735	7,282,408
Less: withdrawals	(1,364,190)	(790,411)	(1,364,190)	(790,411)
Balance, end of year	7,562,545	6,491,997	7,562,545	6,491,997

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 19 Taxation payable

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	533,092	253,109	485,822	232,938
Payment during the year	(325,248)	(260,275)	(278,605)	(227,207)
Charge for the year (see note 35)	648,282	540,258	601,247	480,091
Balance, end of year	<b>856,126</b>	<b>533,092</b>	<b>808,464</b>	<b>485,822</b>

### 19.1 General business

	2010 N'000	2009 N'000
Balance, beginning of year	420,875	150,000
Payment during the year	(229,855)	(150,000)
Charge for the year (see note 35.1)	539,590	420,875
Balance, end of year	<b>730,610</b>	<b>420,875</b>

### 19.2 Life business

	2010 N'000	2009 N'000
Balance, beginning of year	64,947	82,938
Payment during the year	(48,750)	(77,207)
Charge for the year (see note 35.2)	61,657	59,216
Balance, end of year	<b>77,854</b>	<b>64,947</b>

## 20 Deferred taxation

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	379,879	103,735	351,982	98,686
Charge to asset revaluation reserve (see note 24)	84,797	265,108	84,797	265,108
Charge/(credit) to profit and loss account for the year (see note 35)	72,738	11,036	35,338	(11,812)
Balance, end of year	<b>537,414</b>	<b>379,879</b>	<b>472,117</b>	<b>351,982</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 20.1 General business

	2010 N'000	2009 N'000
Balance, beginning of year	275,129	79,426
Charge to asset revaluation reserve (see note 24.1)	32,053	204,952
Charge/(credit) to profit and loss account for the year (see note 35.1)	55,231	(9,249)
Balance, end of year	<b>362,413</b>	<b>275,129</b>

## 20.2 Life business

	2010 N'000	2009 N'000
Balance, beginning of year	76,853	19,260
Charge to asset revaluation reserve (see note 24.2)	52,744	60,156
Charge/(credit) to profit and loss account for the year (see note 35.2)	(19,893)	(2,563)
Balance, end of year	<b>109,704</b>	<b>76,853</b>

## 21 Share capital

Share capital comprises:

### (a) Authorised:

Ordinary shares of 50k each

General business 7,000,000,000 units (2009:  
6,000,000,000 units)

Life business 3,000,000,000 units (2009:  
2,000,000,000 units)

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
General business 7,000,000,000 units (2009: 6,000,000,000 units)	3,500,000	3,000,000	3,500,000	3,000,000
Life business 3,000,000,000 units (2009: 2,000,000,000 units)	1,500,000	1,000,000	1,500,000	1,000,000
	<b>5,000,000</b>	<b>4,000,000</b>	<b>5,000,000</b>	<b>4,000,000</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
<b>(b) Issued and fully paid</b>				
Ordinary shares of 50k each				
General business 5,730,872,000 units (2009: 3,588,790,000 units)	2,865,436	1,794,395	2,865,436	1,794,395
Life business 2,500,000,000 units (2009: 1,898,458,000 units)	1,250,000	949,229	1,250,000	949,229
	<b>4,115,436</b>	<b>2,743,624</b>	<b>4,115,436</b>	<b>2,743,624</b>

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	2,743,624	2,438,777	2,743,624	2,438,777
Bonus issue capitalised (see note 27 below)	1,371,812	-	1,371,812	304,847
Balance, end of year	<b>4,115,436</b>	<b>2,438,777</b>	<b>4,115,436</b>	<b>2,743,624</b>

## 21.1 General business

	2010 N'000	2009 N'000
Balance, beginning of year	1,794,395	1,794,395
Bonus issue capitalised (see note 27 below)	1,071,041	-
Balance, end of year	<b>2,865,436</b>	<b>1,794,395</b>

## 21.2 Life business

	2010 N'000	2009 N'000
Balance, beginning of year	949,229	644,382
Bonus issue capitalised (see note 27 below)	300,771	304,847
Balance, end of year	<b>1,250,000</b>	<b>949,229</b>



# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 22 Share premium

General business:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	387,826	1,458,867	387,826	1,458,867
Transfer to bonus issue reserve account	-	(1,071,041)	-	(1,071,041)
Balance, end of year	<b>387,826</b>	<b>387,826</b>	<b>387,826</b>	<b>387,826</b>

## 23 Statutory contingency reserve

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	1,858,984	1,093,335	1,858,984	1,093,335
Transfer during the year	451,873	765,649	451,873	765,649
Balance, end of year	<b>2,310,857</b>	<b>1,858,984</b>	<b>2,310,857</b>	<b>1,858,984</b>

### 23.1 General business

	2010 N'000	2009 N'000
Balance, beginning of year	1,696,070	951,549
Transfer during the year	426,231	744,521
Balance, end of year	<b>2,122,301</b>	<b>1,696,070</b>

### 23.2 Life business

	2010 N'000	2009 N'000
Balance, beginning of year	162,914	141,786
Transfer during the year	25,642	21,128
Balance, end of year	<b>188,556</b>	<b>162,914</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 24 Asset revaluation reserve

