

**NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2007**

**1 Securities trading income**

Securities trading income comprise income from:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Government Bond - Trading Income	464,117	-	464,117	-
Government Bond - Interest Income	1,327,822	594,826	1,327,822	594,826
Commission on bonds trading	82,377	-	82,377	
Treasury bills	1,202,431	1,557,832	1,202,431	1,557,832
Commercial bills	2,521,233	2,452,352	2,646,863	2,452,352
	<b>5,597,980</b>	<b>4,605,010</b>	<b>5,723,610</b>	<b>4,605,010</b>

**2 Other income**

Other income comprise income from:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Management fees	285,653	100,955	-	-
Brokerage commissions	237,973	92,717	-	-
Margin account income	62,781	53,705	-	-
Others	58,716	46,129	42,852	37,545
	<b>645,123</b>	<b>293,506</b>	<b>42,852</b>	<b>37,545</b>

**3 Operating expenses**

Operating expenses comprise the following:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
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Directors' fees and allowances	20,523	21,824	20,250	21,425
Staff and related costs	575,539	377,718	317,528	254,873
Depreciation	115,311	78,180	51,771	46,687
Auditors' fees	17,025	12,500	8,750	7,000
Other operating expenses	316,586	407,417	237,289	236,175
	<b>1,044,984</b>	<b>897,639</b>	<b>635,588</b>	<b>566,160</b>

**4 Cash and bank balances:**

These comprise:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Cash in hand	124	379	9	97
Balances held with other banks:				
- Current account	280,639	42,699	200,495	13,631
- Domicilliary account	9,884	8,741	-	-
	<b>290,647</b>	<b>51,819</b>	<b>200,504</b>	<b>13,728</b>

**5 Assets / liabilities on repurchase agreements:**

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Balances at year end comprise:				
a) Assets on Repurchase Agreements: (Product/Sectoral Breakdown)				
<b>Treasury bills</b>				
* Banks	20,824,000	18,191,900	20,824,000	18,191,900

<b>Commercial bills</b>				
* Banks	3,663,247	1,689,883	3,663,247	1,689,883
* Energy	654,799	4,999,612	654,799	4,999,612
* Corporate	5,372,262	3,024,447	5,372,262	3,024,447
* Others	689,354	122,439	689,354	154,950
	10,379,662	9,836,381	10,379,662	9,868,892
General provision for risk assets	(103,797)	(98,689)	(103,797)	(98,689)
	10,275,865	9,737,692	10,275,865	9,770,203
<b>Total - Assets on repurchase agreements</b>	<b>31,099,865</b>	<b>27,929,592</b>	<b>31,099,865</b>	<b>27,962,103</b>

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of the year	98,689	97,339	98,689	97,339
Provision during the year (see Note 6c)	5,108	1,350	5,108	1,350
<b>Balance, end of year</b>	<b>103,797</b>	<b>98,689</b>	<b>103,797</b>	<b>98,689</b>

c) The classification of commercial bills under repurchase agreements by performance is as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Performing	10,379,662	9,868,892	10,379,662	9,868,892
<b>Balance, end of year</b>	<b>10,379,662</b>	<b>9,868,892</b>	<b>10,379,662</b>	<b>9,868,892</b>

d) Liabilities on Repurchase Agreements:

(Product/Sectoral Breakdown)

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
<b>Treasury bills</b>				
* Banks	20,560,000	17,500,000	20,560,000	17,500,000
* Non-bank	264,000	691,900	264,000	691,900
	<b>20,824,000</b>	<b>18,191,900</b>	<b>20,824,000</b>	<b>18,191,900</b>
<b>Commercial bills</b>				
* Banks	3,090	502,303	3,090	502,303
* Non-bank financial institutions	4,196,034	5,664,013	4,196,034	5,664,013
* Corporate	-	-	-	-
* Public sector	40,000	188,677	40,000	188,677
* FSDH private clients	3,288,291	2,910,171	3,916,034	2,910,171
* Others	2,224,504	479,557	2,224,504	603,728
	<b>9,751,919</b>	<b>9,744,721</b>	<b>10,379,662</b>	<b>9,868,892</b>
<b>Total - Liabilities on repurchase agreements</b>	<b>30,575,919</b>	<b>27,936,621</b>	<b>31,203,662</b>	<b>28,060,792</b>

