

## Our Core Values

☐ **PROFESSIONALISM**

☐ **RELATIONSHIP**

☐ **INTEGRITY**

☐ **ZEAL**

☐ **EXCELLENCE**

*We are what we have...*

The background of the slide is a blurred image of a hand holding a pen, poised to write on a document. The document contains a table with several columns and rows of text, though the details are out of focus. The overall color scheme is a deep red or maroon.

## OUR VISION

To be the leading Provider of Insurance and Other Financial Services of International Standard.

## OUR MISSION

To provide quality Insurance and Other Financial Services to our Clients, using Technology, Highly Skilled and Motivated Team thereby delivering Exceptional Returns to All Stakeholders.

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## Board of Directors

**UGO, (Dr.)  
OBI RALPH EKEZIE**

Dr. Ralph Ekezie, the Chairman of the Company is a professional petroleum engineer and has been a key player in the oil industry for years. He was a former Managing Director of Schlumberger, a multinational oil firm and currently the Managing Director of Drillog Petro-Dynamics Ltd, an oil services company with offices in Nigeria and Texas, USA.

Dr Ekezie was until recently the Chairman Indigenous Petroleum Technologists Association of Nigeria. Currently he is the Chairman of the Association's board of trustees.

Chief Ekezie has made outstanding contributions to the education and industrial sectors of the Nigerian economy. He was Chairman of Hallmark Assurance Plc, and has many years experience in Management and International Economics.

**TONY ALETOR**

Mr. Anthony Aletor is the Vice Chairman of the Company. He is a versatile financial services player, and is currently the Group Managing Director of Capital Express Group which comprises Capital Express Insurance Company Limited, Capital Express Securities Limited, CAPEX Medicare Limited and UTIB Insurance Brokers Limited.

Mr. Aletor holds a B. Sc degree in Insurance from University of Lagos and MBA from University of Ibadan. He is an Associate of the Chartered Insurance Institute, London and Nigeria as well as a dealing clerk of The Nigerian Stock Exchange.

He started his insurance career with Sentinel Assurance Company Limited as the Head of Production Unit. He later moved to Crusader Insurance Company Plc and within a space of two years, rose from the position of Branch Manager to Regional Manager, South West. In 1992, he became the Managing Director of UTIB Insurance Brokers Limited. Mr. Aletor is a Chartered Insurer and Investment Analyst with cognate experience spanning over two (2) decades, and he is also a major player in the Nigerian Insurance Industry.

**EDDIE EFEKOHA**

Mr. Efekoha is the Managing Director/Chief Executive Officer of Consolidated Hallmark Insurance Plc. He holds a Bachelor of Science degree in Insurance and a Masters degree in Business Administration both from the University of Lagos.

Since graduation Eddie worked in various capacities at Everyman Insurance Brokers, Hogg Robinson Nigeria, and Glanvill Enthoven & Co (Nig.) where he left as Executive Director (Technical) in 1997 to pioneer the effective take off of Fountain Insurance Brokers Ltd as its Managing Director/Chief Executive.

A Fellow of both the Chartered Insurance Institutes of London and Nigeria, Eddie has attended several local and international courses in both Insurance and Management.

He was the Vice Chairman/CEO of Consolidated Risk Insurers Plc before his current appointment.

**NZE (DR.)  
CLEMENT MADUAKO, (MFR)**

Nze Maduako, a renowned industrialist and businessman is a past president of the National Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA).

A philanthropist, he has also been the Chairman of Eastern Bulkem Company Ltd, Chairman and Proprietor, Binez Hotels Ltd Aba and President Aba Shippers' Association, among other formidable organizations.

Nze Maduako is widely traveled with extensive business trips having taken him to practically all corners of the globe.

**OBASHOLA ALO**

Mr. Obashola Alo is the Executive Director (Operations) of Consolidated Hallmark Insurance Plc.

A 1983 graduate of the University of Lagos, He holds a Masters Degree in International Relations as well as MBA also from the University of Lagos. Alo is also an Associate of the Chartered Insurance Institute of Nigeria.

He started his insurance career at Leadway Assurance Co. Ltd where he rose to become the National Agency Manager in 1989. Other notable establishments he worked include Afribank Insurance Brokers where he held top positions that culminated in his appointment as a Regional Manager Eastern Operations.

In 2001, Mr Alo joined the Central Insurance Company as the Assistant General Manager in charge of Marketing and Business Development, and thereafter became the Managing Director/CEO of First Assurance Plc. He was Managing Director/CEO of Hallmark Assurance Plc, a company he helped to reengineer and reposition, from July 2004 to March 2007, until his current appointment.

**DR. LAYI FATONA**

Dr Fatona is a Petroleum Geologist and was formerly the President of Geotrex Systems Limited, a foremost indigenous Exploration and Production consulting company. He was previously with the Shell Petroleum Development Company of Nigeria Limited.

He is widely consulted by Nigerian and foreign oil companies, and is a Past President and Fellow of the Nigerian Association of Petroleum Explorationists (NAPE). A certified Petroleum Geologist of the American Association of Petroleum Geologists (AAPG). He is the Chief Executive officer of Niger Delta Petroleum Resources Ltd.

**CHIEF BEN IKEJIAKU**

Chief Benson Chukwuma Ikejiaku, a director of Consolidated Hallmark Insurance Plc is a Professional Accountant of many years standing.

He started his Accounting Career in 1961 as an Accounts Clerk with the Eastern Nigeria Development Corporation in Enugu and thereafter worked in formidable organizations including the Nigerian Construction and Furniture Company Limited, Nigergas Co.Ltd, Emene Enugu, and Hardel and Enic Nigeria Limited, where he served as the Group Financial Controller and later Financial Director between 1984 to 2001.

Chief Ikejiaku is a graduate of the West Bromwich College of Science and Technology, England and the Brunel University, London's Pacific States University European Summer Residential Programme, where he obtained a 1987 Masters Degree in Business Administration (MBA).

He is a Fellow of the Association of Chartered Certified Accountants (FCCA), and Fellow, Institute of Chartered Accountants of Nigeria (FCA), amongst other professional laurels.

**FRIDAY  
AKPOME EBOJOH**

Mr Ebojoh holds a Bachelor of Science degree in Accounting from the University of Lagos and he is an Associate member of the Institute of Chartered Accountants of Nigeria.

He has over thirteen years of varied work experience in the Banking and Finance sector and until recently was the Assistant General Manager/Head, Money & Capital Market Group of New Nigeria Bank Plc.

Mr Ebojoh has attended several local and international courses including the Integrated Financial Management Program in London, United Kingdom. He brings to the board his diverse experience from the financial sector.

**PAT AZURUNWA**

Pat's Insurance career started in 1990 as a Youth Corper at Foresight Insurance Brokers. He rose to the level of a Manager in 1996 before joining UTIB Insurance Brokers Ltd., first as Coordinator and later as GM/COO, a position he occupied until September, 2004 when he teamed up with Capital Express General Insurance Ltd as Chief Operating Officer. He returned to UTIB Insurance Brokers Ltd in September, 2006 as CEO.

A Business Manager by training and education, he is an Associate Member of The Chartered Insurance Institute of Nigeria (CIIN), The Chartered Institute of Arbitrators (U.K), The Nigeria Council of Registered Insurance Brokers (NCRIB) and The Nigerian Institute of Management.

He holds the MBA degree (specializing in Insurance & Risk Management) of ESUT Business School, Enugu and is greatly exposed to all aspects of risk identification, analysis and management. A Rotarian, Mr Azurunwa has published various articles on Risk Management, Planning, SMEs, and has attended several local and international courses cutting across Arbitration, Management, Corporate Finance and Insurance.

**SUNNY OBIDEGWU**

Sunny Chukwudi Obidegwu is a 1981 graduate of the State University of New York, Buffalo, where he obtained a Bachelor of Science Degree in Business Administration.

In 1983, Mr Obidegwu received a Master of Science Degree (M.Sc, Magna Cum Laude) from the University of New Haven, West Haven, Connecticut, U.S.A.

His working career has taken him through International and Local Establishments commencing with the State of Connecticut U.S.A as a Revenue Examiner between 1983 to 1984. Mr. Obidegwu has also worked in Eastern Bulkem Ltd manufacturers of Eagle Cement), Continental Merchant Bank Ltd, Manufacturers' Merchant Bank Ltd, and lately, in Sunthel Trust Ltd, an integrated financial management and consultancy firm where he has been piloting affairs as Chief Operating Officer from 2003 to date.

Mr. Obidegwu is currently a director of Transglobe Investment and Finance Company (a member of the Nigerian Stock Exchange).



Consolidated Hallmark Insurance Plc (RC168762) is the product of the recent merger of three companies: CONSOLIDATED RISK INSURERS Plc (RC Number 168762), HALLMARK ASSURANCE Plc (RC Number 37822) and the NIGERIAN GENERAL INSURANCE COMPANY Limited (RC Number 858).

Following a successful recapitalisation and merger process, Consolidated Hallmark Insurance Plc was issued a License to Continue as an Insurer by the National Insurance Commission (NAICOM) with effect from 28th February, 2007.

The company was recently listed on the trading floor of the Nigerian Stock Exchange has a Board of Directors made up of a crop of high profile and experienced professionals from the oil industry, manufacturing, and the financial services sector of the economy.

Consolidated Hallmark Insurance Plc is propelled by the application of customised information technology systems in our chosen areas of both General and Special Risks Insurance with strategic focus on the following identified sectors:

- Banks and other Financial Institutions
- Manufacturing and/or Conglomerate
- Construction
- Public Sector
- Oil and Gas
- Information Technology
- Automobile and Transport
- Fire
- General Accident
- Motor Vehicle
- Marine & Aviation
- Oil & Gas
- Engineering
- Bonds, Credit Guarantee and Surety-ship
- Miscellaneous insurance business excluding Life
- Risk management and advisory services.

### What We Offer

We are adequately equipped with high quality human capital and the requisite technology to competitively offer perfect, consistent and analytic services to our customers in the following classes of insurance:



# Notice of AGM

NOTICE IS HEREBY GIVEN that the 13th Annual General Meeting (AGM) of CONSOLIDATED HALLMARK INSURANCE Plc will hold as follows:

**DATE:** TUESDAY, JULY 29, 2008

**VENUE:** Protea Hotel, Nike Lake Resort, Nike Lake Road, Enugu, Enugu State

**TIME:** 11.00AM

## ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statement for the year ended December 31, 2007 together with the reports of the Directors, Auditors and Audit Committees thereon;
2. To elect Directors;
3. To Authorize the Directors to fix the remunerations of the Auditors;
4. To approve the remuneration of the Directors;
5. To elect members of the Audit committee in accordance with section 359(4) (5) of the Companies and Allied Matters Act, Cap C20, 2004

## SPECIAL BUSINESS

To consider and if thought fit to pass the following resolution as a special resolution:

1. Authorizing the Directors to raise additional capital from the Capital market, foreign or other institutions. That the Directors be and are hereby authorized to raise capital from the capital market, foreign or other institutions by way of equity, bonds convertible loans and other debt instruments for such amount as may be required from time to time, with or without the option of converting such bonds or other debt instrument to ordinary shares of the company upon such terms as the Directors may deem fit, or issuing ordinary shares of the company upon such Terms and conditions as the Directors may deem fit subject to necessary regulatory approvals.

