

1 General information

First Securities Discount House Limited was incorporated on June 23, 1992 as a private limited liability company and started operations on July 1, 1992. The Company has two direct subsidiaries and one indirect subsidiary as analysed below:

	31-Dec-10	31-Dec-09
FSDH Asset Management Limited (direct)	99.7%	99.7%
FSDH Securities Limited (indirect)	99.9%	99.9%
Pensions Alliance Limited (direct)	51.0%	51.0%

FSDH Securities Limited is a wholly owned subsidiary of FSDH Asset Management Limited (FAML).

2 Segmental analysis

The Group's business operates from one geographic location, which is Nigeria and it is organized along four main business segments:

Asset management - includes portfolio management and advisory services.

Pension funds management - includes management of pension funds.

Fixed income securities - includes trading in money market securities and other financial instruments.

Stock-broking - includes stock trading with proprietary portfolio and customers' portfolio as well as issuing house activities.

The group's business reporting information comprises:

	Asset management 31-Dec-10 N'000	Stock broking 31-Dec-10 N'000	Fixed income securities 31-Dec-10 N'000	Pension funds management 31-Dec-10 N'000	Total 31-Dec-10 N'000
REVENUE:					
Gross earnings - external	264,113	190,840	6,836,899	825,911	8,117,763
Intersegment revenue/(expense)	-	-	(97,764)	-	(97,764)
Total segment revenue	264,113	190,840	6,739,135	825,911	8,019,999
EXPENSES					
Depreciation	-	-	(139,511)	(50,495)	(190,006)
Segment result	80,942	46,837	3,127,818	169,966	3,425,563
ASSETS AND LIABILITIES					
Segment assets	590,389	1,021,497	47,498,434	669,322	49,779,642
Inter-segment assets	(13,547)	-	(1,456,969)	-	(1,470,516)
Total assets	576,842	1,021,497	46,041,465	669,322	48,309,126
Segment liabilities	(89,998)	(265,005)	(31,333,363)	(184,341)	(31,872,707)
Inter-segment liabilities	-	-	711,218	-	711,218
Total liabilities	(89,998)	(265,005)	(30,622,144)	(184,341)	(31,161,488)
Non controlling interest	-	-	-	-	(235,598)
Net Assets	486,844	756,492	15,419,321	484,981	16,912,040



The group's business reporting comparative information for prior period comprises:

	Asset management 31-Dec-09 N'000	Stock broking 31-Dec-09 N'000	Fixed income securities 31-Dec-09 N'000	Pension funds management 31-Dec-09 N'000	Total 31-Dec-09 N'000
REVENUE:					
Gross earnings - external	118,071	94,952	7,102,459	325,417	7,640,899
Intersegment revenue/(expense)	-	-	(97,409)	-	(97,409)
Total segment revenue	118,071	94,952	7,005,050	325,417	7,543,490
EXPENSES					
Depreciation	-	-	(46,259)	(25,852)	(72,111)
Segment result	21,627	21,520	2,918,797	53,001	3,014,945
ASSETS AND LIABILITIES					
Segment assets	1,184,439	1,100,653	74,972,028	392,174	77,649,294
Inter-segment assets	(11,240)	-	(2,251,831)	-	(2,263,071)
Total assets	1,173,199	1,100,653	72,720,197	392,174	75,386,223
Segment liabilities	(638,548)	(376,009)	(61,245,608)	(109,044)	(62,369,209)
Inter-segment liabilities	634,583	-	913,188	-	1,547,772
Total liabilities	(3,965)	(376,009)	(60,332,420)	(109,044)	(60,821,437)
Non controlling interest	-	-	-	-	(136,690)
Net Assets	1,169,234	724,644	12,387,777	283,130	14,428,095

3 Securities discount and similar income

Securities discount and similar income comprises income from:

	Group 12 months to 31-Dec-10 N'000	Group 6 months to 31-Dec-09 N'000	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Bonds	3,833,526	3,512,809	3,833,526	3,512,809
Treasury bills	381,733	287,243	381,733	287,243
Commercial bills	2,392,589	3,257,544	2,392,589	3,292,370
Placements	85,390	-	85,390	-
	6,693,238	7,057,596	6,693,238	7,092,422

4 Securities discount and similar expenses

Securities discount and similar expenses comprise expenses from:

	Group 12 months to 31-Dec-10 N'000	Group 6 months to 31-Dec-09 N'000	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Bonds	200,885	548,154	200,885	548,154
Treasury bills	79,155	104,721	79,155	104,721
Commercial bills	1,862,816	2,223,837	1,914,965	2,280,637
Call expenses	354,303	605,781	354,303	605,781
	2,497,159	3,482,493	2,549,308	3,539,293

5 Other income

Other income comprise income from:

	Group 12 months to 31-Dec-10 N'000	Group 6 months to 31-Dec-09 N'000	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Management fees	972,796	366,710	-	-
Brokerage commissions	93,679	34,612	-	-
Interest on margin account	4,942	8,176	-	-
Interest on long term investments	4,761	27,612	-	-
Securities trading income	5,543	-	-	-
Financial advisory fees	121,725	1,000	117,215	-
Technical services fee (see note (30))	-	-	13,547	4,674
Others	123,315	47,785	12,899	5,362
	1,326,761	485,894	143,661	10,036

6 Operating expenses

Operating expenses comprise the following:

	Group 12 months to 31-Dec-10 N'000	Group 6 months to 31-Dec-09 N'000	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Directors' fees and allowances	87,599	23,770	58,088	23,650
Staff and related costs (see note (26)(a))	1,493,508	835,699	908,442	548,629
Depreciation	190,006	72,111	139,511	46,259
Auditors' fees	22,210	20,950	16,000	14,700
Unrealised loss on quoted dealing securities	-	2,178	-	-
Securities trading loss	-	1,443	-	-
Other operating expenses	655,158	377,503	388,825	273,418
	2,448,481	1,333,654	1,510,866	906,656

7 Taxation payable

a) The movement on this account during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	836,669	573,656	754,341	511,386
Current year tax (see note(b) below)	231,215	340,001	137,459	317,710
	1,067,884	913,657	891,800	829,096
Payment during the year	(484,281)	(76,988)	(472,498)	(74,755)
	583,603	836,669	419,302	754,341

b) The charge for the year comprises:

Company income tax	216,640	316,921	123,821	296,300
Education tax	14,575	23,080	13,638	21,410
	231,215	340,001	137,459	317,710
Reversal of deferred tax assets during the year (see note (14) below)	48,540	-	48,540	-
Deferred tax charge (see note (14)(c) below)	39,149	26,882	39,149	26,719
	318,904	366,883	225,148	344,429



The current tax charge has been computed at the applicable rate of 30% (31 December 2009: 30%) plus education levy of 2% (31 December 2009: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes.

8 Cash and bank balances

These comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Cash in hand	483	281	285	144
Balances held with other banks:				
- Current account	3,768,108	461,489	3,408,857	393,685
- Domiciliary account	516	1,053	-	-
	3,769,107	462,823	3,409,142	393,829

9 Treasury bills

These comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Treasury bills - Gross value				
* Banks	1,847,887	17,294,907	1,847,887	17,294,907
	1,847,887	17,294,907	1,847,887	17,294,907
Unearned discount	(51,042)	(101,826)	(51,042)	(101,826)
	1,796,845	17,193,081	1,796,845	17,193,081

10 Assets / liabilities on repurchase agreements

(a) Assets under repurchase agreements comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Treasury bills				
* Face value	5,227,482	5,000	5,227,482	5,000
Unearned discount	(248,961)	(16)	(248,961)	(16)
	4,978,521	4,984	4,978,521	4,984
Bonds				
* Face value	19,677,325	6,700,000	20,335,656	6,700,000
Interest receivable	470,258	125,367	470,258	125,367
Unearned (discount)/premium	(814,486)	397,057	(814,486)	397,057
	19,333,097	7,222,424	19,991,428	7,222,424

The market value of the bonds at the balance sheet date was N19,507,719,745 (31 December 2009: N7,251,567,764).

Notes to the Financial Statements

31 December 2010



	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Commercial bills				
* Banks	-	7,623,947	-	7,623,947
* Corporates	1,687,039	10,904,003	1,726,379	11,805,951
* Energy	1,469,602	3,441,564	1,469,602	3,441,564
* Non-Bank financial institutions	57,757	58,133	57,757	58,133
* Telecoms	1,379,545	3,422,953	1,379,545	3,422,953
	4,593,943	25,450,600	4,633,283	26,352,548
Discount receivable	11,640	288,549	11,640	288,549
Unearned discount	(11,205)	(323,491)	(11,205)	(323,491)
	4,594,378	25,415,658	4,633,718	26,317,606
Specific allowance for commercial bills (see note 11(a)(i))	-	(370,433)	-	(370,433)
Interest in suspense (see note 11(a)(i))	-	(122,752)	-	(122,752)
General allowance for commercial bills (see note (b))	(40,107)	(233,145)	(46,333)	(239,371)
	4,554,271	24,689,328	4,587,385	25,585,050
Total - Assets on repurchase agreements	28,865,889	31,916,736	29,557,334	32,812,458

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

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of the year	233,145	269,069	239,371	275,295
Allowance during the year	46,333	-	46,333	-
Write-back during the year (see Note 11a(iii))	(239,371)	(35,924)	(239,371)	(35,924)
Balance, end of year	40,107	233,145	46,333	239,371

(c) The gross value of assets under repurchase agreements comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Treasury bills	5,227,482	5,000	5,227,482	5,000
Bonds	20,335,656	6,700,000	20,335,656	6,700,000
Commercial bills	4,593,943	25,450,600	4,633,283	26,352,548
Total assets on repurchase agreement	30,157,081	32,155,600	30,196,421	33,057,548



(d) The classification of commercial bills by performance is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Non-performing				
- Substandard	-	2,395,603	-	2,395,603
- Lost	-	19,864	-	19,864
Performing	4,593,943	23,035,133	4,633,283	23,937,081
	4,593,943	25,450,600	4,633,283	26,352,548

(e) Analysis by security of gross value of commercial bills on repurchase agreement is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
shares of quoted companies	1,527,359	1,992,230	1,527,359	1,992,230
Secured against real estate	242,852	2,471,470	242,852	2,471,470
Otherwise secured	2,823,732	20,967,036	2,863,072	21,868,984
Unsecured	-	19,864	-	19,864
	4,593,943	25,450,600	4,633,283	26,352,548

(f) Analysis by maturity of gross value of assets on repurchase agreement is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
0 - 30 days	-	7,152,695	-	8,054,643
1 - 3 months	18,417	58,133	57,757	58,133
3 - 6 months	47,895	1,971,489	47,895	1,971,489
6 - 12 months	83,980	6,694,539	83,980	6,694,539
Over 12 months	30,006,789	16,278,744	30,006,789	16,278,744
	30,157,081	32,155,600	30,196,421	33,057,548