6 **Trading securities (Product/ Sectoral Breakdown):**

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
<b>Trading securities</b>				
a) Trading securities comprise:				
<b>Treasury bills</b>				
* Banks	17,651,000	27,728,314	17,651,000	27,728,314
<b>Commercial bills</b>				
* Banks	356,649	321,419	356,649	321,419

* Energy	561	339,463	561	339,463
* Corporate	804,458	508,273	804,458	508,273
* Others	132,889	303,184	38,648	269,242
	<u>1,294,557</u>	<u>1,472,339</u>	<u>1,200,316</u>	<u>1,438,397</u>
Provision for risk assets (see (b) below)				
- Specific	(66,585)	(72,076)	(66,585)	(72,076)
- General	(12,284)	(14,677)	(12,284)	(14,677)
	<u>(78,869)</u>	<u>(86,753)</u>	<u>(78,869)</u>	<u>(86,753)</u>
	<u>1,215,688</u>	<u>1,385,586</u>	<u>1,121,447</u>	<u>1,351,644</u>
	<u>18,866,688</u>	<u>29,113,900</u>	<u>18,772,447</u>	<u>29,079,958</u>

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

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
i) Specific provision				
Balance, beginning of the year	72,076	87,806	72,076	87,806
Allowance during the year	-	-	-	-
Write-backs during the year	(5,491)	(15,730)	(5,491)	(15,730)
Balance, end of year	<u>66,585</u>	<u>72,076</u>	<u>66,585</u>	<u>72,076</u>
ii) General provision				
Balance, beginning of the year	14,677	15,022	14,677	15,022
Write-backs during the year	(2,393)	(345)	(2,393)	(345)
Balance, end of year	<u>12,284</u>	<u>14,677</u>	<u>12,284</u>	<u>14,677</u>

c) Provisions/write-backs for risk assets comprises

<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
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	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Commercial bills:				
- Specific write-backs during the year	5,491	15,730	5,491	15,730
- General write-backs during the year	2,393	345	2,393	345
Assets on Repurchase Agreements:				
- General provision during the year	(5,108)	(1,350)	(5,108)	(1,350)
Provisions on doubtful accounts:				
- Provision during the year	(5,954)	-	(5,954)	-
	<b>(3,178)</b>	<b>14,725</b>	<b>(3,178)</b>	<b>14,725</b>

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Non-performing				
- Lost	66,585	72,076	66,585	72,076
Performing	1,227,972	1,400,263	1,133,731	1,366,321
	<b>1,294,557</b>	<b>1,472,339</b>	<b>1,200,316</b>	<b>1,438,397</b>

**7 Marketable securities (Product/ Sectoral Breakdown):**

Marketable securities comprise:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>

	N'000	N'000	N'000	N'000
<b>FGN Bond</b>				
* Banks	8,585,725	-	8,585,725	-
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<b>Investment in equities</b>				
- Quoted (Market value N381,581,462 (2006: N1,25	353,546	1,230	-	-
	8,939,271	1,230	8,585,725	-
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**8 Short-term investments:**  
Short-term investments comprises:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
17.75% 1st FGN Bond 2006 Series	-	2,077,000	-	2,077,000
8.25% 2nd FGN Bond 2007 Series	1,250,000	-	1,250,000	-
15% 2nd FGN Bond 2007 Series	500,000	-	500,000	-
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Federal Government of Nigeria Bonds	1,750,000	2,077,000	1,750,000	2,077,000

**9 Other assets:**  
Other assets comprise:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Prepayments	61,079	57,931	45,701	44,052
Accrued discount receivable	387,884	216,588	387,884	216,588

Unamortised upfront discount	20,539	113,052	20,539	113,052
Staff advances	126,141	110,427	94,668	98,553
Margin accounts	1,445,294	330,268	-	-
Receivable from minority interest (see Note 22)	153,725	-	-	-
Others	636,138	307,821	415,172	115,685
	2,830,800	1,136,087	963,964	587,930
Provisions for doubtful account	(5,954)	-	(5,954)	-
	2,824,846	1,136,087	958,010	587,930

**10 Deferred taxation:**

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

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Balance, beginning of year	25,506	18,037	17,392	18,037
Charged/(Absorbed) during the year (see Note 15 (b))	31,390	7,469	6,606	(645)
<b>Balance, end of year</b>	<b>56,896</b>	<b>25,506</b>	<b>23,998</b>	<b>17,392</b>