(a) The movement in the asset revaluation reserve account during the year is shown below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	1,767,590	3,277	1,722,936	3,277
Realised during the year	(44,654)	-	-	-
Revaluation surplus during the year:				
- Fixed assets (see note 12)	-	460,794	-	460,794
- Investment properties (see note 10)	-	1,303,519	-	1,258,865
	1,722,936	1,767,590	1,722,936	1,722,936
Deferred taxation on asset revaluation	(265,108)	(265,108)	(265,108)	(265,108)
Balance, end of year	<b>1,457,828</b>	<b>1,502,482</b>	<b>1,457,828</b>	<b>1,457,828</b>

### 24.1 General business

The movement in the asset revaluation reserve account during the year is shown below:

	2010 N'000	2009 N'000
Balance, beginning of year	1,285,179	3,219
Revaluation surplus during the year:		
- Fixed assets (see note 12.1)	-	378,951
- Investment properties (see note 10.1)	-	903,009
	1,285,179	1,285,179
Deferred taxation on asset revaluation	(204,952)	(204,952)
Balance, end of year	<b>1,080,227</b>	<b>1,080,227</b>

### 24.2 Life business

The movement in the asset revaluation reserve account during the year is shown below:

	2010 N'000	2009 N'000
Balance, beginning of year	437,757	58
Revaluation surplus during the year:		
- Fixed assets (see note 12.2)	-	81,843
- Investment properties (see note 10.2)	-	355,856
	437,757	437,757
Deferred taxation on asset revaluation	(60,156)	(60,156)
Balance, end of year	<b>377,601</b>	<b>377,601</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 25 Equities revaluation reserve

Equities revaluation reserve comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Equities price equalisation reserve (see note (a) below)	2,775,465	2,255,281	2,775,465	2,255,281
Foreign exchange revaluation reserve (see note (b) below)	197,859	272,608	197,859	272,608
	<b>2,973,324</b>	<b>2,527,889</b>	<b>2,973,324</b>	<b>2,527,889</b>

(a) Equities price equalisation reserve represents the excess of market value over the cost of quoted investments

(b)(i) Foreign exchange revaluation reserve represents the translation gain on the Company's dollar denominated monetary assets.

(b)(ii) Foreign exchange reserve is analysed as follows:

	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Foreign exchange gain on convertible debt notes	282,656	272,608	282,656	272,608
Deferred tax on foreign exchange gain at 30%	(84,797)	-	(84,797)	-
	<b>197,859</b>	<b>272,608</b>	<b>197,859</b>	<b>272,608</b>

(b)(iii) The movement in foreign exchange gain during the year was as follows:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	272,608	-	272,608	-
Addition during the year from unquoted investments	10,048	272,608	10,048	272,608
Balance, end of year	<b>282,656</b>	<b>272,608</b>	<b>282,656</b>	<b>272,608</b>

### 25.1 General business

	Company 2010 N'000	Company 2009 N'000
Equities price equalisation reserve (see note (a) below and note 7.1(a))	1,576,623	855,006
Foreign exchange revaluation reserve (see note (b) and note (c) below)	74,791	103,045
	<b>1,651,414</b>	<b>958,051</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(a) Equities price equalisation reserve represents the excess of market value over the cost of quoted investments

(b) Foreign exchange reserve is analysed as follows;

	2010 R'000	2009 R'000
Foreign exchange gain on convertible debt notes	106,844	103,045
Deferred tax on foreign exchange gain at 30%	(32,053)	-
	<b>74,791</b>	<b>103,045</b>

(c) The movement in foreign exchange gain during the year was as follows:

	Company 2010 R'000	Company 2009 R'000
Balance, beginning of year	103,045	-
Addition during the year from unquoted investments	3,799	103,045
	<b>106,844</b>	<b>103,045</b>

## 25.2 Life business

	Company 2010 R'000	Company 2009 R'000
Equities price equalisation reserve (see note (a) below and note 7.2(a))	1,198,842	1,400,275
Foreign exchange revaluation reserve (see note (b) and note (c) below)	123,068	169,563
	<b>1,321,910</b>	<b>1,569,838</b>

(a) Equities price equalisation reserve represents the excess of market value over the cost of quoted investments

(b) Foreign exchange reserve is analysed as follows;

	2010 R'000	2009 R'000
Foreign exchange gain on convertible debt notes	175,812	169,563
Deferred tax on foreign exchange gain at 32%	(52,744)	-
	<b>123,068</b>	<b>169,563</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(b) The movement in foreign exchange gain during the year was as follows:

	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	169,563	-
Addition during the year	6,249	169,563
Balance, end of year	<b>175,812</b>	<b>169,563</b>

## 26 Assets replacement reserve

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	20,264	-	-	-
Transfer from profit and loss account	18,850	20,264	-	-
Balance, end of year	<b>39,114</b>	<b>20,264</b>	<b>-</b>	<b>-</b>

(a)(i) In line with the standard set by Protea Hotels International, brand owners of the hotel operated by Leadway Hotels Limited, a subsidiary, the Group set aside this funds for replacement of the hotel property, plant and equipment from the distributable profit

