

NOTES TO THE FINANCIAL STATEMENTS
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1 Securities income

Securities income comprise income from:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Government bond - trading gain	-	464,117	-	464,117
Government bond - interest Income	1,128,856	1,327,822	1,128,856	1,327,822
Commission on bonds trading	-	82,377	-	82,377
Treasury bills	1,570,495	1,202,431	1,570,495	1,202,431
Commercial bills	8,791,531	2,521,233	8,791,531	2,646,863
	11,490,882	5,597,980	11,490,882	5,723,610

2 Other income

Other income comprise income from:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Management fees	640,935	276,701	-	-
Brokerage commissions	251,609	237,973	-	-
Interest on margin account	391,704	62,781	-	-
Securities trading income	232,085	11,856	-	-
Financial advisory fees	84,116	5,000	-	-
Administrative fees	58,751	12,874	-	-
Technical services fee	-	-	78,536	35,400
Others	11,451	37,938	5,320	7,452
	1,670,651	645,123	83,856	42,852

3 Operating expenses

Operating expenses comprise the following:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Directors' fees and allowances	19,351	20,523	17,930	20,250
Staff and related costs (see note (28)(a))	663,863	575,539	357,004	317,528
Depreciation	123,292	115,311	63,030	51,771
Auditors' fees	19,840	17,025	12,000	8,750
Other operating expenses	950,651	316,586	431,619	237,289
	1,776,997	1,044,984	881,583	635,588

4 Cash and bank balances

These comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Cash in hand	44	124	6	9
Balances held with other banks:				
- Current account	1,299,723	290,523	522,333	200,495
	1,299,767	290,647	522,339	200,504

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5 Assets / liabilities on repurchase agreements:

(a) Assets under repurchase agreements comprise:	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Treasury bills				
* Banks	195,000	20,824,000	195,000	20,824,000
	195,000	20,824,000	195,000	
Unearned discount	(4,384)	-	(4,384)	-
	190,616	20,824,000	190,616	20,824,000
Commercial bills				
* Banks	-	3,663,247	-	3,663,247
* Energy	2,969,000	654,799	2,969,000	654,799
* Corporate	8,363,715	5,372,262	8,473,687	5,372,262
* Others	1,263,301	689,354	1,263,301	689,354
	12,596,016	10,379,662	12,705,988	10,379,662
Discount receivable	128,607	-	128,607	-
Unearned discount	(119,297)	-	(119,297)	-
	12,605,326	10,379,662	12,715,298	10,379,662
General allowance for commercial bills (see note (b))	(127,153)	(103,797)	(127,153)	(103,797)
	12,478,173	10,275,865	12,588,145	10,275,865
Total - Assets on repurchase agreements	12,668,789	31,099,865	12,778,761	31,099,865

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	103,797	98,689	103,797	98,689
Provision during the year (see Note 6e)	23,356	5,108	23,356	5,108
Balance, end of year	127,153	103,797	127,153	103,797

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Treasury bills	195,000	20,824,000	195,000	20,824,000
Commercial bills	12,596,016	10,379,662	12,705,988	10,379,662
Total assets on repurchase agreement	12,791,016	31,203,662	12,900,988	31,203,662

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Performing	12,596,016	10,379,662	12,705,988	10,379,662

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(d) Liabilities on repurchase agreements comprise:
(Product/Sectoral breakdown)

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Treasury bills				
* Banks	195,000	20,824,000	195,000	20,824,000
	195,000	20,824,000	195,000	20,824,000
Commercial bills				
* Banks	1,503,411	3,090	1,503,411	3,090
* Non-bank financial institutions	4,271,247	4,196,034	4,381,219	4,196,034
* Public sector	1,771,093	40,000	1,771,093	40,000
* FSDH Private clients	2,623,045	3,288,291	2,623,045	3,916,034
* Others	2,427,220	2,224,504	2,427,220	2,224,504
	12,596,016	9,751,919	12,705,988	10,379,662
Total liabilities against repurchase agreement	12,791,016	30,575,919	12,900,988	31,203,662

6 Marketable securities (Product/ Sectoral Breakdown):

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
a) Marketable securities comprise:				
Treasury bills (see (b) below)	35,690,177	17,651,000	35,690,177	17,651,000
Commercial bills (see (c) below)	3,735,076	1,215,688	3,735,076	1,121,447
Dealing securities	824,232	353,546	-	-
	40,249,485	19,220,234	39,425,253	18,772,447
b) The analysis of treasury bills as at year end is as follows:				
	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Treasury bills - Face value	35,816,621	17,651,000	35,816,621	17,651,000
Interest receivable	28,609	-	28,609	-
Unearned discount	(155,054)	-	(155,054)	-
Balance, end of year	35,690,177	17,651,000	35,690,177	17,651,000
c) The analysis of commercial bills as at year end is as follows:				
	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Commercial bills - Face value				
* Banks	19,897	356,649	19,897	356,649
* Energy	362,640	561	362,640	561
* Corporate	2,881,538	804,458	2,881,538	804,458
* Others	559,479	132,889	559,479	38,648
	3,823,554	1,294,557	3,823,554	1,200,316
Discount receivable	38,700	-	38,700	-
Unearned discount	(35,900)	-	(35,900)	-
	3,826,354	1,294,557	3,826,354	1,200,316
Provision for risk assets				
Specific (see note (d)(i) below)	(52,712)	(66,585)	(52,712)	(66,585)
General (see note (d)(ii) below)	(38,566)	(12,284)	(38,566)	(12,284)
	(91,278)	(78,869)	(91,278)	(78,869)
Balance, end of year	3,735,076	1,215,688	3,735,076	1,121,447