## Notes:

### PROXY:

A member of the company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy needs not be a member of the company. Executed form of proxy should be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting. To be effective, the proxy form should be duly stamped and signed.

### AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act 1990, a nomination (in writing) by any member or shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the Annual General Meeting. The Audit Committee shall consist of equal number of Directors and representatives of shareholders i.e. three shareholders and three Directors.

Dated this 3rd day of July, 2008

### BY ORDER OF THE BOARD.

  
L. CHIDI ILOGU ESQ.

### PP: FOUNDATION CHAMBERS.

(Company Secretaries)



### MAJOR PROFIT AND LOSS ACCOUNT ITEMS

	2007 N	2006 N
Gross Premium	1,506,209,059	508,368,380
Re insurance	62,047,794	34,945,598
Unexpired Premium	467,580,141	23,656,015
Earned Premium	976,581,124	449,766,767
Investment and Other Income	164,316,902	68,865,454
Profit Before Tax	237,089,706	87,334,978
Profit After Tax	230,006,854	56,870,710

### MAJOR BALANCE SHEET ITEMS

Total Assets	4,651,673,431	1,148,296,708
Investments	1,476,105,171	723,096,145
Share Capital	3,000,000,000	665,155,330
Contingency Reserves	94,601,178	47,183,236
Insurance Funds	675,711,250	179,098,270
No of 50k ordinary shares issued	6,000,000,000	1,330,310,660

### PER SHARE DATA

Basic Earnings (k)	3.83	4.27
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# Chairman's Statement

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*"I am happy to report here that your company has...emerged from its merger a stronger and more formidable institution..."*

Distinguished shareholders, I am delighted to welcome you all to the 13th Annual General Meeting of your company, Consolidated Hallmark Insurance Plc.

This is another historic event in the life of your company as this is the first AGM holding after the merger of the three legacy companies that formed the present Consolidated Hallmark Insurance Plc. Corporate merger failure rate has been estimated to be from 65 to 85 percent, but I am happy to report here that your company has rather emerged from its merger a stronger and more formidable institution ready to take the insurance business in Nigeria to the next level. I salute all stakeholders who have made this possible.

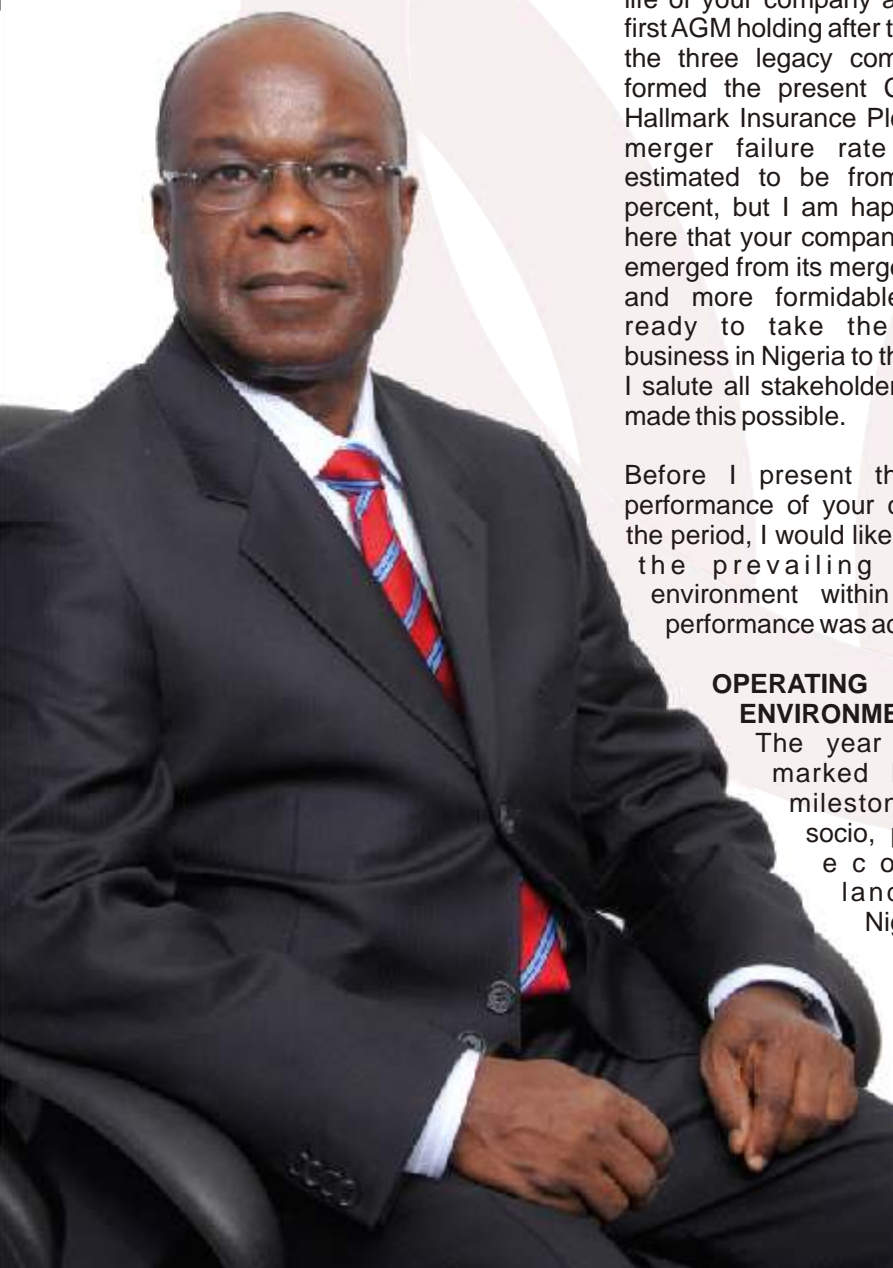
Before I present the financial performance of your company for the period, I would like to reflect on the prevailing business environment within which the performance was achieved.

## OPERATING ENVIRONMENT

The year 2007 was marked by various milestones in the socio, political and economic landscape of Nigeria. There

was a successful handover of power from the civilian government led by Chief Olusegun Obasanjo to another civilian government led by President Umar Musa YarAdua. The election exercise was relatively peaceful but marked by a floodgate of election petitions and court to actions that created a lot of uncertainty for the better part of the year. Oil prices continued to increase. As of November 21, 2007 oil prices rose to a new high of \$99.29 per barrel. This has impacted positively on the Nigerian economy, being a major oil exporting country. However, the crisis in the Niger Delta region, marked by spates of kidnapping and attack on oil installations remain a major challenge both to the image of the country and its output capacity.

The Domestic Macroeconomic environment was stable in 2007. The single-digit inflation rate was sustained for the year. From 8.5% as at the end of December 2006, the year on year inflation closed at 6.6% in 2007. The foreign exchange and domestic financial markets remained very active, orderly and marked by a high rate of returns. These good reports if sustained lend support to the prediction by Goldman Sachs that Nigeria is currently on target to be within the global top 25 economies by 2020.





### **INSURANCE RECAPITALISATION:**

The year 2007 was a turning point in the annals of insurance business in Nigeria as the deadline set to achieve new capital base expired on February 28, 2007. This was part of the government led reform agenda to ensure healthy and financially strong institutions. Minimum capital to operate as an Insurance company in Nigeria was raised by over one thousand percent.

Your company was able to meet the new capital requirement but not without lots of work and loss of business to older companies and those whom the market perceived as being able to survive the government reform. This was what culminated in the merger of our three legacy companies; Consolidated Risks Insurers Plc, Hallmark Assurance Plc, and the Nigerian General Insurance Company Ltd. to form what is today known as Consolidated Hallmark Insurance Plc. The number of insurance and reinsurance companies was pruned from 114 to 49. The consolidation of your company was one of the most seamless in the industry as it quickly heralded a re-branding exercise that has been widely acknowledged as the first, post-consolidation.

### **BRANCH EXPANSION**

Shortly after the launching of the new corporate identity, your company embarked on a rapid branch expansion initiative that has since led to its presence in all the key geopolitical zones of the country North-East, North-West, North-Central, South-South, South-East, South West, and a strategic business presence in Lagos. The branch network has thus grown to 22 nationally, in addition to various business units servicing key segments of the business community in Lagos.

### **STOCK EXCHANGE LISTING**

On the 22nd of February 2008, your company was listed on the trading floor of the Nigerian Stock Exchange. This is part of the plan to ensure access to capital to pursue our medium to long term expansion programmes. I am happy to report that post listing, your company's shares are being actively traded and have been doing well in terms of capital appreciation.

### **OPERATING RESULTS**

In spite of the increasing competition in the insurance sector buoyed by the availability of higher operating

capital, your company was able to generate a gross premium income of N1.5billion which is a 196% growth over the N0.5billion generated in the corresponding period of 2006. Profit Before Tax also increased by 171% from N87million in 2006 to N237million in the period under review. The total Balance Sheet as at the close of the year was N4.6billion as against N1.1billion in 2006. The focus is to continue to grow the balance sheet in the coming years to further position your company to participate in big ticket insurance transactions particularly from the oil and energy, power, maritime and aviation sectors of the economy.

### **INFORMATION & COMMUNICATIONS TECHNOLOGY**

Information Technology would continue to play a key role in our business. Therefore, a lot of investment and innovative thinking is being deployed in order to leverage on technology to deliver quality service to our customers. Practically all our processes are automated. Also, the regional offices at Abuja and Port Harcourt

# Chairman's Statement (cont'd)

have been linked real-time online with the Head Office and Control Office to facilitate quick communication and transaction processing. The target is to link additional branches across the country as soon as possible. We are closely following developments in the IT world to ensure that we take advantage of available technologies to satisfy the needs of our customers.

## CORPORATE SOCIAL RESPONSIBILITY/AWARDS

In fulfilment of its corporate social responsibility, your company sponsored and embarked on a road show with the Federal Road Safety Corps (FRSC) on their end of year Road Safety campaign to enlighten drivers and road users on avoiding accidents on our highways. Also, the Ota-Agbara Chamber of Commerce, Industries, Mines and Agriculture, OTAGCIMMA, conferred on your company, the award of Insurance Company of the year, 2007 in recognition of excellent services delivery to members of the chamber.

## FUTURE OUTLOOK

The economic environment continues to grow, with the gradual re-emergence of the middle class through increased access to credit and improvement in disposable

income for the acquisition of insurable assets. I firmly believe that our company's success will continue to depend on putting the customers first and knowing exactly how to best serve them. Consequently, Research and Developments efforts have been directed at simplifying the way insurance services are delivered to the existing clients and prospects.