## 27 Bonus issue reserve

The movement on the bonus issue reserve during the year is shown below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	1,371,812	304,847	1,371,812	304,847
Bonus capitalised (see note 21 above)	(1,371,812)	(304,847)	(1,371,812)	(304,847)
Transfer from profit and loss account	-	-	-	-
Transfer from the share premium account (see note 22 above)	-	1,071,041	-	1,071,041
Transfer from general reserve account (see note 28(a) below)	274,362	300,771	274,362	300,771
Balance, end of year	<b>274,362</b>	<b>1,371,812</b>	<b>274,362</b>	<b>1,371,812</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 27.1 General business

The movement on the bonus issue reserve during the year is shown below:

	Company 2010 N'000	Company 2009 N'000
Transfer from the general reserve account (see note 28 below)	274,362	1,071,041

## 27.2 Life business

The movement on the bonus issue reserve during the year is shown below:

	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	300,771	304,847
Bonus capitalised (see note 21 above)	(300,771)	(304,847)
Transfer from profit and loss account	-	-
Transfer from general reserve account (see note 28.2 below)	-	300,771
Balance, end of year	-	300,771

## 28 General reserve

(a) The movement on the general reserve account during the year is shown below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	1,003,959	1,278,198	1,306,179	1,662,780
Previously unrecognised reserve	40,188	(16,359)	-	-
	1,044,147	1,261,839	1,306,179	1,662,780
Transfer from profit and loss account	1,111,800	335,542	949,981	236,821
Transfer to bonus issue reserve account (see note 27)	(274,362)	(300,771)	(274,362)	(300,771)
Dividends declared	(400,000)	(292,651)	(400,000)	(292,651)
General reserve, end of year	1,481,585	1,003,959	1,581,798	1,306,179

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 28.1 General business

	2010 N'000	2009 N'000
Balance, beginning of year	1,214,263	1,205,382
Transfer from profit and loss account	1,065,595	301,532
Transfer to bonus issue reserve	(274,362)	-
Dividends declared	(400,000)	(292,651)
General reserve, end of year	<b>1,605,496</b>	<b>1,214,263</b>

## 28.2 Life business

	2010 N'000	2009 N'000
Balance, beginning of year	91,916	457,398
Transfer from profit and loss account	(115,614)	(64,711)
Dividend declared	-	-
Transfer to bonus issue reserve account (see note 27)	-	(300,771)
General reserve, end of year	<b>(23,698)</b>	<b>91,916</b>

## 29 Non controlling interest

(a) Non controlling interest comprises:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Leadway Capital and Trust Limited	243,131	219,809	-	-
Leadway Hotels Limited	352,323	337,888	-	-
	<b>595,454</b>	<b>557,697</b>	<b>-</b>	<b>-</b>

(b) The movement in non controlling interest account during the year is shown below

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Balance, beginning of year	557,697	484,396	-	-
Cash paid to minority as dividend	(34,100)	(28,061)	-	-
Minority's share of profit for the year	71,857	101,362	-	-
Balance, end of year	<b>595,454</b>	<b>557,697</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 30 Reinsurance cost

General business

Reinsurance cost comprises:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Reinsurance premium paid	7,550,826	11,756,091	7,550,826	11,756,091
Less: unexpired reinsurance cost	(370,364)	(356,564)	(370,364)	(356,564)
<b>Reinsurance cost</b>	<b>7,180,462</b>	<b>11,399,527</b>	<b>7,180,462</b>	<b>11,399,527</b>

## 31 Commission earned

General business

Commission earned comprises:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Commission earned	940,024	750,752	940,024	750,752

## 32 Investment and other income

(a) Investment and other income comprises:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
(Loss)/gain on sale of investment	462,455	(249,747)	462,819	(107,386)
Dividend income	344,739	406,363	345,418	586,845
Interest income	782,857	507,153	713,566	829,334
Hotel management income	736,937	778,189	-	-
Rental income	69,262	6,317	69,262	47,880
Profit/(loss) on sale of fixed assets	-	2,349	-	2,349
Foreign exchange gain	208,256	26,105	206,848	20,934
Other income	396,615	231,851	305,354	304,287
<b>Investment and other income</b>	<b>3,001,121</b>	<b>1,708,580</b>	<b>2,103,267</b>	<b>1,684,243</b>



# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



(b) Investment and other income is analysed below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Profit and loss accounts:				
-General business	1,195,036	520,903	1,195,036	520,903
-Life business	195,874	226,990	195,874	226,990
	1,390,910	747,893	1,390,910	747,893
Subsidiaries	897,854	24,337	-	-
	2,288,764	772,230	1,390,910	747,893
Group				
Directly allocated to funds:				
Life fund	94,471	314,405	94,471	314,405
Deposit administration	617,886	621,945	617,886	621,945
	3,001,121	1,708,580	2,103,267	1,684,243

32.1 General business

	2010 N'000	2009 N'000
(Loss)/gain on sale of investment	341,878	(295,042)
Dividend income	236,250	409,897
Interest income	246,855	264,826
Rental income	53,001	6,317
Profit/(loss) on sale of fixed assets	-	2,349
Foreign exchange gain	206,848	20,934
Other income	110,204	111,622
	1,195,036	520,903