(g) Liabilities on repurchase agreements comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Treasury bills				
* Banks	4,650,000	5,000	4,650,000	5,000
* Non-bank financial institutions	472,882	-	472,882	-
* Others	104,600	-	104,600	-
	5,227,482	5,000	5,227,482	5,000
Bonds				
* Banks	-	6,700,000	-	6,700,000
* Non-bank financial institutions	13,938,966	-	14,597,297	-
* Others	5,738,359	-	5,738,359	-
	19,677,325	6,700,000	20,335,656	6,700,000

Notes to the Financial Statements

31 December 2010



Commercial bills				
* Banks	-	59,624	-	59,624
* Non-bank financial institutions	2,378,387	14,114,702	2,417,727	15,016,650
* Corporates	203,539	1,371,130	203,539	1,371,130
* Telecoms	-	4,085,905	-	4,085,905
* Others	2,012,017	5,819,239	2,012,017	5,819,239
	4,593,943	25,450,600	4,633,283	26,352,548
Total liabilities against repurchase agreement	29,498,750	32,155,600	30,196,421	33,057,548

(h) Analysis by maturity of liabilities on repurchase agreement is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
0 - 30 days	22,836,671	16,323,160	23,534,342	17,225,108
1 - 3 months	5,913,197	15,825,656	5,913,197	15,825,656
3 - 6 months	748,882	6,784	748,882	6,784
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	29,498,750	32,155,600	30,196,421	33,057,548

11 Investment securities (Product/ Sectoral analysis):

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Investment securities comprise:				
Commercial bills (see (a) below)	3,463,293	1,813,738	3,446,450	2,431,478
Trading securities (see (b) below)	485,427	422,010	485,427	422,010
Dealing securities	934,817	1,091,283	-	-
Short term investments (see (c) below)	551,720	1,722,739	551,720	1,722,739
Long term investments (see (d) below)	6,299,616	18,510,970	6,174,675	17,993,503
	11,734,873	23,560,739	10,658,272	22,569,730

**(a) The analysis of commercial bills as at end of year was as follows:**

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Commercial bills - Gross value				
* Banks	-	1,095,951	-	1,095,951
* Energy	1,470,123	16,031	1,470,123	16,031
* Corporate	2,327,415	196,218	2,327,415	830,802
* Non Bank financial institutions	2,243	523	2,243	523
* Telecoms	34,956	72,046	34,956	72,046
* Others	443,492	722,715	443,492	722,714
	4,278,229	2,103,484	4,278,229	2,738,067
Discount receivable	2,867	66,285	2,867	66,285
Unearned discount	(44,720)	(165,928)	(44,720)	(165,928)
	4,236,376	2,003,841	4,236,376	2,638,424
Provision for risk assets:				
Specific (see note (i) below)	(338,431)	(115,191)	(338,431)	(115,191)
Interest in suspense (see (ii) below)	(402,005)	(29,887)	(402,005)	(29,887)
General (see note (ii) below)	(32,647)	(45,025)	(49,490)	(61,868)
	(773,083)	(190,103)	(789,926)	(206,946)
	3,463,293	1,813,738	3,446,450	2,431,478

(i) The movement on the provisions for commercial bills account during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
<i>Specific provision on commercial bills</i>				
Balance, beginning of the year	115,191	146,525	115,191	146,525
Allowance during the year	223,240	52,463	223,240	52,463
Write-backs during the year	-	(83,797)	-	(83,797)
Balance, end of year	338,431	115,191	338,431	115,191
<i>Specific provision on assets on repurchase agreement</i>				
Balance, beginning of the year	370,433	542,780	370,433	542,780
Allowance during the year	-	241,520	-	241,520
Write-backs during the year	(370,433)	(413,867)	(370,433)	(413,867)
Balance, end of year	-	370,433	-	370,433
Total specific provision	338,431	485,624	338,431	485,624
<i>General provision</i>				
Balance, beginning of the year	45,025	68,741	61,868	79,449
(Write-back)/provision during the year	(12,378)	(23,716)	(12,378)	(17,581)
Balance, end of year	32,647	45,025	49,490	61,868

Notes to the Financial Statements

31 December 2010

(ii) The movement on interest in suspense account during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
<i>Interest in suspense - Investment securities</i>				
Balance, beginning of the year	29,887	6,604	29,887	6,604
Suspended during the year	325,928	29,887	325,928	29,887
Recognised during the year	-	(6,604)	-	(6,604)
Reclassified from investment securities	46,190	-	46,190	-
Balance, end of year	402,005	29,887	402,005	29,887
<i>Interest in suspense - Assets on repurchase agreements</i>				
Balance, beginning of the year	122,752	76,797	122,752	76,797
Suspended during the year	-	122,752	-	122,752
Recognised during the year	(76,562)	(76,797)	(76,562)	(76,797)
Reclassified to investment securities	(46,190)	-	(46,190)	-
Balance, end of year	-	122,752	-	122,752
	402,005	152,639	402,005	152,639