(ii) The analysis of deferred taxation account during the year was as follows:

Fixed assets	13,927	(8,424)	(18,971)	(16,538)
General provision on commercial bills	34,824	33,930	34,824	33,930
Provision for gratuity	8,145	-	8,145	-
<b>Balance, end of year</b>	<b>56,896</b>	<b>25,506</b>	<b>23,998</b>	<b>17,392</b>

**11 Long-term investments:**



Long-term investments comprise:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Quoted equity investments	119,388	24,513	-	-
Provision for diminution in investments	(4,750)	(2,225)	-	-
	<b>114,638</b>	<b>22,288</b>	<b>-</b>	<b>-</b>
<b>Quoted Bonds</b>				
9% 4th FGN Bond 2010 Series	1,000,000	-	1,000,000	-
14.5% 3rd FGN Bond 2011 Series	1,000,000	-	1,000,000	-
13.5% Special Bonds for Local Contractors	513,705	-	513,705	-
12.5% 2nd FGN Bond 2008 Series	1,000,000	1,000,000	1,000,000	1,000,000
17% 2nd FGN Bond 2008 Series	1,000,000	1,000,000	1,000,000	1,000,000
8.25% 2nd FGN Bond 2007 Series	-	1,250,000	-	1,250,000
15% 2nd FGN Bond 2007 Series	-	500,000	-	500,000
	<b>4,513,705</b>	<b>3,750,000</b>	<b>4,513,705</b>	<b>3,750,000</b>
<b>Unquoted Investments</b>				
Nigeria Inter Bank Settlement Systems (See (a) below)	666	666	666	666
FSDH Asset Management Limited (See (b) below)	-	-	200,000	200,000
Pensions Alliance Limited (See (c) below)	-	-	364,000	204,000
	<b>666</b>	<b>666</b>	<b>564,666</b>	<b>404,666</b>
	<b>4,629,009</b>	<b>3,772,954</b>	<b>5,078,371</b>	<b>4,154,666</b>

a) This represents the Company's investment in Nigeria Inter-bank Settlement System Plc.

b) This represents the Company's investment in 200,000,000 Ordinary shares of N1 each in FSDH Asset

c) This represents the Company's investment in 364,000,000 Ordinary shares of N1 each in Pensions Alliance

The directors are of the opinion that adequate provision has been made for diminution in the value of long-term

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**Fixed assets:**

a)

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

**Group**

	<b>Leasehold Improvements N'000</b>	<b>Furniture &amp; Fittings N'000</b>	<b>Office Equipment N'000</b>	<b>Motor Vehicles N'000</b>	<b>Work In Progress N'000</b>	<b>Total N'000</b>
<b>Cost:</b>						
Balance, beginning c	53,444	37,355	302,578	178,076	-	571,453
Additions	11,154	14,047	38,893	32,607	8,717	105,418
Disposal	-	-	(284)	(23,781)	-	(24,065)
<b>Balance, end of year</b>	<b>64,598</b>	<b>51,402</b>	<b>341,187</b>	<b>186,902</b>	<b>8,717</b>	<b>652,806</b>
<b>Accumulated Depreciation:</b>						
Balance, beginning c	36,348	18,843	162,036	62,650	-	279,877
Charge for the year	13,141	6,175	52,420	43,575	-	115,311
Disposal	-	-	(55)	(21,073)	-	(21,128)
<b>Balance, end of year</b>	<b>49,489</b>	<b>25,018</b>	<b>214,401</b>	<b>85,152</b>	<b>-</b>	<b>374,060</b>
<b>Net Book Value:</b>						
<b>Balance, end of year</b>	<b>15,109</b>	<b>26,384</b>	<b>126,786</b>	<b>101,750</b>	<b>8,717</b>	<b>278,746</b>
<b>Balance, beginning c</b>	<b>17,096</b>	<b>18,512</b>	<b>140,542</b>	<b>115,426</b>	<b>-</b>	<b>291,576</b>

b)

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

**Company**

	<b>Leasehold Improvements N'000</b>	<b>Furniture &amp; Fittings N'000</b>	<b>Office Equipment N'000</b>	<b>Motor Vehicles N'000</b>	<b>Work In Progress N'000</b>	<b>Total N'000</b>
<b>Cost:</b>						