Permit me to share with you some of the future plans of your company. First of all, we plan to consolidate on our position to increase our reach in the local market. Our branch expansion would be pursued more relentlessly and in a focused manner. In addition, we are exploring possibility of expanding into other West African markets. We would also explore available strategic alliance to reach existing and potential markets. We already have in place partnership with some banks to market our auto related insurance policies. We also intend to diversify into other financial services areas, such as Asset/Portfolio Management, Property Development and Mortgage Banking. Our focus would be to pursue strategic investments that would support our core business of insurance.

You will appreciate that the growth agenda enumerated above would require adequate funding to prosecute.

Therefore, part of the special resolution that would be presented at this AGM is to empower the Board to raise fresh capital as would be necessary with minimal administrative bottlenecks. I therefore count on you to generously support the motion whenever it comes up for consideration.

## CONCLUSION

I want to at this juncture express my deepest appreciation to my fellow members on the Board, Management and staff for their resilience and ingenuity during the challenging period of our merger and thereafter. I also want to thank all our customers and insurance agents and brokers who continued to entrust their businesses to us despite all the odds. My appreciation goes to all shareholders who continued to invest in us. I have no doubt in my mind that we have put in place an institution of a world class standard and with capacity to continue to deliver good returns to all stakeholders in the future.

Thank you



**Ugo (Dr.) Obi Ralph Ekezie**  
*Chairman, Board of Directors*

July, 2008.

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# Management Team

**EDDIE EFEKOHA**

Managing Director/Chief Executive Officer



Mr. Efekoha is the Managing Director/Chief Executive Officer of Consolidated Hallmark Insurance Plc. He holds a Bachelor of Science degree in Insurance and a Masters degree in Business Administration both from the University of Lagos.

Since graduation Eddie worked in various capacities at Everyman Insurance Brokers, Hogg Robinson Nigeria, and Glanvill Enthoven & Co (Nig.) where he left as Executive Director (Technical) in 1997 to pioneer the effective take off of Fountain Insurance Brokers Ltd as its Managing Director/Chief Executive.

A Fellow of both the Chartered Insurance Institutes of London and Nigeria, Eddie has attended several local and international courses in both Insurance and Management.

He was the Vice Chairman/CEO of Consolidated Risk Insurers Plc before his current appointment.

**OBASHOLA ALO**

Executive Director, Operations



Obashola Alo is the Executive Director (Operations) of Consolidated Hallmark Insurance Plc.

A 1983 graduate of the University of Lagos, He holds a Masters Degree in International Relations as well as MBA also from the University of Lagos. Alo is also an Associate of the Chartered Insurance Institute of Nigeria.

He started his insurance career at Leadway Assurance Co. Ltd where he rose to become the National Agency Manager in 1989. Other notable establishments he worked include Afribank Insurance Brokers where he held top positions that culminated in his appointment as a Regional Manager Eastern Operations.

In 2001, Mr Alo joined the Central Insurance Company as the Assistant General Manager in charge of Marketing and Business Development, and thereafter became the Managing Director/CEO of First Assurance Plc. He was Managing Director/CEO of Hallmark Assurance Plc, a company he helped to reengineer and reposition, from July 2004 to March 2007, until his current appointment.

**BODE OPADOKUN**

General Manager, Energy and Special Risks



Bode is a graduate of Insurance from the Lagos State Polytechnic and has a Masters degree in Business Administration from Delta State University. He is an Associate member of the Chartered Insurance Institutes of London and Nigeria. He started his career with Cornerstone Insurance Plc. in 1991.

A prudent underwriter and an effective marketer, Bode has attended several local and international courses in technical, marketing and management including 'Siyafunda Property and Engineering Course in Swiss Reinsurance, Jo'Bourg, South Africa. Until his appointment as General Manager, Energy and Special Risks of Consolidated Hallmark, Bode had worked as a pioneer executive management staff of First Chartered Insurance Company Limited from where he crossed over to Consolidated Risks Insurers Plc.

**MAC EKECHUKWU**

General Manager, Risk Management



Mac Ekechukwu, the General Manager, Risk Management of Consolidated Hallmark Insurance Plc holds both the Post Graduate Diploma (PGD) and Masters of Business Administration (MBA) of the Enugu State University of Science & Technology.

He is also an Associate of the Chartered Insurance Institute of Nigeria (ACII) and a prize winner of the Institute as one of the first two graduates in 1992.

In 1984, he started his career with Eagle Insurance Brokers where he rose to the position of Assistant General Manager and Chief Operations Officer (AGM/COO) before joining Elmac Assurance Nigeria Ltd as Senior Manager (Marketing) in 1999.

In 2001 he moved to Guinea Insurance Plc as AGM (Technical) and later AGM (Operations) in 2002. Mac joined the services of Hallmark Assurance Plc in 2004 as Executive Director Operations, a position he held till his recent appointment as General Manager Risk Management in Consolidated Hallmark Insurance Plc.

**KOLA ILESANMI**

General Manager, Finance



Kola Ilesanmi is the Company's Group Head, Finance and Accounts. He holds a Masters of Science Degree in Finance (MSC) from Lagos State University, Ojo and a Masters Degree in Business Administration (MBA) from Federal University of Technology, Akure. He is a Chartered Accountant, an Associate of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an Associate of the Certified Pension Institute of Nigeria (CIPN) and a Member of the Association of Business Executives, London. He has attended various life assurance accounting and Management courses.

Mr. Ilesanmi started his working career with ACEN Insurance Company Plc in 1993 as an Account Officer. He left the company in 2001 as a manager to join Standard Life Assurance Company as Financial Controller and Head of Finance & Investment. During his one year stay in Standard Life, he was a capital and money market player, credit and risk analyst, coordinating budget preparation and activities of branches among other things before his exit in December 2002. Kola was head of Finance and Accounts in the Capital Express Insurance Ltd before his appointment as GM Finance in Consolidated Hallmark Insurance Plc



**IJEOMA OKORO (MRS)**  
General Manager, Eastern Operations



Ijeoma Okoro is the General Manager Eastern Operations of C.H.I. She holds a Bachelor of Arts Degree and a Postgraduate Diploma in Management from the University of Calabar and University of Nigeria, Enugu Campus respectively.

Her working experience since 1991 has taken her through organisations like Agro Chemical & Laboratory Co. Limited, Cute Nigeria Limited, Mutual Life and General Insurance Limited, now International Energy Insurance Limited where she handled many key duties including Branch Managers and Head of Energy Desk, Lagos.

She has 12 years experience in the Insurance industry most of which have been at Managerial level. She has attended various trainings on Insurance both locally and International.

She is widely travelled and holds the enviable award, for two consecutive years of Best Rotarian of the Rotary Club of Port Harcourt. She is a Paul Harris Fellow, also holds the Rotary International Four Avenues of Service Citation Award.

**TUNDE DARAMOLA**  
Assistant General Manager, Corporate Planning and Technology



Tunde graduated from the Lagos State Polytechnic in 1994 with a Higher National Diploma in Insurance. He is an Associate member of both the Chartered Insurance Institute of Nigeria and the Institute of Chartered Accountants of Nigeria.

He had a stint with Newline Insurance Company Ltd. as a Marketing Superintendent. He later joined Glanvill Enthoven & Co. (Nig.) Ltd., one of the leading firms of Insurance brokers, where he worked for six years. While at Glanvill, he was directly in charge of the brokerage account of Mobil Producing Nigeria Ltd. (Now Exxon Mobil) and acquired cognate experience in Oil & Gas Insurance management.

Before joining Consolidated Risk Insurers Ltd., Tunde was with Continental Trust Bank Ltd., where he served in the Financial Control & Strategy Department with responsibility for Insurance and Tax Management, external audit, budget and special regulatory reports. Tunde has brought to CHI, a balanced academic and professional exposure, which will add value to the service delivery of the company.

**GBOLAGA ADEYANJU**  
Assistant General Manager, Lagos/Western Operations



Gbolaga Adeyanju, the head of the company's Lagos/Western Operations is a graduate of the Lagos State Polytechnic, and an Associate of both the London and the Chartered Insurance Institute of Nigeria.

A seasoned underwriter, marketer and grounded professional with over 24 years experience in the insurance industry, Mr. Adeyanju is also a member of the society of Fellows, Chartered Insurance Institute, London and Associate of the Nigerian Council of Registered Insurance Brokers.

He started his Insurance Career with Leadway Assurance Limited, where he rose through the ranks, and has since held prominent positions at very top management level in frontline organizations including Standard Trust Assurance Plc, BAICO Insurance Plc, UTIB Insurance Brokers, and Capital Express Insurance Ltd, prior to his recent appointment in Consolidated Hallmark.

**ALHAJI BARIU ABDUL GAFFAR**  
Head, Northern Operations



Abdul Gaffar, the Head, Northern Operations is a holder of Post Graduate Diploma (PGD) in Management from Abubakar Tafawa Balewa University, Bauchi.

His experience in Insurance both in underwriting and marketing spans over a period of 20 years. He started his insurance career effectively with Niger Insurance as a Manager in 1985, from where he moved to Central Insurance (now Linkage) in 1995 where he rose to the position of Regional Manager (North). In 2005, he joined Hallmark Assurance (now Consolidated Hallmark Insurance), where he was saddled with the responsibility of supervising the Northern Operations of the company.

Abdul is a golfer of repute, and has travelled wide both locally and internationally, has also attended various courses in insurance underwriting, marketing and claims processing.



The directors have the pleasure in submitting their reports together with the Company's Audited Financial Statements for the year ended 31st December 2007.

**1 LEGAL FORM**

The company was incorporated on 2nd September 1991 as a private limited liability company under the Companies and Allied Matters Act 1968 and commenced operations in 1992. The Company converted to a public limited company in September 2005 and in 2007 changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc. The company's shares were listed on the floor of The Nigerian Stock Exchange on 22nd February 2008.

**2 PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT**

During the year under review the company engaged in general insurance business and maintained 22 corporate offices.

**3 RESULTS**

	<b>2007 N'000</b>	<b>2006 N'000</b>	<b>change N'000</b>	<b>change %</b>
Gross Premium Written	1,506,209	508,368	997,840	196
Premium Earned	976,581	449,766	526,814	117
Net Claims Paid	197,202	110,341	86,861	78
Management Expenses	469,708	146,554	323,154	220
Underwriting Profit	585,624	274,468	311,156	113
Profit/(Loss) Before tax	237,089	87,334	149,754	171
Profit After Tax	230,006	56,870	173,136	304

**4 DIRECTORS AND THEIR INTERESTS**

- a) The names of the current directors are detailed on page 40
- b) In accordance with the Company's Articles of Association Mr. Sunny Obidegwu, Mr. Friday Ebojoh And Dr. Layi Fatona retired by rotation and being eligible offered themselves for re-election.