(iii) (Provisions)/write-backs for risk assets comprises:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Commercial bills:				
- Specific write-backs during the year (see (i) above)	-	83,796	-	83,796
- Specific provision during the year (see (i) above)	(223,240)	(52,463)	(223,240)	(52,463)
- Write-back on general provision during the year (see (i) above)	12,378	-	12,378	-
- General provision during the year (see (i) above)	-	23,716	-	17,581
Assets on repurchase agreements:				
- Specific write-backs during the year (see (i) above)	370,433	413,867	370,433	413,867
- Specific provision during the year (see (i) above)	-	(241,520)	-	(241,520)
- Write-backs/(General provision) during the year (see Note 10(b))	239,371	35,924	239,371	35,924
- General provision during the year (see Note 10(b))	(46,333)	-	(46,333)	-
Provisions on other assets:				
- General (provision)/write-back during the year (see Note 13(b))	(1,516)	(387)	(1,516)	(387)
Provisions on margin accounts:				
- Write back/(Provision) during the year (see Note 12(e))	111	24,669	-	-
	351,204	287,602	351,093	256,798



(iv) Analysis by security of gross value of commercial bills on investment securities is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Secured by shares of quoted companies	-	7,770	-	7,770
Secured against real estate	-	28,530	-	28,530
Otherwise secured	4,278,229	2,044,387	4,278,229	2,678,971
Unsecured	-	22,796	-	22,796
	4,278,229	2,103,483	4,278,229	2,738,067

(v) Analysis by performance of gross value of commercial bills is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000	Non-per-
forming					
- Substandard	-	583,256	-	583,256	
- Lost	1,521,518	167,875	1,521,518	167,875	
Performing	2,756,711	1,352,352	2,756,711	1,986,936	
	4,278,229	2,103,483	4,278,229	2,738,067	

(vi) Analysis by maturity of gross value of commercial bills is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
0 - 30 days	-	1,154,436	-	1,154,436
1 - 3 months	2,243	168,364	2,243	168,364
3 - 6 months	1,517	28,511	1,517	28,511
6 - 12 months	15,788	606,826	15,788	606,826
Over 12 months	4,258,681	145,346	4,258,681	779,930
	4,278,229	2,103,483	4,278,229	2,738,067

(b) Trading securities comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
FGN bonds:				
Cost	478,655	412,211	478,655	412,211
Interest receivable	6,772	9,799	6,772	9,799
	485,427	422,010	485,427	422,010

(c) Short-term investments comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
14% Access Bank Corporate Bond 2010	-	301,956	-	301,956
7% FGN Bond 2010	-	1,007,328	-	1,007,328
8.99% FGN Bond 2010	-	413,455	-	413,455
10.5% FGN Bond 2011	170,221	-	170,221	-
14.5% FGN Bond 2011	381,499	-	381,499	-
Federal Government of Nigeria Bonds	551,720	1,722,739	551,720	1,722,739

The directors are of the opinion that the cost of these bonds approximate the market value (31 December 2009: N1,722,739,000).

(d) Long-term investments

Long-term investments comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
investments (see note (i))	-	12,914	-	-
Federal government bonds (see note (ii))	5,595,737	13,984,463	5,555,796	13,984,463
Other bonds (see note (iii))	703,213	4,512,927	618,213	4,008,374
Unquoted investments (see note (iv))	666	666	666	666
	6,299,616	18,510,970	6,174,675	17,993,503

(i) Quoted equity investments:

Nigeria International Debt Fund	-	19,388	-	-
Provision for diminution in investments (see (a) below)	-	(6,474)	-	-
	-	12,914	-	-

(a) The movement on the provisions for long term investments account during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of the year	6,474	6,474	-	-
Provisions during the year	(6,474)	-	-	-
Balance, end of year	-	6,474	-	-



(b) The directors are of the opinion that no provision is required on these long-term investments as at the balance sheet date.

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
(ii) Federal Government bonds:				
9.45% FGN Bond 2013	568,512	1,207,259	568,512	1,207,259
11.99% FGN Bond 2013	36,597	873,408	36,597	873,408
10.70% FGN Bond 2018	331,621	341,003	331,621	341,003
15% FGN Bond 2028	-	40,994	-	40,994
12.49% FGN Bond 2029	10,365	4,331,286	10,365	4,331,286
10.5% FGN Bond 2011	-	738,818	-	738,818
9.92% FGN Bond 2012	458,293	327,907	458,293	327,907
10.98% FGN Bond 2013	40,434	1,051,146	40,434	1,051,146
10.5% FGN Bond 2013	1,049,618	1,537,751	1,049,618	1,537,751
9.2% FGN Bond 2014	13,546	103,397	13,546	103,397
9.25% FGN Bond 2014	466,959	255,049	466,959	255,049
9.35% FGN Bond 2017	244,559	2,607,762	244,559	2,607,762
7% FGN Bond 2019	317,252	47,733	317,252	47,733
8.5% FGN Bond 2029	-	520,950	-	520,950
10.5% FGN Bond 2012	5,247	-	5,247	-
10.75% FGN Bond 2014	120,644	-	120,644	-
15% FGN Bond 2028	619,048	-	619,048	-
5.5% FGN Bond 2013	546,741	-	546,741	-
9.23% FGN Bond 2012	111,568	-	111,568	-
9.5% FGN Bond 2012	462,238	-	462,238	-
10% FGN Bond 2030	192,495	-	152,554	-
	-	-	-	-
	5,595,737	13,984,463	5,555,796	13,984,463
(iii) Other bonds:				
13% LASG Bond 2014	40,547	1,998,018	40,547	1,998,018
8.5% GTB Eurobond 2012	486,908	504,553	486,908	-
13.5% GTB Corporate Bond 2014	31,859	2,010,356	1,859	2,010,356
12% Flour Mills Corporate Bond 2015	88,899	-	88,899	-
10% UAC Property Dev. Company (UPDC) Bond 2015	55,000	-	-	-
	703,213	4,512,927	618,213	4,008,374
(iv) Unquoted Investments:				
Nigeria Inter Bank Settlement Systems	666	666	666	666
	6,299,616	18,510,970	6,174,675	17,993,503

The market value of long term investment was N6,090,954,691 (31 December 2009: N18,670,827,406)

12 Margin accounts:

(a) Margin accounts comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Share-backed facilities (see (b) below)	52,329	62,041	-	-
Interest receivable on share-backed facilities	640	785	-	-
	52,969	62,826	-	-
Loan loss provision (see (e) below)	(31,697)	(31,808)	-	-
	21,272	31,018	-	-

(b) Share-backed facilities represent the value of credit facilities availed to customers which are backed by shares of companies listed on the Nigerian Stock Exchange.