Balance, beginning c	34,188	24,768	184,412	119,640	-	363,008
Additions	9,749	12,564	24,862	22,674	8,717	78,566
Disposal	-	-	(284)	(23,781)	-	(24,065)
Balance, end of year	43,937	37,332	208,990	118,533	8,717	417,509

**Accumulated Depreciation:**

Balance, beginning c	30,347	17,139	145,232	55,767	-	248,485
Charge for the year	2,468	2,828	19,276	27,199	-	51,771
Disposal	-	-	(55)	(21,073)	-	(21,128)
Balance, end of year	32,815	19,967	164,453	61,893	-	279,128

**Net Book Value:**

Balance, end of year	11,122	17,365	44,537	56,640	8,717	138,381
Balance, beginning c	3,841	7,629	39,180	63,873	-	114,523

- c) No leased assets are included in the above fixed asset accounts
- d) There were no authorised or contracted capital commitments as at the balance sheet date ( 2006: Nil)

**13 Call placements**

Call placements comprise :

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Secured	-	250,000	-	250,000
Unsecured	27,050,000	30,843,547	27,050,000	30,843,547
	<b>27,050,000</b>	<b>31,093,547</b>	<b>27,050,000</b>	<b>31,093,547</b>

**14 Other liabilities:**

- a) These comprise:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Unrealised interest and discount income	517,192	275,669	517,192	275,669
Accrued expenses and discount payable	1,383,864	371,925	206,329	260,803
Due to customers	1,081,882	152,223	-	-
Due to banks in Nigeria	806	10,438	806	10,438
	<b>2,983,744</b>	<b>810,255</b>	<b>724,327</b>	<b>546,910</b>

**15 Dividend payable:**

- (i) Statement of Accounting Standard No. 23 (SAS 23) on provisions, contingent liabilities and contingent assets was Accordingly, proposed dividends which had previously been recognized as a provision in the financial statements

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Final dividend proposed as previously reported	-	377,344	-	377,344
<b>Effect of adoption of SAS 23</b>				
Final dividend proposed in 2006 but declared in 2007	377,344		377,344	
Payments during the year	(377,344)	(377,344)	(377,344)	(377,344)
<b>Dividend payable restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- (ii) The dividend was paid to the Company's shareholders net of applicable withholding tax in accordance with the

**16 Provisions:**

- i) The movement in provisions for gratuity during the year was as follows:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Balance, beginning of year	80,916	69,448	77,456	63,623
Payments in the year	(8,454)	(11,292)	(8,308)	(4,628)
Charge for year	37,778	22,760	35,460	18,461
<b>Balance, end of year</b>	<b>110,240</b>	<b>80,916</b>	<b>104,608</b>	<b>77,456</b>

ii) Gratuity provision represents the Company's obligations to its employees under its gratuity scheme.

## 17 Taxation payable

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

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Balance, beginning of year	252,345	478,568	187,506	425,628
Current year tax / (see note(b) below)	194,495	227,594	76,192	148,165
	446,840	706,162	263,698	573,793
Payment during the year	(235,902)	(453,817)	(187,279)	(386,287)
<b>Balance, end of year</b>	<b>210,938</b>	<b>252,345</b>	<b>76,419</b>	<b>187,506</b>

b) The charge for the year comprises:

Company income tax	190,672	216,246	70,292	159,960
Education tax	13,925	13,837	5,900	10,664
Prior year under / (over) provision	(10,102)	(2,489)	-	(22,459)
	194,495	227,594	76,192	148,165
Deferred tax absorbed/(utilised) (note (10) above)	(31,390)	(7,469)	(6,606)	645
<b>Tax charge</b>	<b>163,105</b>	<b>220,125</b>	<b>69,586</b>	<b>148,810</b>

The current tax charge has been computed at the applicable rate of 30% (2006: 30%) plus education levy of 2%

**18 Share capital**

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
a) <b>Authorised:</b>				
3,100,000,000 Ordinary share of N1 each (2006: 2,100,000,000 Ordinary share of N1 each)	3,100,000	2,100,000	3,100,000	2,100,000
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<b>Called-up and fully paid</b>				
2,012,500,000 Ordinary share of N1 each (2006: 2,012,500,000 Ordinary share of N1 each)	2,012,500	2,012,500	2,012,500	2,012,500
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b) The movement on the share capital account during the year was as follows:				
	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Balance, beginning of year	2,012,500	1,509,375	2,012,500	1,509,375
Bonus issue capitalised during the year	-	503,125	-	503,125
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Balance, end of year	2,012,500	2,012,500	2,012,500	2,012,500
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**19 Deposit for shares**

During the year, the Company made right issues of 1,006,250,004 Ordinary shares of N1 each at N3 per share.