# Directors' Report (cont'd)

- c) The direct/ indirect interests of the Directors in the issued share capital of the company as recorded in the register of director's shareholdings at 31st December 2007 are as follows:

Number of shares held:

	DIRECT	INDIRECT
Ugo (Dr.) Obi Ralph Ekezie	370,715,888	NIL
Mr. Anthony Aletor	NIL	1,067,469,970
Mr. Eddie Efekoha	313,890,712	250,330,625
Mr. Obashola Alo	10,000,000	NIL
Dr. Layi Fatona	NIL	21,553,750
Nze (Dr.) C.O.Maduako (MFR)	NIL	1,007,595,254
Chief Ben C. Ikejiaku	22,000,000	NIL
Mr. Pat Azurunwa	NIL	NIL
Mr. Friday Ebojoh	26,625,000	NIL
Mr. Sunny Obidegwu	25,000,000	NIL

## Director

Mr. Anthony Aletor

Dr. Layi Fatona

Nze (Dr.) C.O.Maduako (MFR)

Mr. Eddie Efekoha

## Indirect Interest Represented

Capital Express Insurance Company Limited and  
Capital Express Securities Limited  
Nouveau Technologies Limited  
Maduako Group Limited  
Sephine Edefe Nigeria Limited

## d. Substantial Interest in Shares

Shareholders who held more than 5% of the issued share capital of the company as at 31st December, 2007 were as follows:

Shareholder	Units Held	%
Maduako Group Limited	1,007,595,254	16.79
Capital Express Insurance Co. Ltd.	1,000,000,000	16.67
SPDC West Multipurpose Cooperative	500,000,000	8.33
Ugo (Dr.) Obi Ralph Ekezie	370,715,888	6.17
Mr. Eddie Efekoha	313,890,712	5.23

- e. The range of shareholding as at 31st December 2007 is as follows:

Range of holdings	No of shareholders	No of share holdings	%
1 - 10,000	108	718,090	0.012
10,001 - 100,000	536	33,617,567	0.56
100,001 - 1,000,000	660	265,002,100	4.416
1,000,001 - 10,000,000	203	728,676,112	12.14
10,000,001 - 100,000,000	42	1,176,170,380	19.60
100,000,001 - Above	9	3,795,815,751	63.26
	<b>1,558</b>	<b>6,000,000,000</b>	<b>100.00</b>



### 5. DIRECTORS' RESPONSIBILITIES

The Company's directors are responsible, in accordance with the provisions of Section 334 of the Companies and Allied Matters Act 1990, for the preparation of financial statements which give a true and fair view of the state of affairs of the company as at the year end of each financial year and of its profit and loss and cash flows for the year and that the statements comply with the Insurance Act 2003 and Companies and Allied Matters Act 1990.

In doing so they ensure that:

1. Proper accounting records are maintained
2. Adequate internal control procedures are established which as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularity
3. Applicable accounting standards are followed
4. Suitable accounting policies are consistently applied
5. Judgements and estimates made are reasonable and prudent and consistently applied
6. The going concern basis is used unless it is inappropriate to presume that the company shall continue in business

### 6. FIXED ASSETS

Movement in fixed assets during the year are shown in note 7 on page 31. In the opinion of the Directors the market value of the Company's fixed assets is not lower than the value shown in the financial statements.

### 7. POST BALANCE SHEET

There has been no significant post balance sheet event that could have had a material effect on the financial position of the company as at 31st December 2007

### 8. REINSURANCE ARRANGEMENT

The company had treaty arrangements with the following companies during the year:

African Reinsurance Corporation  
Continental Reinsurance Company Plc

### 9. DONATIONS

Sponsorships and donations during the year amounted to N758,937.00 and were made to the following:

Federal Road Safety Corps (Annual Road Safety Campaign)	301,000
Chartered Insurance Institute of Nigeria	327,937
National Association of Insurance Correspondents	80,000
Catholic Church of the Resurrection Magodo	50,000

### 10. EMPLOYMENT AND EMPLOYEES

#### a) Employment of Disabled Persons

The Company does not discriminate in considering applications for employment including those from disabled persons. However as at 31st December 2007 there was no disabled person in the Company's employment.

#### b) Employees Training and Involvement

The Company ensures that the employees are kept fully informed regarding the company's values, goals, performance and progress. Their views are sought on matters affecting them directly. All officers of the company attend regular meetings and retreats where members of staff critically review the company's performance and recommend solutions to identified problems in order to enhance the flat structure of the company, professionalism and technical expertise among the staff are encourage via regular, continuous and extensive in-house and external training.

# Directors' Report (cont'd)

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**a) Health, Safety and Welfare of Employees:**

The Company strictly observes all safety and health regulations. The Company provides safety equipments at all its premises. Staff medical is handled by Health Management Organisation while subsidies are provided to all categories of staff for their accommodation, transportation, meals etc

## 11 AUDITORS

The Auditors, Pannell Kerr Forster (Chartered Accountants) have indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act 1990.

A resolution will be proposed at the Annual General Meeting to authorise the Directors to fix their remuneration.

By order of the Board

L. CHIDI ILOGU ESQ.

**PP:Foundation Chambers  
(Company Secretaries)**



Accountants &  
business advisors

We have audited the financial statements of **Consolidated Hallmark Insurance Plc** as at 31 December 2007 set out on pages 20 to 39, which have been prepared on the basis of the accounting policies on pages 20 to 23 and other explanatory notes on pages 30 to 37.

## RESPECTIVE RESPONSIBILITY OF DIRECTORS AND AUDITORS

In accordance with the Companies and Allied Matters Act, CAP C20 Laws of Federation of Nigeria 2004 and the Insurance Act, CAP 117 Laws of Federation of Nigeria 2004, the Company's directors are responsible for the preparation of the financial statements. Our responsibility is to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

## BASIS OF OPINION

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

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

The financial statements drawn up in conformity with generally accepted accounting principles and the accounting standards issued to date by the Nigerian Accounting Standards Board are in agreement with the books of account, which in our opinion have been properly kept. We have obtained all the information and explanations we required for the purposes of our audit.

## OPINION

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31 December, 2007 and of the profit and cash flow for the year ended on that date, and have been properly prepared in accordance with the Companies and Allied Matters Act, CAP C20 Laws of Federation of Nigeria 2004 and the applicable Provisions of the Insurance Act of 2003.

*Pamell New Foster*

Chartered Accountants  
Lagos

Date: 12 June 2008



# Report of The Audit Committee

In compliance with section 359(6) of the Companies and Allied Matters Act 1990, we have reviewed the Audit Report for the year ended December 31, 2007 and hereby state as follows:

1. The Scope and planning of the audit were adequate in our opinion;
2. The accounting and reporting policies of the company conformed with statutory requirements and agreed ethical practices;
3. The internal control was being constantly and effectively monitored; and
4. The external auditors' management report received satisfactory response from Management.

**DATED JUNE 12, 2008**



Tony Anonyai  
Chairman, Audit Committee

## **Members of The Committee**

Tony Anonyai  
Tony Ukatu  
Simon Okiatorhoro  
Friday Akpome Ebojoh  
Chief Ben C. Ikejiaku  
Eddie Efekoha



The following are the significant accounting policies adopted by the Company in the preparation of its financial statements. These policies have been constantly applied to all year's presentations, unless otherwise stated.

## 1. BASIS OF ACCOUNTING

- The financial statements are prepared in compliance with Nigerian Statements of Accounting Standards (SAS). The financial statements are presented in the functional currency, Nigeria naira and prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.
- The annual accounting basis is used to determine the underwriting result of each class of insurance business written.

## 2. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are stated at the cost, less depreciation on a straight-line basis over the estimated useful life of the assets, taking into consideration any residual value, excluding the costs of day-to-day servicing.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Assets on lease are accounted for in accordance with the substance and financial reality of the transaction. Depreciation is provided to write off the related assets over the period of the lease. Income from assets on lease is accrued evenly over the respective period of the leases.

## 3. DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT

Depreciation is calculated to write off the cost of property, plant & equipment during their expected useful lives on a straight-line basis. In the case of revalued property, plant & equipment, depreciation is calculated by reference to the enhanced value of the assets concerned. The principal annual rates of depreciation, which are consistent with those of previous years, are:

Buildings-2%  
Furniture, Fittings & Equipment-15%  
Computers-15%  
Motor Vehicles-20%  
Office Equipment -15%

Depreciation is not calculated on property, plant & equipment until they are brought into use. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

## 4. PROVISION FOR UNEXPIRED RISKS

Reserves for unexpired risks are those proportions of the premiums written in a year, less re-insurance, that relate to the period of risks from January in the following accounting year to the subsequent date of expiry of the policies and have been computed in accordance with Section 20(1)(a) of the Insurance Act 2003, which stipulates that provision for unexpired risk shall be Calculated on a time apportionment basis of the risks accepted in the year.

# Statement of Accounting Policies (cont'd)

FOR THE YEAR ENDED 31 DECEMBER, 2007

## 5. PROVISION FOR OUTSTANDING CLAIMS/INCURRED BUT NOT YET REPORTED

Full provision is made for the estimated amount of outstanding claims notified but not settled at the date of the balance sheet, Less reinsurance recoveries, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported (IBNR) until after the balance sheet date on the basis of claims notified but not settled in compliance with the provisions of Section 20(1) (b) of the Insurance Act 2003. Similarly, provisions are made for "unallocated claims expenses" being the estimated administrative expenses that will be incurred after the balance sheet date in settling all claims outstanding as at the date, including IBNR. Differences between the provisions for outstanding claims at a balance sheet date and the subsequent settlement are included in the revenue Account of the following year.

## 6. CONTINGENCY RESERVE

Contingency reserve has been calculated at 3% of the total premium or 20% of the Net Profit before tax which ever is greater in accordance with Section 21(2) of the Insurance Act 2003 until the accumulated reserve reaches the amount of the minimum paid-up capital or 50 per centum of the net premiums (which ever is greater).

## 7. FOREIGN CURRENCIES TRANSLATION

The financial statements are presented in Naira, which is the Company's functional and presentation currency. Income and expenses denominated in foreign currencies are translated to the Naira at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency balances are converted to the Naira at the applicable rates of exchange ruling at the balance sheet date. Any profits or loss arising on the conversion of foreign currencies is included in the profit and loss account.

## 8. INVESTMENTS

Long-term investments are stated at cost or revalued amount on Balance Sheet date while short term investments are stated at cost less provision for diminution in values.

No provision is made for diminution in the market value of government securities as it is the Company's policy to hold such Securities until maturity.

## 9. INVESTMENT INCOME

Interest and rental income are shown gross and are accounted for on accrual basis. Dividends are Accounted for on the basis of the amounts actually received during the year.

## 10. DEBTORS

Debtors are recognized and earned at the original invoice amounts less an allowance for any uncollectible amounts. Specific provision is made where there is objective evidence that the collection of any debt is considered doubtful. Debts considered irrecoverable are written off.



### 11. EMPLOYEES' RETIREMENT BENEFITS

#### Pension Fund Scheme

The Company operates a defined contributory retirement benefits scheme for members of staff, which is independent of its finances and is managed by Pension Fund Administrators. The Scheme, which is funded by contributions from employees (7½%) and the Company (7½%) is consistent with the provisions of the Pension Reform Act 2004. The company's contribution in each year is charged against income and is included in staff cost.