(c) Analysis by maturity of gross value of margin accounts is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Under 1 month	16,474	56,142	-	-
1-3 months	5,006	6,684	-	-
Over 3 months	31,489	-	-	-
	52,969	62,826	-	-

(d) The gross value of margin accounts by performance is as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Non performing	31,489	31,503	-	-
Performing	21,480	31,323	-	-
	52,969	62,826	-	-

(e) The movement on the loan loss provision account during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	31,808	56,477	-	-
Write back during the year	(111)	(24,669)	-	-
Balance, end of year	31,697	31,808	-	-



13 Other assets

Other assets comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Prepayments	94,689	158,352	49,493	132,972
Unamortised upfront discount	38,185	351,388	38,185	178,139
Staff advances	531,400	299,903	486,809	271,363
Others	670,725	652,704	357,906	338,424
	1,334,998	1,462,347	932,393	920,898
Provisions for doubtful accounts (see note (b) below)	(4,230)	(2,714)	(4,230)	(2,714)
	1,330,768	1,459,633	928,163	918,184

b) The movement on the provisions for other assets account during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of the year	2,714	2,327	2,714	2,327
Provisions during the year	1,516	387	1,516	387
Balance, end of year	4,230	2,714	4,230	2,714

14 Deferred taxation:

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

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	199,458	226,340	48,540	75,259
Reversed during the year	(48,540)	-	(48,540)	-
Addition during the year (see Note 7 (b))	-	(26,882)	-	(26,719)
Balance, end of year	150,918	199,458	-	48,540

(b) The analysis of the deferred taxation assets account is as follows:

Fixed assets	68,828	26,182	-	(42,646)
General provision on commercial bills	-	91,186	-	91,186
Unrelieved losses	82,090	82,090	-	-
	150,918	199,458	-	48,540

(c) The movement in the deferred taxation liability account during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	-	-	-	-
Addition during the year (see Note 7 (b))	39,149	-	39,149	-
Balance, end of year	39,149	-	39,149	-

(d) The analysis of the deferred taxation liability account is as follows:

Fixed assets	69,165	-	69,165	-
General provision on commercial bills	(30,016)	-	(30,016)	-
Unrelieved losses	-	-	-	-
	39,149	-	39,149	-

15 Investment in subsidiary companies comprises:

FSDH Asset Management Limited (see (a) below)	-	-	200,000	200,000
Pensions Alliance Limited (see (a) below)	-	-	408,000	364,000
FSDH Securities Limited (see (a) below)	-	-	-	-
	-	-	608,000	564,000

During the year, the Group increased its investment in Pensions Alliance Limited (PAL) by N44,000,000. All regulatory approval has been obtained for this increase.

a) Principal subsidiary undertakings:

Country of incorporation	Company name	Nature of business	Percentage of equity 31-Dec-10 %	capital held 31-Dec-09 %	Year end consolidated
Nigeria	FSDH Asset Management Limited	Asset management	99.7	99.7	31-Dec
Nigeria	Pensions Alliance Limited	Pension funds administration	51.0	51.0	31-Dec
Nigeria	FSDH Securities Limited (indirect)	Stock broking	99.9	99.9	31-Dec



b) The condensed financial data of the consolidated entities is as follows:

	Group Consolidated Position	Elimination	First Securities Discount House Limited	FSDH Asset Management Limited N'000	Pensions Alliance Limited N'000	FSDH Securities Limited (indirect) N'000
Condensed profit and loss						
Operating income	5,522,840	(13,547)	4,287,591	232,045	825,911	190,840
Operating expenses	(2,448,481)	13,547	(1,510,866)	(151,103)	(655,945)	(144,114)
Write-back on assets value	351,204	-	351,093			111
Profit before tax	3,425,563	-	3,127,818	80,942	169,966	46,837
Taxation	(318,904)	-	(225,148)	(24,379)	(54,389)	(14,988)
Profit after tax	3,106,659	-	2,902,670	56,563	115,577	31,849
Condensed financial position						
<i>Assets:</i>						
Cash and bank	3,769,107	-	3,409,142	115	28,687	331,163
Treasury bills	1,796,845	-	1,796,845	-	-	-
Assets on repurchase agreements	28,865,889	(691,445)	29,557,334	-	-	-
Investment securities	11,734,873	16,843	10,658,272	318,360	120,766	620,632
Margin accounts	21,272	-	-	-	-	21,272
Other assets	1,330,768	(13,547)	928,163	97,547	270,175	48,430
Deferred taxation assets	150,918	-	-	-	150,918	-
Investment in subsidiary	-	(782,367)	608,000	174,367	-	-
Property and equipments	639,454	-	540,678	-	98,776	-
	48,309,126	(1,470,516)	47,498,434	590,389	669,322	1,021,497
<i>Financed by:</i>						
Liabilities on repurchase agreements	29,498,750	(697,671)	30,196,421	-	-	-
Other liabilities	671,494	(13,547)	343,464	21,343	120,568	199,666
Taxation payable	583,603	-	419,302	58,485	63,772	42,044
Deferred taxation liabilities	39,149	-	39,149	-	-	-
Retirement benefit obligations	368,492	-	335,027	10,170	-	23,295
Capital and Reserves	16,912,040	(994,895)	16,165,071	500,391	484,982	756,492
Non-controlling interests	235,598	-	-	-	-	-
	48,309,126	(1,706,113)	47,498,434	590,389	669,322	1,021,497
Condensed cash flow						
Net cash from operating activities	(23,522,964)	(649,431)	(23,484,120)	329,484	40,288	240,815
Net cash from investing activities	11,949,695	26,779	11,662,155	277,590	(58,158)	41,329
Net cash from financing activities	(516,683)	622,652	(558,958)	(607,099)	26,722	-
Increase/(decrease) in cash and cash equivalents	(12,089,952)	-	(12,380,923)	(25)	8,852	282,144
Cash and cash equivalent, beginning of year	17,655,904	-	17,586,910	140	19,835	49,019
Cash and cash equivalent, end of year	5,565,952	-	5,205,987	115	28,687	331,163