**20 Statutory reserve**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
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	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	893,304	743,197	893,304	743,197
Transfer from profit and loss account	219,399	150,107	219,399	150,107
<b>Balance, end of year</b>	<b>1,112,703</b>	<b>893,304</b>	<b>1,112,703</b>	<b>893,304</b>

In accordance with existing legislation, 15% of profit after taxation (2006: 15%) has been transferred to statutory

## 21 Retained earnings

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	1,283,278	444,621	1,135,285	284,681
<b>Effect of adoption of SAS 23</b>				
Dividend proposed in 2005 but declared in 2006	-	377,344	-	377,344
Opening balance restated	1,283,278	821,965	1,135,285	662,025
Dividend paid	(377,344)	(377,344)	(377,344)	(377,344)
Transfer from profit and loss account	1,364,975	838,657	1,243,260	850,604
<b>Balance, end of year</b>	<b>2,270,909</b>	<b>1,283,278</b>	<b>2,001,201</b>	<b>1,135,285</b>

## 22 Minority interest

The movement on minority interest during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	36,898	-	-	-

Called up share capital (see Note 9)	153,725	-		
Paid up share capital	44,500	151,500	-	-
Share of loss	(147,989)	(114,602)	-	-
Balance, end of year	87,134	36,898	-	-

**23 Staff and directors' cost**

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

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Staff and related costs	524,831	345,159	270,706	227,262
Pension costs	12,930	11,133	11,362	9,150
Gratuity costs	37,778	21,426	35,460	18,461
	<b>575,539</b>	<b>377,718</b>	<b>317,528</b>	<b>254,873</b>

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

	<b>Group 2007 Number</b>	<b>Group 2006 Number</b>	<b>Company 2007 Number</b>	<b>Company 2006 Number</b>
Management staff	20	19	9	7
Senior staff	43	55	24	29
Other staff	59	58	32	31
	<b>122</b>	<b>132</b>	<b>65</b>	<b>67</b>

c) Higher paid employees of the company, other than directors, whose duties were wholly or mainly discharged in



	<b>Group 2007 Number</b>	<b>Group 2006 Number</b>	<b>Company 2007 Number</b>	<b>Company 2006 Number</b>
N 50,001 - N60,000	2	4	0	0
N 60,001 - N70,000	3	3	1	1
N 70,001 - N80,000	2	5	1	3
N 80,001 - N90,000	1	16	0	9
N 90,001 - N100,000	14	6	2	6
N 100,000 - N110,000	11	7	4	1
N 110,001 - N120,000	1	1	1	1
N 120,001 - N130,000	3	0	3	0
N 130,001 - N140,000	3	1	3	1
N 140,001 - N150,000	3	2	3	0
N 150,001 - N160,000	3	1	0	1
N 160,001 - N170,000	2	1	2	1
N 170,001 - N180,000	1	8	1	5
N 180,001 - N190,000	2	4	1	1
N 200,001 - N210,000	6	3	2	3
N 210,001 - N220,000	5	2	2	2
N 230,001 - N240,000	3	8	1	2
N 240,001 - N260,000	1	3	1	1
N 260,001 - N270,000	3	6	1	5
N 280,001 - N290,000	1	2	0	2
N 290,001 - N340,000	9	6	9	3
N 340,001 - N350,000	0	1	0	1
N 350,001 - N360,000	1	2	1	0
N 360,001 - N370,000	4	2	2	0
N 380,001 - N390,000	0	3	0	0
N 390,001 - N400,000	2	4	1	1
N 420,001 - N440,000	3	3	3	3
N 440,001 - N450,000	1	0	1	0
N 450,001 - N490,000	8	6	3	2