32.2 Life business

	2010 N'000	2009 N'000
Gain on sale of investment	120,941	187,656
Dividend income	109,168	176,948
Interest income	466,711	564,508
Rental income	16,261	41,563
Other income	195,150	192,665
	908,231	1,163,340

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 33 Management expenses

Management expenses comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Staff and directors' costs (see note 41(c)(ii))	1,089,809	971,351	988,762	883,093
Depreciation	318,852	261,781	218,378	196,348
Finance charges	38,480	74,992	17,154	28,162
Maintenance expenses	165,367	75,586	111,093	58,386
Travelling and tours	60,458	77,877	60,458	97,280
Training expenses	19,538	12,672	19,412	12,404
Professional fees	34,310	36,928	25,000	34,360
Advertisement	111,407	69,293	111,407	92,944
Telecommunication	24,620	89,339	24,620	90,969
Hotel management expenses	182,110	141,301	-	-
Other management expenses	739,390	646,699	578,915	618,803
	<b>2,784,341</b>	<b>2,457,819</b>	<b>2,155,199</b>	<b>2,112,749</b>

(b) Management expenses is analysed below:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Profit and loss accounts:				
-General business	1,866,951	1,848,805	1,866,951	1,848,805
-Life business	55,019	39,277	55,019	39,277
	1,921,970	1,888,082	1,921,970	1,888,082
Subsidiaries	629,142	345,070	-	-
	2,551,112	2,233,152	1,921,970	1,888,082
Group				
Directly allocated to funds:				
Life fund	208,817	201,018	208,817	201,018
Deposit administration	24,412	23,649	24,412	23,649
	<b>2,784,341</b>	<b>2,457,819</b>	<b>2,155,199</b>	<b>2,112,749</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 33.1 General business

	2010	2009
	N'000	N'000
Staff and directors' costs	854,770	836,607
Depreciation	184,569	163,666
Exchange loss/(gain)	-	-
Finance charges	11,925	26,834
Maintenance expenses	78,280	37,990
Travelling and tours	44,868	77,877
Training expenses	19,412	12,404
Professional fees	15,000	24,360
Advertisement	97,102	69,293
Telecommunication	19,610	89,339
Other management expenses	541,415	510,435
	<b>1,866,951</b>	<b>1,848,805</b>

## 33.2 Life business

	2010	2009
	N'000	N'000
Staff and directors' costs	133,992	46,486
Depreciation	33,809	32,682
Exchange loss/(gain)	-	-
Finance charges	5,229	1,328
Maintenance expenses	32,813	20,396
Travelling and tours	15,590	19,403
Training expenses	-	-
Professional fees	10,000	10,000
Advertisement	14,305	23,651
Telecommunication	5,010	1,630
Commissions on deposit administration	-	-
Other management expenses	37,500	108,368
	<b>288,248</b>	<b>263,944</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 34 Write offs and provisions for bad and doubtful accounts

Write offs and allowances for bad and doubtful accounts comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Allowance for doubtful premium debtors (see note 3(b))	1,689,296	1,182,036	1,689,296	1,182,036
Allowances for doubtful other assets (see note 4(b))	197,637	134,387	193,679	116,274
Allowance for diminution in investment property (see note 11)	20,570	-	20,570	-
(Recovery)/allowance for doubtful quoted investments (see note 7.1(b))	(949)	6,075	-	-
Allowance for doubtful unquoted investments (see note 7b(i))	68,895	122,378	74,547	116,726
Allowance for doubtful investment on lease (see note 5(c))	2,244	-	-	-
	<b>1,977,693</b>	<b>1,444,876</b>	<b>1,978,092</b>	<b>1,415,036</b>

### 34.1 General business

	2010 N'000	2009 N'000
Allowance for doubtful premium debtors (see note 3.1(b))	1,432,074	1,102,187
Allowances for doubtful other assets (see note 4.1(b))	78,809	96,187
Allowance for doubtful unquoted investments (see note 7.1(b))	74,547	116,726
	<b>1,585,430</b>	<b>1,315,100</b>

### 34.2 Life business

	2010 N'000	2009 N'000
Allowance for doubtful premium debtors (see note 3.2(b))	257,222	79,849
Allowances for doubtful other assets (see note 4.2(b))	114,870	20,087
Allowance for diminution in investment property (see note 10.2(b))	20,570	-
	<b>392,662</b>	<b>99,936</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 35 Taxation charge

Taxation charge comprises:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Company income tax	605,234	515,660	564,685	462,565
Education tax	43,048	24,598	36,562	17,526
Deferred tax (credit)/charge (see note 20)	648,282 72,738	540,258 11,036	601,247 35,338	480,091 (11,812)
	<b>721,020</b>	<b>551,294</b>	<b>636,585</b>	<b>468,279</b>

- (b) The company income tax for the general business was calculated at 30% (2009: minimum tax rule) while that of the life business was calculated based on the minimum tax rule. Education tax levy was computed for the general business at a rate of 2% (2009:2%) and nil for the life business, as there was no assessable profit for the life business for the year ended 31 December 2010.