16 Property and equipment

a) The movement in these accounts during the year was as follows:

Group	Leasehold Improvements N'000	Furniture & Fittings N'000	Office Equipment N'000	Motor Vehicles N'000	Work In Progress N'000	Total N'000
Cost:						
Balance, beginning of year	53,841	115,324	387,381	302,019	217,521	1,076,086
Additions	63,636	17,872	108,497	71,596	5,990	267,592
Transfers	-	-	217,521	-	(217,521)	-
Disposals	-	-	-	(26,397)	-	(26,397)
Balance, end of year	117,477	133,196	713,399	347,218	5,990	1,317,281
Accumulated depreciation:						
Balance, beginning of year	42,421	49,894	291,991	129,045	-	513,351
Charge for the year	10,781	14,989	96,081	68,155	-	190,006
Disposals	-	-	-	(25,530)	-	(25,530)
Balance, end of year	53,202	64,883	388,072	171,671	-	677,827
Net book value:						
Balance, end of year	64,275	68,312	325,328	175,547	5,990	639,454
Balance, beginning year	11,420	65,430	95,390	172,974	217,521	562,735

b) The movement in these accounts during the year was as follows:

Company	Leasehold Improvements N'000	Furniture & Fittings N'000	Office Equipment N'000	Motor Vehicles N'000	Work In Progress N'000	Total N'000
Cost:						
Balance, beginning of year	32,482	94,636	224,992	184,767	217,521	754,398
Additions	55,169	12,924	90,466	44,301	5,990	208,850
Transfers	-	-	217,521	-	(217,521)	-
Disposals	-	-	-	(14,240)	-	(14,240)
Balance, end of year	87,651	107,560	532,979	214,828	5,990	949,008
Accumulated depreciation:						
Balance, beginning of	21,926	34,095	163,388	62,783	-	282,192
Charge for the year	9,161	12,307	71,247	46,796	-	139,511
Disposals	-	-	-	(13,373)	-	(13,373)
Balance, end of year	31,087	46,402	234,635	96,206	-	408,330
Net book value:						
Balance, end of year	56,564	61,158	298,344	118,622	5,990	540,678
Balance, beginning of year	10,556	60,541	61,604	121,984	217,521	472,206

c) No leased assets are included in the property and equipment.

d) There were no authorised or contracted capital commitments as at the balance sheet date (31 December 2009: Nil)

**17 Due to banks**

Due to banks comprise :

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Call	-	24,000,000	-	24,000,000
Term	-	2,600,000	-	2,600,000
	-	26,600,000	-	26,600,000

18 Other liabilities

a) These comprise:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Accounts payable	324,991	391,164	166,157	170,833
Accrued expenses and discount payable	99,189	309,906	89,986	299,779
Due to customers	235,679	164,610	75,686	30,553
Others	11,635	5,052	11,635	5,052
	671,494	870,732	343,464	506,217

19 Dividend payable

This comprises:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	-	-	-	-
Dividend declared in the year	558,958	978,178	558,958	978,178
Payments during the year	(558,958)	(978,178)	(558,958)	(978,178)
Balance, end of year	-	-	-	-

The dividend was paid to the Company's shareholders net of applicable withholding tax in accordance with the prevailing legislation. The tax withheld was paid to the relevant tax authorities.

20 Retirement benefit obligations

This comprises:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Defined contribution schemes (see (a) below)	-	-	-	-
Defined benefit schemes (see (b) below)	368,492	358,437	335,027	327,502
	368,492	358,437	335,027	327,502

(a) Movement in the defined contribution liability recognised in the balance sheet:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	-	-	-	-
Remittances in the year	(67,153)	(32,282)	(43,564)	(20,038)
Charge for the year	67,153	32,282	43,564	20,038
Balance, end of year	-	-	-	-

The Group and its employees make a joint contribution of 15% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated Pension Fund Administrators.