### 12. TAXATION

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax and deferred income/capital gains tax.

#### i) Income Tax

Income tax payable is provided by applying the currently enacted tax rates on the profit of the Company as adjusted for taxation purposes.

#### ii) 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 income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates and tax laws that have been enacted at the balance sheet date.

#### iii) Capital Gain Tax

Capital Gain Tax is included in the tax expenses for the period to which it relates. Capital Gain Tax relating to a disposal of an extra ordinary item is deducted from such item.

#### iv) Value Added Tax

Non recoverable VAT paid in respect of an item of expenses is expensed. Non recoverable VAT paid in respect of property, plant & equipment is capitalized as part of the cost of the property, plant and equipment.

The net amount owing to or due from the tax authority is included in the recoverable VAT outstanding for over three years is fully provided for output VAT is excluded from the turnover Shown in the profit and loss account.

#### v) Withholding Tax

The withholding tax credit is used to set off against income tax payable. Tax credit, which is considered irrecoverable, is written off as part of the tax charge for the year.

### 13. CLAIMS

Claims paid are stated alongside amounts recoverable from re-insurers.

# Statement of Accounting Policies (cont'd)

FOR THE YEAR ENDED 31 DECEMBER, 2007

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## 14. MAINTENANCE EXPENSES

Maintenance expenses are apportioned amongst the various classes of insurance business on the basis of net premium earned in each class.

## 15. PREMIUM

Full credit is taken for premium receivable upon the issuance of the related policies.

## 16. COMMISSION

Commissions are accounted for in the profit and loss account in the period they are incurred and calculated on a time basis of the risks accepted in the year.

## 17. PROVISIONS

Provisions is recognized when the Company has present obligation, whether legal or constructive, as a result of a past event for which it is possible that an outflow of a resources embodying economic benefit will be recognized to settle the obligation in accordance with the statement of Accounting Standard (SAS23).

## 18. CASH AND CASH EQUIVALENT

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand; cash balances with banks and bank overdrafts.

## 19. DIVIDEND PAYABLE

Proposed dividends for any year, is recognized as a liability after the balance sheet date when Declared and approved by shareholders at the Annual General Meeting.

## 20. BUSINESS COMBINATION

With effect from 1 March 2007, Consolidated Risk Insurers Plc combined its business with that of Hallmark Assurance Plc and Nigerian General Insurance Co. Ltd. to form Consolidated Hallmark Insurance Plc. In accounting for the business Combination, the Company adopted the purchase method with Consolidated Risk Insurers Plc being the acquirer.

## 21. GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of a merging entity at the date of acquisition. Goodwill is recognized as an asset but to be tested for impairment annually and /or more frequently depending on events and circumstances.

## 22. CAPITAL RESERVE

Capital reserve arising on consolidation represents the shortfall between the cost of acquisition over the fair value of the identifiable assets and liabilities of a merging entity at the date of acquisition and Recognized as part of shareholders fund.





# Balance Sheet

AS AT 31 DECEMBER, 2007

	NOTES	2007 N	2006 N
<b>ASSETS</b>			
Cash and Bank Balances	2	66,713,191	23,154,579
Short term Investments	3a	1,367,509,491	670,749,263
Debtors & Prepayments	4	840,818,418	295,756,003
Deferred Acquisition Expenses	5a	86,104,764	14,041,511
Long term Investments	3b	108,595,680	52,346,882
Statutory Deposits	6	300,000,000	20,000,000
Fixed Assets	7	1,881,931,887	72,248,470
<b>TOTAL ASSETS</b>		<b>4,651,673,431</b>	<b>1,148,296,708</b>
<b>LIABILITIES</b>			
Creditors & Accruals	8	20,510,896	15,050,787
Insurance Funds	9	675,711,250	179,098,270
Taxation	22b	176,057,011	43,896,399
Deferred Taxation	22c	42,746,700	9,517,024
		915,025,857	247,562,480
<b>Shareholders' Funds</b>			
Share Capital	10	3,000,000,000	665,155,330
Bonus Issue Reserve	12	-	158,370,317
Statutory Contingency Reserve	13	94,601,178	47,183,236
Fixed Assets Revaluation Reserve	14	24,811,148	24,811,148
Investment Revaluation Reserve	15	15,119,563	1,306,644
Capital Reserves	16	415,619,220	-
Revenue Reserve	17	186,496,465	3,907,553
		3,736,647,574	900,734,228
		<b>4,651,673,431</b>	<b>1,148,296,708</b>

Approved by the Board on June 12, 2008

  
 ----- }  
  
 ----- } DIRECTORS

The accounting policies on pages 20 to 23 the notes on pages 30 to 37 form part of these accounts.

# Profit and Loss Account

FOR THE YEAR ENDED 31 DECEMBER, 2007



	NOTES	2007 N	2006 N
<b>GROSS PREMIUM INCOME</b>	<b>19</b>	1,506,209,059	508,368,380
<b>PREMIUM EARNED</b>	<b>20a</b>	976,581,124	449,766,767
Commissions Received		12,150,231	8,008,171
		<u>988,731,355</u>	<u>457,774,938</u>
<b>LESS:</b>			
Claims Incurred		197,202,816	110,341,285
Underwriting Expenses	<b>20b</b>	205,904,027	72,965,507
		<u>403,106,843</u>	<u>183,306,792</u>
<b>UNDERWRITING PROFITS</b>	<b>20a</b>	585,624,512	274,468,146
Investment income	<b>21a</b>	159,891,868	57,058,508
Other Income	<b>21b</b>	4,425,034	11,806,946
		<u>749,941,414</u>	<u>343,333,600</u>
<b>DEDUCT:</b>			
Management Expenses		469,708,245	146,554,039
Provision for Bad and Doubtful Debts		43,143,463	109,444,583
		<u>512,851,708</u>	<u>255,998,622</u>
<b>PROFIT ON ORD. ACTIVITY BEFORE TAX</b>		237,089,706	87,334,978
Income Taxation	<b>22b</b>	(34,767,482)	(27,325,163)
Deferred Taxation	<b>22c</b>	27,684,630	( 3,139,105)
<b>PROFIT AFTER TAX</b>		230,006,854	56,870,711
Statutory Contingency Reserve	<b>13</b>	47,417,942	17,466,996
		<u>182,588,912</u>	<u>39,403,715</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>	<b>17</b>	<u>182,588,912</u>	<u>39,403,715</u>
Basic Earnings Per Share (K)	<b>27</b>	3.83	4.27

The accounting policies on pages 20 to 23 the notes on pages 30 to 37 form part of these accounts.



## Revenue Accounts FOR THE YEAR ENDED 31 DECEMBER 2007

	FIRE N	GEN. ACCDT. N	MOTOR N	AVIATION N	OIL & GAS N
<b>INCOME</b>					
Direct Premium	114,662,577	479,878,473	677,944,543	1,228,029	19,565,336
Inward Reinsurance Premiums	250,306	463,135	499,831	-	-
<b>Gross Written Premium (Note 19)</b>	<u>114,912,883</u>	<u>480,341,608</u>	<u>678,444,374</u>	<u>1,228,029</u>	<u>19,565,336</u>
Deduct:					
Outward Reinsurance Premiums	9,873,784	18,301,132	20,738,729	-	-
<b>Net Written Premiums</b>	<u>105,039,099</u>	<u>462,040,476</u>	<u>657,705,645</u>	<u>1,228,029</u>	<u>19,565,336</u>
(Increase)/Decrease in Unexpired Risks Provision	(39,464,219)	(171,343,627)	(246,279,139)	-	(2,863,354)
<b>Premiums Earned</b>	<u>65,574,880</u>	<u>290,696,849</u>	<u>411,426,506</u>	<u>1,228,029</u>	<u>16,701,982</u>
Commission Received	3,294,033	4,352,560	857,700	-	-
<b>TOTAL INCOME</b>	<u>68,868,913</u>	<u>295,049,409</u>	<u>412,284,206</u>	<u>1,228,029</u>	<u>16,701,982</u>
<b>EXPENSES</b>					
Direct Claims Paid	13,318,455	64,803,111	100,441,487	-	250,000
Inward Reinsurance Claims Paid	-	(1,434,384)	145,650	-	-
<b>Gross Claims Paid</b>	<u>13,318,455</u>	<u>63,368,727</u>	<u>100,587,137</u>	<u>-</u>	<u>250,000</u>
Deduct Reinsurance Claims Recoveries	-	(11,117,260)	(3,048,534)	-	-
<b>Net Claims Paid</b>	<u>13,318,455</u>	<u>52,251,467</u>	<u>97,538,603</u>	<u>-</u>	<u>250,000</u>
Increase/ (Decrease) in Outstanding Claims Provision	(1,135,966)	25,359,079	10,715,943	-	-
<b>Claims Incurred</b>	<u>12,182,489</u>	<u>77,610,546</u>	<u>108,254,546</u>	<u>-</u>	<u>250,000</u>
<b>Add underwriting Expenses:</b>					
Acquisition Expenses	14,039,190	57,487,009	56,275,566	176,856	3,340,396
Maintenance Expenses	3,076,817	12,861,249	18,165,493	32,881	523,866
<b>TOTAL EXPENSES</b>	<u>29,298,496</u>	<u>147,958,804</u>	<u>182,695,605</u>	<u>209,737</u>	<u>4,114,262</u>
<b>Underwriting Profit transferred to Profit &amp; Loss Account</b>	<u>39,570,417</u>	<u>147,090,605</u>	<u>229,588,601</u>	<u>1,018,292</u>	<u>12,587,720</u>

The accounting policies on pages 20 to 23 the notes on pages 30 to 37 form part of these accounts.