### 35.1 General business

	2010 N'000	2009 N'000
Company income tax	503,028	403,349
Education tax	36,562	17,526
Deferred tax (credit)/charge (see note 20.1)	539,590 55,231	420,875 (9,249)
	<b>594,821</b>	<b>411,626</b>

### 35.2 Life business

	2010 N'000	2009 N'000
Company income tax	61,657	59,216
Education tax	-	-
Deferred tax (credit)/charge (see note 20.2)	61,657 (19,893)	59,216 (2,563)
	<b>41,764</b>	<b>56,653</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 36 Earnings and dividend per share

Basic earnings per share have been computed based on the profit after taxation attributable to equity holders and the weighted average number of ordinary shares outstanding during the year of 8,230,872,000 (2009: 5,487,248,000). Adjusted earnings per share have been computed based on profit after taxation and the ordinary shares of 8,230,872,000 as at year end.

Dividend per share has been computed based on the profit after taxation and the number of ordinary shares outstanding during the year of 8,230,872,000 (2009: 5,487,248,000) qualifying for dividend.

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Profit attributable to equity holders	1,582,523	1,121,455	1,401,854	1,002,470
Dividend declared	400,000	292,651	400,000	292,651
Weighted average number of shares	8,230,872	5,487,248	8,230,872	5,487,248
Outstanding shares at 31 December 2010	8,230,872	8,230,872	8,230,872	8,230,872
Earnings per share - Basic	19	20	17	18
Earnings per share - Adjusted	19	14	17	12
Dividend per share	7	6	7	6

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Profit after taxation	1,654,380	1,222,817	1,401,854	1,002,470
Add: Taxation	721,020	551,294	636,585	468,279
Profit before taxation	2,375,400	1,774,111	2,038,439	1,470,749
Share of (profit)/loss of associate	(136,301)	(50,318)	-	-
Depreciation	309,063	294,463	208,589	196,348
Amortisation of deferred charges	-	-	-	-
Increase in provision for unearned premium	(1,670,967)	4,454,527	(1,670,967)	4,454,527
Increase in life fund	404,636	454,241	404,636	454,241
Provision for outstanding claims	(184,135)	(603,783)	(184,135)	(603,783)
Allowance for doubtful premium debtors	1,689,296	1,182,036	1,689,296	1,182,036
Allowances for bad and doubtful accounts	197,637	134,387	193,679	116,274
Allowance for doubtful un-quoted investments	68,895	122,378	74,547	116,726
Allowance for doubtful quoted investments	(949)	6,075	-	-
Allowance for diminution in investment properties	-	-	20,570	-
(Profit)/loss on sale of fixed assets	-	(2,349)	(465)	(2,349)
Fixed assets written-off	-	2,518	-	2,518
Unquoted investments written-off	(83,155)	-	(83,155)	-
Loss/(gain) on disposal of investments	(561,185)	107,386	(462,819)	107,386
Interest expense on borrowings	68,451	108,066	-	-
Rent received	(47,880)	(47,880)	(14,466)	(47,880)
Dividend received	(583,311)	(583,311)	(214,159)	(586,845)
	<b>1,845,495</b>	<b>7,352,547</b>	<b>1,999,590</b>	<b>6,859,948</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 38 Analysis of cash and cash equivalents

Cash and cash equivalents comprise

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Cash and bank balances (see note 1)	2,514,001	3,047,299	2,271,785	2,892,338
Short term placements (see note 2(a))	7,952,076	5,978,463	7,581,198	5,603,244
	<b>10,466,077</b>	<b>9,025,762</b>	<b>9,852,983</b>	<b>8,495,582</b>

## 39 Acquisition expenses

Acquisition expenses comprise:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
General business	2,415,977	2,166,935	2,415,977	2,166,935
Life business	503,948	346,525	503,948	346,525
	<b>2,919,925</b>	<b>2,513,460</b>	<b>2,919,925</b>	<b>2,513,460</b>

### 39.1 General business

	2010 N'000	2009 N'000
Commissions	1,341,393	1,529,091
Staff costs	366,330	358,546
Other acquisition expenses	708,254	279,298
	<b>2,415,977</b>	<b>2,166,935</b>

### 39.2 Life business

	2010 N'000	2009 N'000
Commissions	399,268	169,087
Staff costs	32,602	139,457
Other acquisition expenses	72,078	37,981
	<b>503,948</b>	<b>346,525</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 40 Maintenance expenses

Maintenance expenses comprise

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
General business	472,102	498,662	472,102	498,662
Life business	87,733	60,950	87,733	60,950
	<b>559,835</b>	<b>559,612</b>	<b>559,835</b>	<b>559,612</b>

### 40.1 General business

	2010 N'000	2009 N'000
Insurance supervision levy	144,543	220,056
Other maintenance expenses	327,559	278,606
	<b>472,102</b>	<b>498,662</b>

### 40.2 Life business

	2010 N'000	2009 N'000
Insurance supervision levy	17,416	14,989
Other maintenance expenses	70,317	45,961
	<b>87,733</b>	<b>60,950</b>



# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 41 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 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Depreciation	309,063	294,463	208,589	196,348
(Profit)/loss on disposal of fixed assets	-	2,349	-	2,349
Auditor's remuneration	28,711	23,500	23,500	19,000

