

## REPORT OF THE AUDITORS TO THE MEMBERS



### REPORT OF THE INDEPENDENT AUDITORS

#### TO THE MEMBERS OF ROYAL EXCHANGE ASSURANCE (NIGERIA) PLC

##### Report on the Financial Statements

We have audited the accompanying financial statements of **Royal Exchange Assurance (Nigeria) Plc** as at **December 31, 2007** set out on pages **34-60** which have been prepared on the basis of the significant accounting policies on pages **34-36** and other explanatory notes on pages **44-57**

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

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, Insurance Act, CAP 117 LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

##### Auditors' 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 as to 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 auditors' 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 auditors consider 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 Directors, as well as evaluating the overall presentation of the financial statements.

##### Opinion

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act, CAP C20 LFN 2004 and the Insurance Act, CAP 117 LFN 2004. The financial statements give a true and fair view of the financial position of **Royal Exchange Assurance (Nigeria) Plc** as at **December 31, 2007** and of its financial performance and its cash flows for the year then ended in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board and relevant International Financial Reporting Standards.

*Akintola Williams Deloitte*  
Chartered Accountants  
Lagos, Nigeria

June 5, 2008



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