# Revenue Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

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	MARINE N	ENGINEERING N	BOND N	2007 TOTAL N	2006 TOTAL N
<b>INCOME</b>					
Direct Premium	135,546,008	17,147,026	58,915,327	<b>1,504,887,319</b>	500,463,645
Inward Reinsurance Premiums	108,468	-	-	<b>1,321,740</b>	7,904,735
<b>Gross Written Premium (Note 19)</b>	<u>135,654,476</u>	<u>17,147,026</u>	<u>58,915,327</u>	<u><b>1,506,209,059</b></u>	<u>508,368,380</u>
Deduct:					
Outward Reinsurance Premiums	8,250,072	2,067,759	2,816,318	<b>62,047,794</b>	34,945,598
<b>Net Written Premiums</b>	<u>127,404,404</u>	<u>15,079,267</u>	<u>56,099,009</u>	<u><b>1,444,161,265</b></u>	<u>473,422,782</u>
(Increase)/Decrease in Unexpired Risks Provision	<u>(5,604,936)</u>	<u>(6,931,763)</u>	<u>4,906,897</u>	<u><b>(467,580,141)</b></u>	<u>(23,656,015)</u>
<b>Premiums Earned</b>	<u>121,799,468</u>	<u>8,147,504</u>	<u>61,005,906</u>	<u><b>976,581,124</b></u>	<u>449,766,767</u>
Commission Received	<u>2,320,282</u>	<u>620,328</u>	<u>705,328</u>	<u><b>12,150,231</b></u>	<u>8,008,171</u>
<b>TOTAL INCOME</b>	<u>124,119,750</u>	<u>8,767,832</u>	<u>61,711,234</u>	<u><b>988,731,355</b></u>	<u>457,774,938</u>
<b>EXPENSES</b>					
Direct Claims Paid	3,934,253	-	1,250,910	<b>183,998,216</b>	92,893,719
Inward Reinsurance Claims Paid	-	-	-	<b>(1,288,734)</b>	922,438
<b>Gross Claims Paid</b>	<u>3,934,253</u>	<u>-</u>	<u>1,250,910</u>	<u><b>182,709,482</b></u>	<u>93,816,157</u>
Deduct Reinsurance Claims Recoveries	<u>(373,711)</u>	<u>-</u>	<u>-</u>	<u><b>(14,539,505)</b></u>	<u>(7,121,989)</u>
<b>Net Claims Paid</b>	<u>3,560,542</u>	<u>-</u>	<u>1,250,910</u>	<u><b>168,169,977</b></u>	<u>86,694,168</u>
Increase/ (Decrease) in Outstanding Claims Provision	<u>(4,483,941)</u>	<u>(1,422,276)</u>	<u>-</u>	<u><b>29,032,839</b></u>	<u>23,647,118</u>
<b>Claims Incurred</b>	<u>(923,399)</u>	<u>(1,422,276)</u>	<u>1,250,910</u>	<u><b>197,202,816</b></u>	<u>110,341,286</u>
<b>Add underwriting Expenses:</b>					
Acquisition Expenses	21,215,494	2,194,061	10,846,386	<b>165,574,958</b>	56,277,235
Maintenance Expenses	<u>3,632,178</u>	<u>459,116</u>	<u>1,577,470</u>	<u><b>40,329,069</b></u>	<u>16,688,272</u>
<b>TOTAL EXPENSES</b>	<u>23,924,273</u>	<u>1,230,901</u>	<u>13,674,766</u>	<u><b>403,106,843</b></u>	<u>183,306,792</u>
<b>Underwriting Profit transferred to Profit &amp; Loss Account</b>	<u>100,195,477</u>	<u>7,536,931</u>	<u>48,036,468</u>	<u><b>585,624,512</b></u>	<u>274,468,146</u>

The accounting policies on pages 20 to 23 the notes on pages 30 to 37 form part of these accounts.

# Statement Of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007		2006	
	N	N	N	N
<b>Cash Flows from Operating Activities</b>				
Premium received from policy holders	1,506,209,059		508,368,380	
Reinsurance receipts in respect of claims	14,539,505		7,121,989	
Cash paid to and on behalf of employees	(208,788,070)		(50,310,465)	
Reinsurance premium paid	(62,047,794)		(34,945,598)	
Other operating cash payments	(214,208,586)		(326,914,197)	
Claims paid	(182,709,482)		(93,816,156)	
Company Income Tax paid	(6,910,123)		-	
Net cash provided by operating activities		846,084,509		9,503,953
<b>Cash Flows from Investing Activities</b>				
Purchase of fixed assets	(86,193,866)		(8,351,500)	
Purchase of investments	(753,009,026)		(531,120,714)	
Sale of investments	3,699,480		-	
Sale of fixed assets	900,000		1,320,000	
Dividend received	-		100,620	
Interest received	32,077,515		56,957,888	
Net Cash provided by investing activities		(802,525,897)		(481,093,706)
<b>Cash Flows from Financing Activities</b>				
Issue of ordinary shares	-		521,156,077	
Deposit for shares	-		(40,041,270)	
Dividend paid	-		(14,621,500)	
Net cash provided by financing activities		-		466,493,307
Increase in cash and cash equivalents		43,558,612		(5,096,446)
Cash and cash equivalent at the beginning of the year		23,154,579		28,251,025
Cash and cash equivalent at the end of the year		66,713,191		23,154,579

The accompanying notes form part of this Statement of Cash Flows.

# Statement Of Cash Flows(cont'd)

## 1. Reconciliation of Operating Profit to the Cash provided by operating Activities

	2007 N	2006 N
Operating profit after tax	230,006,854	56,870,711
Depreciation	78,057,475	8,922,615
Increase /(Decrease) in unearned premiums	467,580,140	23,656,015
Increase /(Decrease) in creditors	170,850,397	11,756,061
Increase /(Decrease) in claims provisions	29,032,838	23,647,117
(Increase) /Decrease in debtors	(545,062,415)	(139,122,209)
(Increase) /Decrease in deferred charges	-	23,773,643
(Increase) /Decrease in capital reserve	415,619,220	-
Cash provided by operating activities	<u>846,084,509</u>	<u>9,503,953</u>

## 2. Analysis of Changes in Cash and Cash Equivalents and other liquid Investments

	Cash & Cash Equivalents N	Investments N	Total N
Balance as at 1 Jan. 2007	23,154,579	723,096,145	746,250,724
Net cash inflow	43,558,612	-	43,558,612
Purchase of investments	-	753,009,026	753,009,026
Sales of Investment	-	-	-
	<u>66,713,191</u>	<u>1,476,105,171</u>	<u>1,542,818,362</u>

## 3. Analysis of the Balance of cash and cash equivalents and other liquid investments

	2007 N	2006 N	Changes during the year N
Cash at Bank and in hand	66,713,191	23,154,579	43,558,612
Investments	<u>1,476,105,171</u>	<u>723,096,145</u>	<u>753,009,026</u>
	<u>1,542,818,362</u>	<u>746,250,724</u>	<u>796,567,638</u>

# Notes to the Accounts

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 N	2006 N
<b>1a. LEGAL FORM</b>		
Consolidated Hallmark Insurance Plc (formerly Consolidated Risk Insurers Plc) was incorporated on 2 August 1991. The Company recently changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc following its merger with Hallmark Assurance Plc and The Nigerian General Insurance Company Ltd. in line with the consolidation reform of the NAICOM Announced in 2006. Consolidated Hallmark Insurance Plc came into effect from 1 March 2007.		
<b>b. PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT</b>		
During the year under review, the Company engaged in General Insurance Business and maintained offices in major cities with corporate headquarters in Victoria Island, Lagos		
<b>2. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	66,713,191	23,154,579
	<u>66,713,191</u>	<u>23,154,579</u>
<b>3a. SHORT TERM INVESTMENTS</b>		
Commercial Papers	62,914,173	23,221,719
Bankers Acceptances	2,201,583	-
Fixed Deposits	543,633,420	437,829,575
Fund under management	766,004,025	209,697,969
Provision for doubtful investments	(7,243,710)	-
	<u>1,367,509,491</u>	<u>670,749,263</u>
<b>b. LONG TERM INVESTMENTS</b>		
Ordinary Shares at Market value	106,595,680	48,696,882
Unquoted Ordinary Shares	2,000,000	3,400,000
Others-NIA fare paying pool	-	250,000
	<u>108,595,680</u>	<u>52,346,882</u>
Ordinary Shares of quoted investments were valued at market value in line with NAICOM guidelines 2005		
<b>4. DEBTORS AND PREPAYMENTS</b>		
Amount due from Insurance Brokers and Agents	852,128,138	295,457,678
Prepayments	22,154,092	42,537,229
Deposit for shares	37,650,000	50,009,936
Prepaid Expenses to staff	5,583,400	1,238,415
Staff Loans	27,446,179	25,545,523
Legacy Companies Current Accounts	6,645,290	-
Assets suspense-Land and Building	51,387,561	-
Provision for bad and doubtful debts	(162,176,242)	(119,032,778)
	<u>840,818,418</u>	<u>295,756,003</u>
<b>5a. DEFERRED ACQUISITION EXPENSES</b>		
Deferred acquisition Expenses	86,104,764	14,041,511
<b>b. DEFERRED CHARGES</b>		
Balance as at January	-	23,773,643
Additions during the year	-	27,216,350
Transfer to share premium	-	(40,041,270)
Amortised during the year	-	(10,948,723)
Balance as at December	-	-
<b>6. STATUTORY DEPOSIT</b>		
This deposit represents the amount deposited with the Central Bank of Nigeria as at 31st December, 2007, in accordance With section 9(1) and Section 10(3) of Insurance Act 2003 - N300,000,000 ( 2006-N20,000,000 )		

# Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

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7 FIXED ASSETS	Land and Building N	Office Equipment N	Furniture & Fittings N	Motor Vehicles N	Computer Equipment N	Total N
<b>COST</b>						
At 1 January 2007	-	11,875,606	16,493,319	67,500,761	13,141,556	109,011,242
Arising from Consolidation	1,578,688,000	32,980,819	47,436,382	31,344,195	112,583,882	1,803,033,278
Additions	-	5,461,910	2,661,000	58,397,350	19,673,606	86,193,866
Disposal	-	-	-	(1,762,559)	-	(1,762,559)
At 31 December 2007	<u>1,578,688,000</u>	<u>50,318,335</u>	<u>66,590,701</u>	<u>155,479,747</u>	<u>145,399,044</u>	<u>1,996,475,827</u>
<b>DEPRECIATION:</b>						
At 1 January 2007	-	3,359,250	4,630,529	25,254,662	3,518,331	36,762,772
Charge in the Year	31,573,760	5,411,718	7,525,554	17,092,661	16,453,782	78,057,475
Disposal	-	-	-	(276,307)	-	(276,307)
At 31 December 2007	<u>31,573,760</u>	<u>8,770,968</u>	<u>12,156,083</u>	<u>42,071,016</u>	<u>19,972,113</u>	<u>114,543,940</u>
<b>Net Book Value</b>						
At 31 December 2007	<u>1,547,114,240</u>	<u>41,547,367</u>	<u>54,434,618</u>	<u>113,408,731</u>	<u>125,426,931</u>	<u>1,881,931,887</u>
At 31 December 2006	<u>-</u>	<u>8,516,356</u>	<u>11,862,790</u>	<u>42,246,099</u>	<u>9,623,225</u>	<u>72,248,470</u>

Fixed Assets were professionally re-valued as at 31 December 2006, by Messrs Adegboyega Sanusi & Co. on the basis of open market values. The values were incorporated in the books at that date. The surplus arising on the revaluation over the Written down values was treated in the financial statements as fixed assets revaluation reserve.

Revaluation is carried out at the discretion of the directors and it is considered as and when necessary.



## Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 N	2006 N
<b>8 CREDITORS &amp; ACCRUALS</b>		
Due to agents, reinsurance companies and brokers	4,112,440	4,927,639
Sundry Creditors and Accruals	<u>16,398,456</u>	<u>10,123,148</u>
	<u>20,510,896</u>	<u>15,050,787</u>
<b>9 INSURANCE FUNDS</b>		
<b>a Reserve For Outstanding Claims</b>		
Fire	99,208	1,235,174
General Accident	43,511,067	18,151,989
Motor	25,030,145	14,314,202
Marine	550,000	5,033,940
Engineering	295,488	1,717,763
Aviation	-	-
Oil & Gas	-	-
	<u>69,485,908</u>	<u>40,453,068</u>
<b>b Provision For Unexpired Risks</b>		
Fire	48,514,309	9,050,090
General Accident	198,437,302	27,093,675
Motor	338,980,319	92,701,180
Marine	8,713,393	3,108,458
Bond	-	4,906,897
Oil & Gas	2,863,354	-
Engineering	8,716,665	1,784,902
	<u>606,225,342</u>	<u>138,645,202</u>
<b>Total Insurance Funds</b>	<u>675,711,250</u>	<u>179,098,270</u>

# Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

## 10 Share Capital Authorised

	2007		2006	
	Number	N	Number	N
Ordinary shares of 50k each	<u>10,000,000,000</u>	<u>5,000,000,000</u>	<u>2,000,000,000</u>	<u>1,000,000,000</u>

The Authorised Share Capital was increased during the year and registered with Corporate Affairs Commission (CAC)

### Issued and Fully Paid

	<u>6,000,000,000</u>	<u>3,000,000,000</u>	<u>600,000,000</u>	<u>300,000,000</u>
Balance B/f		665,155,330		300,000,000
Arising on Consolidation		2,176,474,353		-
Issued during the year		-		365,155,330
Transfer from Bonus Issue Reserve (Note 12)		158,370,317		-
Balance as at December		<u>3,000,000,000</u>		<u>665,155,330</u>

## 11 Share Premium

Balance b/f	-	2,369,570
Additions	-	159,027,282
Share issue expenses	-	(40,041,270)
Transfer to Bonus Issue Reserve	-	(121,355,582)
Balance as at December	-	<u>-</u>

## 12 Bonus Issue Reserve

	N	N
Balance B/f	158,370,317	-
Transfer from Share Premium		121,355,582
Transfer to Share Capital Account (Note 10)	(158,370,317)	-
Transfer from Revenue Reserve (Note 17)	-	37,014,735
	-	<u>158,370,317</u>

## 13 STATUTORY CONTINGENCY RESERVE

This is maintained in compliance with section 21(1) and (2) and 22(16) of the Insurance Act 2003.

Balance as at 1 January	47,183,236	29,716,240
Transfer from profit and loss account	47,417,942	17,466,996
Balance as at 31 December	<u>94,601,178</u>	<u>47,183,236</u>

## 14 Fixed Assets Revaluation Reserve

Balance as at 1 January	24,811,148	-
Addition during the year	-	24,811,148
Balance as at 31 December	<u>24,811,148</u>	<u>24,811,148</u>



# Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 N		2006 N	
<b>15 Investment Revaluation Reserve</b>				
Balance as at 1 January	1,306,644		2,165,380	
Additions	13,812,919		(858,736)	
Balance as at 31 December	<u>15,119,563</u>		<u>1,306,644</u>	
<b>16 Capital Reserve/ Goodwill Arising from Consolidation</b>		<b>Nigerian General Insurance Co. Ltd. N'000</b>	<b>General N'000</b>	<b>Total N'000</b>
Net Assets as at 1 March 2007	1,758,231	442,419	-	2,200,650
*Adjustments	562,193	(54,589)	(96,941)	410,662
Final Net Assets taken over As at 1 March 2007	<u>2,320,424</u>	387,830	(96,941)	2,611,312
Value of Shares issued	<u>(1,500,000)</u>	(600,000)	-	(2,100,000)
	<u>820,424</u>	(212,170)	(96,941)	511,312
Recapitalisation expenses	-	-	(95,693)	(95,693)
Capital Reserve/ (Goodwill)	<u>820,424</u>	<u>(212,170)</u>	<u>(192,634)</u>	<u>415,619</u>
<b>17 Revenue Reserve</b>				
Brought forward	3,907,553		1,518,573	
Transfer from Profit & Loss Account	182,588,912		39,403,715	
Transfer to Bonus Issue Reserve (note 12)	-		(37,014,735)	
Carried Forward	<u>186,496,465</u>		<u>3,907,553</u>	
<b>18 PROFIT BEFORE TAXATION</b>				
Profit before taxation is stated after Charging/(crediting):				
Depreciation of fixed assets	78,057,475		8,922,615	
Auditors' Remuneration	1,500,000		1,200,000	
Directors' Remuneration:				
Fees	3,550,000		625,000	
Other remuneration	8,400,000		2,500,000	
Loss on disposal of fixed assets	586,252		-	
Foreign Exchange (Gains)/Loss	<u>65,402</u>		<u>145,545</u>	

\*Adjustments arose from the review of Assets and Liabilities of legacy entities subsequent to the merger date in line with provision of article 11(1) of the Memorandum of Understanding (MOU) dated 20th February 2007.

# Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

	<b>2007</b>		<b>2006</b>	
	<b>N</b>		<b>N</b>	
<b>19 GROSS PREMIUM WRITTEN</b>				
Fire		114,912,883		27,553,339
General Accident		480,341,608		195,862,537
Motor		678,444,374		227,614,927
Marine		135,654,476		45,365,305
Aviation		1,228,029		-
Oil & Gas		19,565,336		-
Bond		58,915,327		4,820,908
Engineering		17,147,026		7,151,364
		<u>1,506,209,059</u>		<u>508,368,380</u>
<b>20a. PREMIUM EARNED AND UNDERWRITING PROFITS</b>	<b>2007</b>	<b>U/W</b>	<b>2006</b>	<b>U/W</b>
	<b>PREMIUM</b>	<b>PROFITS</b>	<b>PREMIUM</b>	<b>PROFITS</b>
	<b>EARNED</b>		<b>EARNED</b>	
Fire	65,574,880	39,570,417	22,911,053	17,102,907
General Accident	290,696,849	147,090,605	191,299,891	130,529,060
Motor	411,426,506	229,588,601	186,444,158	100,028,335
Marine	121,799,468	100,195,477	38,966,028	24,071,115
Aviation	1,228,029	1,018,292	-	-
Oil & Gas	16,701,982	12,587,720	-	-
Bond	61,005,906	48,036,468	6,375,471	5,030,680
Engineering	8,147,504	7,536,932	3,770,166	(2,293,951)
	<u>976,581,124</u>	<u>585,624,511</u>	<u>449,766,767</u>	<u>274,468,146</u>
<b>b UNDERWRITING EXPENSES</b>				
Acquisition Cost:				
Commission Paid			165,574,958	56,277,235
Maintenance Expenses			40,329,069	16,688,272
			<u>205,904,027</u>	<u>72,965,507</u>
<b>21a. INVESTMENT INCOME</b>				
Interest received - Fixed Deposit			63,887,843	56,957,888
Interest received - Fund Management			96,004,025	-
Dividend received			-	100,620
			<u>159,891,868</u>	<u>57,058,508</u>
<b>b. OTHER INCOME</b>				
Auto Reg			2,066,520	-
Others			2,358,514	11,806,946
			<u>4,425,034</u>	<u>11,805,946</u>

# Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

## 22 TAXATION

### a Per Profit and Loss Account

	2007 N	2006 N
Income Tax based on the profit for the year	28,972,902	25,414,076
Education Tax	5,794,580	1,911,087
Deferred Taxation	(27,684,630)	3,139,105
	<u>7,082,852</u>	<u>30,464,268</u>

### b Per Balance Sheet

At 1 January	43,896,399	16,571,236
Arising on Consolidation	104,303,253	-
Payment during the year	(6,910,123)	-
Charge for the year (Note 22a)	<u>34,767,482</u>	<u>27,325,163</u>
	<u>176,057,011</u>	<u>43,896,399</u>

### c Deferred Taxation

At 1 January	9,517,024	6,377,919
Arising on Consolidation	60,914,306	-
Charge for the year (Note 22a)	<u>(27,684,630)</u>	<u>3,139,105</u>
	<u>42,746,700</u>	<u>9,517,024</u>

The company has adopted the Statement of Accounting Standard SAS 19 on deferred taxation which is now computed using liability method.

## 23 STAFF

Average number of persons employed in the financial year and staff costs were as follows:

	2007 Number	2006 Number
Managerial	25	9
Senior Staff	72	25
Junior Staff	48	7
	<u>145</u>	<u>41</u>

## 24 STAFF COSTS

	N	N
Wages & Salaries	116,624,649	15,082,997
Staff welfare	79,016,151	31,333,246
Medical	6,258,835	877,804
Staff Training	4,283,833	985,856
Pension & Gratuity	<u>2,604,602</u>	<u>2,030,562</u>
	<u>208,788,070</u>	<u>50,310,465</u>

### Pension & Gratuity

Balance b/f	4,102,464	3,774,705
Provision during the year	2,604,602	2,030,562
Payment during the year	<u>(1,059,764)</u>	<u>(1,702,803)</u>
Balance as at December	<u>5,647,302</u>	<u>4,102,464</u>

## 25 CHAIRMAN'S AND DIRECTORS' EMOLUMENTS, PENSIONS AND COMPENSATION FOR LOSS OF OFFICE:

	N	N
Emoluments:		
Chairman	300,000	100,000
Other Directors	1,800,000	525,000
Other Emolument of Executives	8,400,000	2,500,000
Emolument of highest paid director	4,800,000	2,500,000

The number of directors excluding the chairman whose emoluments were within the following ranges were:

N	N	2007 Number	2006 Number
NIL	N50,000	Nil	Nil
50001	60,000	Nil	Nil
60001	80,000	Nil	6
above	N80,000	9	1

### EMOLUMENTS WAIVED

Number of directors who have waived their rights to receive emoluments

Nil	Nil
-----	-----

# Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2007

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## 26 EMPLOYEES REMUNERATED AT HIGHER RATES

The number of employees in respect of emoluments within the following ranges were:

	2007 (Number)	2006 (Number)
N100,001 - 200,000	15	7
N200,001 - 300,000	50	18
N300,001 - 400,000	14	4
N400,001 - 500,000	9	4
N500,001 - 600,000	6	7
N600,001 - 700,000	1	-
N700,001 - 800,000	12	-
N800,001 - 900,000	6	-
N900,001 - 1,000,000	3	-
N1,000,001 - 1,500,000	29	1

## 27 BASIC EARNINGS PER SHARE

Basic Earnings per share is calculated on the net profits after taxation and the number of ordinary shares issued and paid up at 31 December of every year.

## 28 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2007

## 29 CONTINGENTS LIABILITIES

There is no material contingent liability other than in the normal course of business.

## 30 POST BALANCE SHEET EVENT

The Company's shares has been quoted on the Nigerian Stock Exchange on 22 February 2008.

## 31 COMPARATIVE FIGURES

Certain figures in 2006 financial statements were re-classified to conform with 2007 presentation and enhance comparability.