### (b) Staff and directors' information

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

	Group 2010 Number	Group 2009 Number	Company 2010 Number	Company 2009 Number
Management staff	52	53	34	35
Non-management staff	455	465	367	377
	<b>507</b>	<b>518</b>	<b>401</b>	<b>412</b>

### (c) Staff and directors' costs:

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

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Wages and salaries	1,380,779	1,449,365	1,274,131	1,258,809
Pension costs	94,990	37,248	86,401	84,903
Other benefits	67,225	22,255	39,224	37,384
	<b>1,542,994</b>	<b>1,508,868</b>	<b>1,399,756</b>	<b>1,381,096</b>

ii Staff and directors' costs comprise:

	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Charged to management expenses	1,038,262	1,010,865	895,024	883,093
Charged to underwriting expenses	504,732	498,003	504,732	498,003
	<b>1,542,994</b>	<b>1,508,868</b>	<b>1,399,756</b>	<b>1,381,096</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



iii Employees earning more than ₦100,000 per annum received salaries in the following range:

	Group 2010 Number	Group 2009 Number	Company 2010 Number	Company 2009 Number
₦101,001 - ₦500,000	72	81	-	-
₦500,001 - ₦750,000	14	7	-	-
₦750,000 - ₦1,000,000	111	109	91	91
₦1,000,000 - ₦2,000,000	37	37	37	37
₦2,000,000 - ₦3,000,000	188	188	188	188
Over ₦3,000,000	85	96	85	96
	507	518	401	412

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

	2010 ₦'000	2009 ₦'000
Directors' fees	9,050	9,050
Other emoluments	16,560	16,560
	<b>25,610</b>	<b>25,610</b>

v The directors' remuneration shown above includes

	2010 ₦'000	2009 ₦'000
Chairman	4,210	4,210
Highest paid director	5,455	5,455
	<b>9,665</b>	<b>9,665</b>

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

₦2,300,000 - ₦4,800,000	2	2
₦1,750,000 - ₦2,300,000	5	5
	<b>7</b>	<b>7</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTD. FOR THE YEAR ENDED 31 DECEMBER



## 42 Related party transactions

Related parties to the Company are as follows:

Name of related party	Relationship	Nature of related party transactions	Outstanding balance	
			2010 N'000	2009 N'000
Leadway Capital and Trusts Limited	Subsidiary	Investments	27,826	27,826
Leadway Hotels Limited	Subsidiary	Commercial loan	161,081	-
Leadway Properties and Investments Limited	Subsidiary	Nil	22,312	18,227
Leadway Pensure PFA	Associated company	Technical service agreement and co-location fees	43,400	21,700

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

## 43 Contingent liabilities, litigations and claims

There are litigation claims against the Company as at 31 December 2010 amounting to ₦ 4.1 billion (2009: ₦4.4 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.

## 44 Subsequent events

The board of directors proposed a dividend of 6k per share (2009: 7k per share) from the retained earnings as at 31 December 2010 on the issued share capital of 8,230,872,000 (2009: 5,487,246,000) ordinary shares of 50k each subject to the approval of the shareholders at the next annual general meeting.

The board of directors also proposed a bonus issue of 1 ( 2009: 1) new ordinary share for every 15 (2009: 2) held subject to the approval of the shareholders at the next annual general meeting.

## 45 Prior year comparative figures

Certain prior year corresponding balances have been reclassified to conform with the current year presentation format which is principally as a result of NAICOM's new reporting format.

## 46 IFRS Roadmap

The International Financial Reporting Standards (IFRS) Roadmap issued by the Nigerian Accounting Standards Board, following a decision by the Federal Executive Council, requires all publicly listed and other significant public interest entities to adopt IFRS by the year starting 1 January 2012. Other non-significant public interest entities are required to adopt IFRS in 2013. With this decision, Nigeria has finally joined the global community with the adoption of IFRS as a single globally accepted financial reporting standard.

The Company, being a public interest entity, would therefore be required to begin issuing IFRS compliant financial statements by 2012. In order to ensure that it meets the deadline of 2012, the Company has embarked on a holistic approach to ensure that it implements a full conversion project ahead of the stated deadline.

IFRS full conversion involves the development of processes and systems which are capable of producing IFRS compliant numbers. IFRS involves much more than the straight-forward implementation of another set of accounting standards. It involves a change of systems, processes, technology, people and other aspects of the business. The Company is currently addressing this need via a project management process which addresses the following areas:

- Business impacts.
- Accounting and reporting.
- Systems and processes.
- People and change management.

NOTES TO THE  
FINANCIAL STATEMENTS CONTD.  
FOR THE YEAR ENDED 31 DECEMBER

47 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:

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 of hotels and hospitality services
Property management	Includes the provision of real estate development and estate management services