N 510,001 - N520,000	3	0	2	0
N 520,001 - N530,000	0	4	0	1
N 590,001 - N600,000	3	3	1	2
N 600,001 - N700,000	1	5	1	4
N 790,001 - N800,000	3	5	1	1
N 810,001 - N900,000	1	0	1	0
N 1,000,001 - N1,010,000	1	1	1	1
N 1,010,001 - N1,090,000	2	0	2	0
N 1,100,001 - N1,170,000	1	1	0	1
N 1,250,001 - N1,290,000	4	0	3	0
N 1,450,001 - N1,490,000	1	1	1	1
N 1,840,001 - N1,850,000	2	0	1	1
N 1,490,001 - N1,800,000	0	2	0	0
N 2,400,001 - N2,410,000	1	0	1	0
N 2,740,001 - N2,750,000	1	0	1	0
	122	132	65	67

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

	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Fees as directors	10,250	10,975	10,050	10,875
Other emoluments	10,273	10,849	10,200	10,550
	20,523	21,824	20,250	21,425

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
e) The directors' remuneration shown above (excluding pension and other benefits) includes:				

Chairman	2,825	2,825	2,825	2,825
Highest paid director	4,750	4,750	4,750	4,750

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

	<b>Group 2007 Number</b>	<b>Group 2006 Number</b>	<b>Company 2007 Number</b>	<b>Company 2006 Number</b>
N 1, 020,001 - N 1,030,000	7	7	7	7
N 2, 020,001 - N 2,030,000	4	5	4	5
	11	12	11	12

## 24 Earnings per share

Adjusted earnings per share has been calculated on profit after taxation for the year based on 2,012,500,008

## 25 Net cash flow from trading activities

This comprises:

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
Profit after taxation	1,436,385	874,162	1,462,659	1,000,711
Taxation	163,105	220,125	69,586	148,810
Adjustments to reconcile profit after taxation to net cash flow from trading activities				
- depreciation	115,311	78,180	51,771	46,687
- provisions/(write-backs) on risk assets	3,178	(14,725)	3,178	(14,725)

- reversal of provisions no longer required	(2,225)	-	-	-
- provision for long-term investment	4,750	-	-	-
- gratuity charge	37,778	22,760	35,460	18,461
- profit on disposal of fixed assets	(2,918)	(2,115)	(2,918)	(2,359)
	<u>1,755,364</u>	<u>1,178,387</u>	<u>1,619,736</u>	<u>1,197,585</u>

**26 Changes in operating assets:**

	<b>Group 2007 N'000</b>	<b>Group 2006 N'000</b>	<b>Company 2007 N'000</b>	<b>Company 2006 N'000</b>
(increase)/decrease in operating assets:				
- Trading securities	10,255,096	(7,220,591)	10,315,395	(7,381,423)
- Marketable securities	(8,938,041)	680	(8,585,725)	-
- Assets on repurchase agreements	(3,175,381)	7,717,455	(3,142,870)	7,893,017
- Other assets	(1,540,988)	(645,115)	(376,034)	(264,556)
increase/(decrease ) in operating liabilities:				
- Call placements	(4,043,547)	12,500,729	(4,043,547)	12,409,206
- Liabilities on repurchase agreements	2,639,298	(7,877,858)	3,142,870	(7,893,017)
- Other liabilities	2,173,489	(34,231)	177,417	(167,361)
	<u>(2,630,074)</u>	<u>4,441,069</u>	<u>(2,512,494)</u>	<u>4,595,866</u>

**27 Related party transactions**

During the year, the Company conducted business transactions with the following institutions whose directors are

**28 Subsidiary undertaking**

The Company has a 99.7% shareholding in FSDH Asset Management Limited ( FAML ) who in turn has a 99.9% There is a technical management agreement between the Company and FSDH Asset Management Limited and All other transactions between the Company and its controlled entities were carried out at arms length during the

**29 Assets/funds under management:**

The group through its subsidiaries FSDH Asset Management Limited (FAML) and Pensions Alliance Limited (PAL)

	<b>2007</b>	<b>2006</b>
	<b>N'000</b>	<b>N'000</b>
FAML's Assets Under Management	9,070,665	8,149,575
PAL's Assets Under Management	14,848,981	341,584
	<hr/> <b>23,919,646</b>	<hr/> <b>8,491,159</b>

**30 Comparative figures**

Certain prior year comparatives have been restated to conform with current year presentation format.