



## Independent Auditor's Report



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To the Members **First Securities Discount House Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of First Securities Discount House Limited ("the Company") and its subsidiary companies (together "the Group"), which comprise the balance sheets as at 31 December, 2010, the profit and loss accounts, the statement of cash flows and value added statements for the year then ended, and the statement of significant accounting policies, notes to the financial statements and the five year financial summaries, as set out on pages 41 to 87

### Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements give a true and fair view of the financial position of First Securities Discount House Limited ("the Company") and its subsidiaries (together "the Group") as at 31 December 2010 and of the Group and Company's financial performance and cash flows for the year then ended in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars and guidelines.

### Report on Other Legal and Regulatory Requirements

#### *Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria.*

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books, and the balance sheet and profit and loss account are in agreement with the books of accounts.

#### *Compliance with the Section 27 (2) of the Banks and Other Financial Institutions Act of Nigeria*

The Company did not pay any penalties in respect of contravention of the provisions of Section 27(2) of the Banks and other Financial Institutions Act of Nigeria and Central Bank of Nigeria circulars during year ended 31 December, 2010.

**KPMG**

**29 March, 2011  
Lagos, Nigeria**