Business reporting

	General Business		Life Business		Trusteeship		Hospitality		Property management		Inter-segment income		Total	
	2 0 1 0 N'000	2 0 0 9 N'000	2 0 1 0 N'000	2 0 0 9 N'000	2 0 1 0 N'000	2 0 0 9 N'000	2 0 1 0 N'000	2 0 0 9 N'000	2 0 1 0 N'000	2 0 0 9 N'000	2 0 1 0	2 0 0 9	2010 N'000	2009 N'000
<b>Revenue from external customers</b>														
Gross premium	15,878,667	20,362,833	-	-	-	-	-	-	-	-			15,878,667	20,362,833
Commission received	940,024	750,752	-	-	-	-	-	-	-	-			940,024	750,752
Investment and other income	1,195,036	520,903	195,874	226,990	169,172	188,667	754,900	803,302	9,682	10,238	(35,900)	(41,520)	2,288,764	1,708,580
Shareholders' share of valuation surplus	-	-	147,360	-	-	-	-	-	-	-			147,360	-
Profit/(loss) from deposit administration	-	-	56,239	(74,707)	-	-	-	-	-	-			56,239	(74,707)
Group's share of associate's profit for the year	136,301	50,318	-	-	-	-	-	-	-	-			136,301	50,318
Total segment income	18,150,028	21,684,806	399,473	152,283	169,172	188,667	754,900	803,302	9,682	10,238	(35,900)	(41,520)	19,447,355	22,797,776
Reinsurance cost	(7,180,462)	(11,399,527)	-	-	-	-	-	-	-	-	-	-	(7,180,462)	(11,399,527)
	10,969,566	10,285,279	399,473	152,283	169,172	188,667	754,900	803,302	9,682	10,238	(35,900)	(41,520)	12,266,893	11,398,249
<b>Expenses</b>														
Net claims incurred	2,406,158	2,947,780	-	-	-	-	-	-	-	-			2,406,158	2,947,780
Underwriting expenses	2,888,079	2,665,597	-	-	-	-	-	-	-	-			2,888,079	2,665,597
Management expenses	1,866,951	1,848,805	55,019	55,632	63,597	57,227	559,180	489,086	6,365	7,069			2,551,112	2,457,819
Interest expenses	-	-	-	-	12,081	37,336	56,370	70,730					68,451	108,066
Bad debt expenses	1,585,430	1,315,100	392,662	99,936	11,371	11,371	(399)	18,008		461			1,977,693	1,444,876
Total segment expenses	8,746,618	8,777,282	847,154	155,568	244,850	105,934	1,370,051	577,824	16,047	7,530			9,891,493	9,624,138
<b>Profit on ordinary activities before taxation</b>	9,403,410	12,907,524	(447,681)	(3,285)	(75,678)	82,733	(615,151)	225,478	(6,365)	2,708			2,375,400	1,774,111
<b>Taxation</b>	(594,821)	(411,626)	(41,764)	(56,653)	(14,890)	(18,557)	(69,279)	(61,295)	(266)	(3,163)			(721,020)	(551,294)
<b>Profit after taxation</b>	<b>8,808,589</b>	<b>12,495,898</b>	<b>(489,445)</b>	<b>(59,938)</b>	<b>(90,568)</b>	<b>64,176</b>	<b>(684,430)</b>	<b>164,183</b>	<b>(6,631)</b>	<b>(455)</b>			<b>1,654,380</b>	<b>1,222,817</b>
<b>Assets and liabilities</b>														
Tangible segment assets	25,318,968	24,372,548	13,821,840	11,930,749	1,093,201	1,183,340	1,225,934	1,131,084	97,096	96,147			41,557,039	38,713,868
Charged to other segments													(1,085,882)	(1,609,137)
Total assets	25,318,968	24,372,548	13,821,840	11,930,749	1,093,201	1,183,340	1,225,934	1,131,084	97,096	96,147			40,471,157	37,104,731

NOTES TO THE  
FINANCIAL STATEMENTS CONTD.  
FOR THE YEAR ENDED 31 DECEMBER

Segment liabilities	15,331,906	16,170,675	10,707,471	8,478,480	573,719	715,704	507,640	441,518	63,252	104,042		27,183,988	25,910,419
Charged to other segments												(348,617)	(780,225)
Total liabilities	15,331,906	16,170,675	10,707,471	8,478,480	573,719	715,704	507,640	441,518	63,252	104,042		26,835,371	25,130,194
Net assets	9,987,062	8,201,873	3,114,369	3,452,269	519,482	467,636	718,294	689,566	33,844	(7,895)		13,635,786	11,974,537
Depreciation	184,569	163,666	33,809	-	4,126	3,125	95,170	93,855	1,178	1,135		318,852	261,781

# VALUE ADDED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER



	Group 2010		Group 2009		Company 2010		Company 2009	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Gross premium (Local)	14,207,700		24,817,360		14,207,700		24,817,360	
Other income								
- Local	3,408,850		2,337,360		2,374,695		1,326,355	
- Foreign	12,478		97,583		12,478		97,583	
	<u>17,629,028</u>		<u>27,252,303</u>		<u>16,594,873</u>		<u>26,241,298</u>	
Bought in materials and services								
- Local	(8,518,500)		(9,873,232)		(8,133,469)		(9,499,542)	
- Foreign	(4,804,831)		(13,726,245)		(4,804,831)		(13,726,245)	
Value added	<u><b>4,305,697</b></u>	<b>100%</b>	<u><b>3,652,826</b></u>	<b>100%</b>	<u><b>3,656,573</b></u>	<b>100%</b>	<u><b>3,015,511</b></u>	<b>100%</b>
<b>Distribution of value added</b>								
<b>To government</b>								
Government as taxes	721,020	17%	551,294	15%	636,585	17%	468,279	16%
<b>To employees</b>								
Employee cost	1,542,994	36%	1,508,868	41%	1,399,756	38%	1,381,096	46%
<b>To providers of finance</b>								
To lenders	68,451	2%	108,066	3%	-	0%	-	0%
<b>Retained in the business</b>								
To replace fixed assets (depreciation)	318,852	7%	261,781	7%	218,378	6%	163,666	5%
To augment reserves	1,154,380	27%	822,817	23%	901,854	25%	602,470	20%
To pay proposed dividend	500,000	12%	400,000	11%	500,000	14%	400,000	13%
Value added	<u><b>4,305,697</b></u>	<b>100%</b>	<u><b>3,652,826</b></u>	<b>100%</b>	<u><b>3,656,573</b></u>	<b>100%</b>	<u><b>3,015,511</b></u>	<b>100%</b>