## Statement Of Value Added

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 N	%	2006 N	%
<b>INCOME</b>				
Gross premium written	1,506,209,059		508,368,380	
Commission Received	12,150,231		8,008,171	
Investment and other income	164,316,902		68,865,454	
	<u>1,682,676,192</u>		<u>585,242,005</u>	
<b>LESS:</b>				
Reinsurances, claims and commissions	395,792,729		177,917,000	
Other expenses and services - Local	266,335,232		213,453,814	
- Imported	-		-	
(Increase) / Decrease in Insurable Fund	496,612,980		47,303,131	
	<u>1,158,740,941</u>		<u>438,673,945</u>	
<b>VALUE ADDED</b>	<u>523,935,251</u>	<u>100</u>	<u>146,568,060</u>	<u>100</u>
<b>APPLIED AS FOLLOWS:</b>				
To pay employees' salaries, wages and other benefits	208,788,070	40	50,310,466	34
To pay taxation	7,082,852	1	30,464,268	21
Depreciation	78,057,475	15	8,922,615	6
Transfer to contingency reserve	47,417,942	9	17,466,996	12
Retained Profits	182,588,912	35	39,403,715	27
	<u>523,935,251</u>	<u>100</u>	<u>146,568,060</u>	<u>100</u>

Value added represents the additional wealth created by the company during the reporting period. This statement shows the allocation of that wealth among employees, shareholders, government and that retained for future creation of more wealth.

# Five-Year Financial Summary

	2007 N	2006 N	2005 N	2004 N	2003 N
<b>RESULTS</b>					
Gross premium written	1,506,209,059	508,368,380	394,998,421	274,159,713	13,136,861
Net premium written	1,444,161,265	473,422,782	349,723,976	230,848,512	6,821,294
Premium earned	976,581,124	449,766,767	299,423,309	172,035,349	12,100,756
Profit / (Loss) before tax	237,089,706	87,334,978	65,223,321	29,553,454	(17,111,306)
Profit/ (Loss) after tax	230,006,854	56,870,711	52,965,523	24,665,980	(20,758,777)
Basic Earnings/(Loss) per share (k)	3.83	4.27	18.34	10.00	(9)
<b>BALANCE SHEETS</b>					
<b>Assets</b>					
Current Assets	993,636,373	332,952,093	369,636,680	231,693,786	158,978,753
Investments	1,476,105,171	723,096,145	191,975,432	37,658,467	36,564,110
Statutory Deposits	300,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Fixed Assets	1,881,931,887	72,248,470	49,060,938	46,917,966	40,420,812
<b>TOTAL ASSETS</b>	<b>4,651,673,431</b>	<b>1,148,296,708</b>	<b>630,673,050</b>	<b>336,270,219</b>	<b>255,963,675</b>
<b>Liabilities</b>					
Current Liabilities	196,567,907	58,947,186	60,330,229	16,164,704	10,097,879
Deferred Taxation	42,746,700	9,517,024	6,377,919	2,776,971	2,533,734
Insurance Funds	675,711,250	179,098,270	131,795,139	74,188,187	24,857,685
Share Capital	3,000,000,000	665,155,330	300,000,000	250,000,000	250,000,000
Share Premium	-	-	2,369,570	249,567	249,567
Capital Reserve	415,619,220	-	-	-	-
Bonus Issue Reserve	-	158,370,317	-	-	-
Revenue Reserves	281,097,643	51,090,789	31,234,813	(7,109,210)	(31,775,190)
Investments Revaluation Reserve	15,119,563	1,306,644	2,165,380	-	-
Assets Revaluation Reserve	24,811,148	24,811,148	-	-	-
Deposit for shares	-	-	96,400,000	-	-
<b>Total Liabilities</b>	<b>4,651,673,431</b>	<b>1,148,296,708</b>	<b>630,673,050</b>	<b>336,270,219</b>	<b>255,963,675</b>

## DIRECTORS:

Ugo (Dr.) Obi Ralph Ekezie	Chairman
Tony Aletor	Vice Chairman
Eddie Efekoha	Managing Director/CEO
Obashola Alo	Executive Director
Nze (Dr.) Clement Maduako	Director
Dr Layi Fatona	Director
Chief Ben Ikejiaku	Director
Friday Ebojoh	Director
Pat Azurunwa	Director

## Company Secretaries:

Foundation Chambers  
Summit House (1st Floor)  
6, Ajele Street, Lagos

## Auditors:

PKF - Pannell Kerr Forster (Chartered Accountants)  
Toloye House  
362, Ikorodu Road/1A, Okupe Estate,  
Maryland, Lagos

## Registrars:

Meristem Registrars Ltd  
305 Herbert Macaulay Street  
Ebute-Meta  
Lagos

## Bankers:

Zenith Bank Plc	First Bank of Nigeria Plc
Oceanic Bank Plc	Fidelity Bank Plc
UBA Plc	First City Monument Bank Plc
Bank PHB	

## Registered Office:

Plot 33D, Bishop Aboyade Cole Street  
Victoria Island, Lagos.

# Office Locations



## Corporate Head Office

Plot 33D Bishop Aboyade Cole Street  
Victoria Island Lagos  
Tel: 01-4618222  
Fax: 01-4618380  
E-Mail: [info@consolidatedhallmark.com](mailto:info@consolidatedhallmark.com)  
Website: [www.consolidatedhallmark.com](http://www.consolidatedhallmark.com)

## Control Office

Consolidated Hallmark Insurance House  
266, Ikorodu Road, Obanikoro,  
Lagos  
Tel.01-2700273  
Fax.01-2700272  
E-Mail: [control@consolidatedhallmark.com](mailto:control@consolidatedhallmark.com)

## Regional Offices

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### PORT HARCOURT

52 Emekuku Street  
Amazing Grace Plaza  
Tel/fax: 084-234608, 462061  
E-mail: [phc@consolidatedhallmark.com](mailto:phc@consolidatedhallmark.com)

### IBADAN

Ibrafundu House  
(Green House), Ring Road,  
Tel:02-2008281 Fax:02-2311804  
E-Mail: [ibd@consolidatedhallmark.com](mailto:ibd@consolidatedhallmark.com)

### ABUJA

Metro Plaza Annex A  
Plot 991/992 Zakariya Maimalari Street  
Central Business District  
Tel/fax:09 2347 965, 780 4398  
E-mail: [abuja@consolidatedhallmark.com](mailto:abuja@consolidatedhallmark.com)



### **KANO**

17 Zaria Road  
Gyadi Gyadi  
Tel:064-662 432  
Fax:064-642 456  
E-mail: kano@consolidatedhallmark.com

### **WARRI**

179 Jakpa Road  
Effurun  
Tel. 0703 956 8540  
E-mail: warri@consolidatedhallmark.com

### **OWERRI**

5B Okigwe Road  
Opp Govt. College  
Owerri  
Tel.083-234306, 083-303992  
Email: owerri@consolidatedhallmark.com

### **ABA**

4, Eziukwu Road,  
Tel/Fax:082-223216  
E-mail: aba@consolidatedhallmark.com

### **CALABAR**

26, Etta-Agbor Road  
Calabar  
Tel.0703 956 8107  
E-Mail: cal@consolidatedhallmark.com

### **ENUGU**

77, Ogui Road,  
Tel/Fax:042-255813, 0703 956 8541  
E-mail: enugu@consolidatedhallmark.com

### **ONITSHA**

33, New Market Road,  
Tel/Fax:046-413840  
E-mail:onitsha@consolidatedhallmark.com

### **ILORIN**

119A Ibrahim Taiwo Road  
Ilorin  
Tel.07027108272  
E-Mail: ilorin@consolidatedhallmark.com

### **YENAGOA**

Abraka Eri House  
53, Mbiama/Yenagoa Road  
Yenezue-Gene  
Yenagoa  
E-Mail: yen@consolidatedhallmark.com

### **ORLU**

3, L.N.Obioha Road,  
Tel/Fax:083-520590  
E-Mail: orlu@consolidatedhallmark.com

### **OTA**

3, Moshood Abiola Way,  
(former Ijoko Road)  
Tel/Fax:042-255813,01-7619386  
E-Mail: ota@consolidatedhallmark.com

### **AKURE**

3RD Floor  
Bank of Industry (BOI) House  
Alagbaka, AKURE  
Tel.034-243644  
E-Mail: akure@consolidatedhallmark.com

### **OSHOGBO**

Debitosh Building  
Plot 6c Fagbawesa Street,  
Oshogbo  
E-Mail: osgbo@consolidatedhallmark.com

### **KADUNA**

24, Constitution Road  
Kaduna  
Tel/Fax:062-240961  
E-Mail: kad@consolidatedhallmark.com

### **JOS**

28/30 Bukuru Bye Pass  
Jos  
Tel. 0703 956 8108  
E-Mail: jos@consolidatedhallmark.com

### **MAIDUGURI**

FMFL Building  
Shehu Laminu Way,  
Maiduguri  
Tel.0703 956 8106  
E-Mail: maidr@consolidatedhallmark.com

### **TRADE FAIR COMPLEX, Lagos**

D10A SHOP 47  
ASPAMDA  
Badagry Expressway  
Lagos  
Tel. 01-7378640  
E-Mail: control@consolidatedhallmark.com

## PROXY FORM

Annual General Meeting to be held at Protea Hotel,  
Nike Lake Resort, Nike Lake Road, Enugu.

I/We.....  
of.....

Being a member/members of Consolidated Hallmark  
Insurance Plc hereby appoint\*\*

of.....  
or failing him the Chairman of the Company as my/our  
proxy to act and vote for me/us on my/our behalf at the  
Annual General Meeting of the company to be held on  
the 29th July, 2008 and any adjournment thereof.

Dated this....day of.....2008

Shareholder's Signature.....

### NOTE

(i) A member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxy forms should be deposited at the Company Secretary's Office not later than 48 hours before the time of holding the meeting.

(ii) In the case of joint Shareholders, any of such may complete the form, but names of all joint Shareholders must be stated.

(iii) If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized.

(iv) Provision has been made on this form for the Chairman of the Company to act as proxy. But if you wish, you may insert in the blank space on the form (marked\*\*) the name of any person whether a Member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman.

(v) The Stamp Duties Act, Cap 411, Laws of the Federation of Nigeria, 1990 requires that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a Stamp Duty at the appropriate rate..

(vi) The proxy must produce the Admission Slip with the notice of Meeting to obtain entrance to the meeting.

	ORDINARY BUSINESS	FOR	AGAINST
1.	To receive the reports and Financial Statements.		
2.	To re-elect Directors.		
3.	To authorize the Directors to fix the remuneration of the auditors.		
4.	To elect members of the Audit Committee		
5.	To approve the remuneration of the Directors.		
6.	To authorize the Directors to raise additional capital from the capital market, foreign or other institutions by way of equity, bonds, convertible loans and other debt instruments for such amounts may be required from time to time.		
	Please indicate with "X" in the appropriate square how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

## ADMISSION SLIP

Please admit.....to the Annual General Meeting of Consolidated Hallmark Insurance Plc which will hold at Protea Hotel, Nike Lake Resort, Nike Lake Road, Enugu.

Admission Slip must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

**Foundation Chambers**  
(Secretaries)

Name & Address of Shareholder.....  
Number of shares held.....

**MERISTEM REGISTRARS**  
305 Herbert Macaulay Street  
Ebute-Meta  
Lagos