(b) Movement in the defined benefit liability recognised in the balance sheet:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	358,437	227,452	327,502	206,713
Payments in the year	(32,030)	-	(32,030)	-
Charge for the year	42,085	130,985	39,555	120,789
Balance, end of year	368,492	358,437	335,027	327,502

The Group operates a defined benefit scheme where qualifying employees receive a lump sum payment based on the number years served after an initial qualifying year of 10 years on their terminal emolument of basic salary, transport and housing allowance on the date of disengagement. An independent actuarial valuation is performed annually on the projected unit credit basis to determine the liability at balance date.

The principal actuarial valuation assumptions used were as shown below:

	Group 31-Dec-10	Group 31-Dec-09	Company 31-Dec-10	Company 31-Dec-09
- discount rate	12%	12%	12%	12%
- future salary increases	10%	10%	10%	10%

The assumptions have remained unchanged from the prior financial year ended 31 December 2009. The first assumption of the interest rate of return on fund assets (discount rate) was estimated to be 12% while the projected increase in staff emolument was projected at 10% resulting in a rate of return higher than increase in salary by 2%.

21 Share capital

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
a) Authorised:				
3,100,000,000 Ordinary share of N1 each (31 December 2009: 3,100,000,000 Ordinary share of N1 each)	3,100,000	3,100,000	3,100,000	3,100,000
b) Issued and fully paid:				
2,794,793,730 Ordinary share of N1 each (31 December 2009: 2,794,793,730 Ordinary share of N1 each)	2,794,794	2,794,794	2,794,794	2,794,794



22 Statutory reserve

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	2,398,216	2,007,532	2,384,558	1,999,226
Transfer from profit and loss account	449,846	390,684	435,400	385,332
Balance, end of year	2,848,062	2,398,216	2,819,958	2,384,558

In accordance with existing legislation, 15% of profit after taxation (31 December 2009: 15%) has been transferred to statutory reserve. In addition, Pensions Alliance Limited, a subsidiary company in the Group, has transferred 12.5% of its profit after taxation to statutory reserve account which is required to be done on an annual basis under existing legislation.

23 Retained earnings

The movement on retained earnings during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	7,593,436	6,335,540	7,007,481	5,802,113
Dividend declared (see Note 19)	(558,958)	(978,178)	(558,958)	(978,178)
Transfer from profit and loss account	2,600,180	2,236,074	2,467,270	2,183,546
Balance, end of year	9,634,658	7,593,436	8,915,793	7,007,481

24 Revaluation reserve

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

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	102,062	255,222	-	-
Addition in the year	94,939	(153,160)	94,939	-
Realised in the year	(102,062)	-	-	-
Balance, end of year	94,939	102,062	94,939	-

Revaluation reserve represents the foreign exchange gain on conversion of a dollar denominated long term investment by the Company in the Eurobond issued by GT Bank plc

25 Non-controlling interest

The movement on non-controlling interest during the year was as follows:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Balance, beginning of year	136,690	115,386	-	-
Payment for right issue	42,275	-	-	-
Share of profit	56,633	21,304	-	-
Balance, end of year	235,598	136,690	-	-

26 Staff costs

a) Employee costs, excluding executive directors, during the year amounted to:

	Group 12 months to 31-Dec-10 N'000	Group 6 months to 31-Dec-09 N'000	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Staff and related costs	1,384,270	672,432	825,323	407,803
Pension costs	67,153	32,282	43,564	20,038
Gratuity costs (see Note 20)	42,085	130,985	39,555	120,788
	1,493,508	835,699	908,442	548,629

b) The average number of persons employed by the company during the year was as follows:

	Group 12 months to 31-Dec-10 Number	Group 6 months to 31-Dec-09 Number	Company 12 months to 31-Dec-10 Number	Company 6 months to 31-Dec-09 Number
Executive	4	4	2	2
Management staff	31	26	17	17
Non management staff	209	168	68	59
	244	198	87	78

c) Higher paid employees of the company, other than directors, whose duties were wholly or mainly discharged in Nigeria received emoluments (excluding pension contributions and other benefits) in the following ranges:

	Group 12 months to 31-Dec-10 Number	Group 6 months to 31-Dec-09 Number	Company 12 months to 31-Dec-10 Number	Company 6 months to 31-Dec-09 Number
Below N 1,000,001	186	140	46	38
N 1,000,001 - N1,010,000	-	1	-	-
N 1,010,001 - N1,090,000	5	3	2	2
N 1,100,001 - N1,170,000	5	5	2	2
N 1,200,001 - N1,290,000	6	6	2	2
N 1,290,001 - N1,490,000	9	9	7	7
N 1,500,001 - N1,790,001	6	7	5	4
N 1,840,001 - N1,850,000	1	-	-	-
N 1,850,001 - N1,890,000	-	1	-	-
N 1,890,001 - N1,970,000	2	2	2	2
N 2,200,001 - N2,410,000	1	1	1	1
N 2,500,001 - N3,900,000	7	6	7	6
N 4,000,001 - N5,000,000	1	3	1	2
Above N5,000,000	15	14	12	12
	244	198	87	78

d) Directors' remuneration was paid in respect of directors of the Company as follows:

	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Fees as directors	41,813	18,250
Other emoluments	16,275	5,400
	58,088	23,650



e) The directors' remuneration shown above (excluding pension and other benefits) includes:

	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Chairman	7,763	3,700
Highest paid director	10,164	5,082

f) Other directors, whose duties were wholly or mainly performed in Nigeria, received emoluments (excluding pension contributions) in the following ranges:

	Company 31-Dec-10 Number	Company 31-Dec-09 Number
N 1,000,000 - N 1,500,000	-	-
N 1,500,001 - N 3,000,000	1	4
N 3,000,001 - N 4,000,000	-	4
N 4,000,001 - N 5,000,000	1	-
N 5,000,001 - N 6,000,000	2	-
N 6,000,001 - N 7,000,000	3	-
N 7,000,001 - N 8,000,000	1	-
	8	8

27 Earnings per share

Earnings per share has been calculated on profit after taxation for the year based on 2,794,793,730 ordinary shares in issue as at 31 December 2010 (31 December 2009: 2,794,793,730).