# FOUR-YEAR FINANCIAL SUMMARY



## Group

	2010 N'000	2009 N'000	2008 N'000	2007 N'000
<b>Results</b>				
Gross premium written	<b>14,207,700</b>	<b>24,817,360</b>	<b>19,782,934</b>	<b>15,114,579</b>
Net Premium written	<b>8,698,205</b>	<b>8,963,306</b>	<b>6,080,456</b>	<b>7,413,630</b>
Premium earned	<b>8,698,205</b>	<b>8,963,306</b>	<b>6,080,456</b>	<b>7,132,784</b>
Profit before taxation	2,375,400	1,774,111	1,257,508	1,414,584
Taxation	(721,020)	(551,294)	(255,430)	(200,193)
Profit after taxation	<b>1,654,380</b>	<b>1,222,817</b>	<b>1,002,078</b>	<b>1,214,391</b>
Dividends	<b>400,000</b>	<b>292,651</b>	<b>500,000</b>	<b>100,222</b>
Earnings per share (k)	<b>19</b>	<b>20</b>	<b>21</b>	<b>27</b>
Dividend per share (k)	<b>7</b>	<b>6</b>	<b>10</b>	<b>2</b>
<b>Balance sheet</b>				
<b>Assets</b>				
Current assets	11,565,309	13,391,732	6,052,024	4,160,695
Investments	24,816,644	20,501,611	19,889,511	22,604,184
Statutory deposits	520,000	520,000	520,000	520,000
Fixed assets	3,569,204	2,691,388	2,102,616	1,787,492
<b>Total assets</b>	<b>40,471,157</b>	<b>37,104,731</b>	<b>28,564,151</b>	<b>29,072,371</b>
<b>Liabilities and capital</b>				
Insurance funds	7,017,711	8,284,042	3,375,274	3,798,793
Other liabilities	19,817,660	16,846,152	12,791,988	6,808,479
Share capital	4,115,436	2,743,624	2,438,777	2,438,777
Share premium	387,826	387,826	1,458,867	1,458,867
Reserves	9,132,524	8,843,087	8,499,245	14,567,455
<b>Total liabilities and reserves</b>	<b>40,471,157</b>	<b>37,104,731</b>	<b>28,564,151</b>	<b>29,072,371</b>

# FIVE-YEAR FINANCIAL SUMMARY



## Company

	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2006 N'000
<b>Results</b>					
Gross premium written	14,207,700	24,817,360	21,714,605	15,114,579	4,528,803
Net Premium written	8,698,205	8,963,306	9,000,175	7,413,630	3,956,169
Premium earned	8,698,205	8,963,306	7,602,386	7,132,784	2,439,651
Profit before taxation	2,038,439	1,470,749	1,332,397	1,208,561	727,478
Taxation	(636,585)	(468,279)	(225,151)	(181,315)	(85,987)
Profit after taxation	1,401,854	1,002,470	1,107,246	1,027,246	641,491
Dividend declared	400,000	292,651	500,000	100,222	125,000
Earnings per share (k)	17	18	23	23	33
Dividend per share (k)	7	6	10	2	6
<b>Balance sheet</b>					
<b>Assets</b>					
Current assets	10,787,560	12,599,760	5,270,610	5,659,956	3,088,407
Investments	24,965,605	20,654,039	20,372,960	20,372,960	6,730,402
Statutory depositss	520,000	520,000	520,000	520,000	35,000
Fixed assets	2,752,106	1,863,952	1,207,022	798,282	434,426
<b>Total assets</b>	<b>39,025,271</b>	<b>35,637,751</b>	<b>27,370,592</b>	<b>27,351,198</b>	<b>10,288,236</b>
<b>Liabilities and capital</b>					
Insurance funds	7,017,711	8,284,042	3,375,274	3,798,793	2,145,818
Other liabilities	18,906,129	15,699,567	11,656,320	5,296,518	3,413,270
Share capital	4,115,436	2,743,624	2,438,777	2,438,777	975,409
Share premium	387,826	387,826	1,458,867	1,458,867	236,108
Reserves	8,598,169	8,522,692	8,441,354	14,358,243	3,517,631
<b>Total liabilities and reserves</b>	<b>39,025,271</b>	<b>35,637,751</b>	<b>27,370,592</b>	<b>27,351,198</b>	<b>10,288,236</b>