28 Cash generated from operations

	Group 12 months to 31-Dec-10 N'000	Group 6 months to 31-Dec-09 N'000	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
Profit before taxation	3,425,563	3,014,945	3,127,818	2,913,307
<i>Adjustments to reconcile profit before taxation to cash generated from operations:</i>				
- depreciation	190,006	72,111	139,511	46,259
- write-back on assets (see Note 11a(iii))	(351,204)	(287,602)	(351,093)	(256,798)
- write-back in provision for long-term investment	(6,474)	-	-	-
- provision for retirement benefits	42,085	130,985	39,555	120,788
- interest income on long term investments	(4,761)	(27,612)	-	-
- profit on disposal of fixed assets	(955)	(2,669)	(372)	(1,886)
Operating profit before changes in operating assets and liabilities	3,294,260	2,900,158	2,955,419	2,821,670

Changes in operating assets and liabilities

	Group 12 months to 31-Dec-10 N'000	Group 6 months to 31-Dec-09 N'000	Company 12 months to 31-Dec-10 N'000	Company 6 months to 31-Dec-09 N'000
<i>(increase)/decrease in operating assets:</i>				
- Commercial bills	(1,860,417)	3,073,195	(1,225,834)	3,199,681
- Trading securities	93,049	(185,843)	(63,417)	99,660
- Short term investments	1,171,019	102,616	1,171,019	102,616
- Assets on repurchase agreements	3,614,318	37,298,960	3,818,595	37,014,960
- Margin accounts	9,857	124,587	-	-
- Other assets	127,349	(464,913)	(11,495)	(264,603)
<i>increase/(decrease) in operating liabilities:</i>				
- Due to banks	(26,600,000)	25,100,000	(26,600,000)	25,100,000
- Liabilities on repurchase agreements	(2,656,850)	(39,596,290)	(2,861,127)	(39,311,876)
- Other liabilities	(199,237)	(459,752)	(162,753)	(332,469)
	(26,300,913)	24,992,560	(25,935,011)	25,607,969
Cash generated/(used) in operations	(23,006,653)	27,892,718	(22,979,592)	28,429,639

29 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprises:

	Group 31-Dec-10 N'000	Group 31-Dec-09 N'000	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
Cash and bank balances (see note 8)	3,769,107	462,823	3,409,142	393,829
Treasury bills (see note 9)	1,796,845	17,193,081	1,796,845	17,193,081
	5,565,952	17,655,904	5,205,987	17,586,910

30 Related party transactions

During the year, there were transactions conducted with related parties in the normal course of business. The transactions with these institutions were carried out at arm's length and the outstanding balances as at 31 December, 2010 were as follows:

(a) Commercial bills liabilities on repurchase agreement outstanding as at:

Name of company	Relationship	Transactions	Company 31-Dec-10 N'000	Company 31-Dec-09 N'000
FSDH Securities Limited	Subsidiary (indirect)	Liabilities on repurchase agreement	619,154	800,681
FSDH Asset Management Limited (FAML)	Subsidiary	Liabilities on repurchase agreement	39,177	126,244
KMC Investment Limited	Shareholder	Liabilities on repurchase agreement	18,330	23,170
UBA Asset Management Limited	Shareholder	Liabilities on repurchase agreement	552,608	200,000
FSDH Staff Cooperative Society	Shareholder	Liabilities on repurchase agreement	487,069	416,144
			1,716,338	1,566,239



There are technical management agreements between the Company and FSDH Asset Management Limited (FAML) and FSDH Securities Limited (FSL). The agreement provides for the provision of technical management assistance to FAML and FSL, for a fee of 10% of profit before tax. The sum of N13,546,443 was charged in the year (31 December 2009: N4,674,398).

All other transactions between the Company and its controlled entities were carried out at arms length during the year.

31 Contingent liabilities, litigation and claims

The Group has litigation and claims which arose in the normal course of business and they are being contested by the Group. The directors, having sought professional legal counsel, are of the opinion that no significant liability will crystallise from these litigation and therefore no provision is deemed necessary for these legal claims. There were no other contingent liabilities not disclosed in these financial statements.

32 Compliance with banking regulations

The Company did not pay any penalties in respect of contravention of any regulations of the Banks and Other Financial Institutions Act 1991 or relevant circulars issued by the Central Bank of Nigeria during the year.

33 Assets/funds under management

The Group through its subsidiaries FSDH Asset Management Limited (FAML) and Pensions Alliance Limited (PAL) engage in investment management activities. The aggregate amounts of funds under management which are not included in the balance sheet are as follows:

	31-Dec-10 N'000	31-Dec-09 N'000
FAML's Assets Under Management	9,841,725	10,317,705
PAL's Assets Under Management	59,178,623	40,997,000
	69,020,348	51,314,705

34 Reporting period

The Company changed its accounting year end from 30 June to 31 December in compliance with a Central Bank of Nigeria directive in the year ended 31 December 2009. These financial statements cover a period of twelve months from 1 January 2010 to 31 December 2010, whilst the corresponding balances are for the six months ended 31 December 2009.