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
i) Specific provision				
Balance, beginning of the year	66,585	72,076	66,585	72,076
Write-backs during the year	(13,873)	(5,491)	(13,873)	(5,491)
Balance, end of year	52,712	66,585	52,712	66,585
ii) General provision				
Balance, beginning of the year	12,284	14,677	12,284	14,677
Provision during the year	26,282	(2,393)	26,282	(2,393)
Balance, end of year	38,566	12,284	38,566	12,284

e) Provisions/(write-backs) for risk assets comprises	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Commercial bills:				
- Specific write-backs during the year (see (d)(i))	13,873	5,491	13,873	5,491
- General provision during the year (see (d)(ii))	(26,282)	2,393	(26,282)	2,393
Assets on repurchase agreements:				
- General provision during the year (see Note 5(b))	(23,356)	(5,108)	(23,356)	(5,108)
Provisions on doubtful accounts:				
- Write back during the year (see Note 10(b))	5,954	(5,954)	5,954	(5,954)
Provisions on margin accounts:				
- General provision during the year (see Note 9(e))	(7,793)	-	-	-
	(37,604)	(3,178)	(29,811)	(3,178)

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Non-performing				
- Lost	52,712	66,585	52,712	66,585
Performing	3,770,842	1,227,972	3,770,842	1,133,731
	3,823,554	1,294,557	3,823,554	1,200,316

7 Trading securities:

Trading securities comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
FGN Bond				
Cost	1,650,721	8,585,725	1,650,721	8,585,725
Revaluation reserve	10,081	-	10,081	-
Interest receivable	41,266	-	41,266	-
	1,702,068	8,585,725	1,702,068	8,585,725

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8 Short-term investments:

Short-term investments comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
8.25% 2nd FGN Bond 2007 Series	-	1,250,000	-	1,250,000
15% 2nd FGN Bond 2007 Series	-	500,000	-	500,000
8.5% 2nd FGN Bond 2008 Series	100,000	-	100,000	-
8.99% 4th FGN Bond 2008 Series	300,000	-	300,000	-
11.5% 2nd FGN Bond 2008 Series	500,000	-	500,000	-
9.45% 5th FGN Bond 2008 Series	100,000	-	100,000	-
10.75% 4th FGN Bond 2008 Series	500,000	-	500,000	-
12.5% 3rd FGN Bond 2008 Series	100,000	-	100,000	-
10.7% 5th FGN Bond 2008 Series	200,000	-	200,000	-
9.2% 4th FGN Bond 2008 Series	200,000	-	200,000	-
12.5% 2nd FGN Bond 2008 Series	1,000,000	-	1,000,000	-
17% 2nd FGN Bond 2008 Series	1,000,000	-	1,000,000	-
15% 3rd FGN Bond 2009 Series	3,300	-	3,300	-
Federal Government of Nigeria Bonds	4,003,300	1,750,000	4,003,300	1,750,000

9 Margin accounts:

(a) Margin accounts comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Share-backed facilities (see Note (b) below)	1,525,828	1,445,294	-	-
Interest receivable on share-backed facilities	32,695	44,903	-	-
	1,558,523	1,490,197	-	-
General loan loss provision (see e below)	(7,793)	-	-	-
Balance, end of year	1,550,730	1,490,197	-	-

(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) The gross value of margin accounts by maturity profile is as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Under 1 month	401,948	914,760	-	-
1-3 months	1,153,677	575,437	-	-
3 - 6 months	2,898	-	-	-
	1,558,523	1,490,197	-	-

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	-	-	-	-
Provision during the year	7,793	-	-	-
Balance, end of year	7,793	-	-	-

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10 Other assets:

(a) Other assets comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Prepayments	90,658	61,079	44,027	45,701
Accrued discount receivable	151,810	387,884	151,810	387,884
Unamortised upfront discount	36,078	20,539	36,078	20,539
Staff advances	91,077	126,141	82,965	94,668
Receivable from non-controlling interest (see note 27)	-	153,725	-	-
Others	489,028	591,235	228,976	415,172
	858,651	1,340,603	543,856	963,964
Provisions for doubtful accounts (see note (b))	-	(5,954)	-	(5,954)
	858,651	1,334,649	543,856	958,010

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	(5,954)	-	(5,954)	-
Provisions during the year	-	(5,954)	-	(5,954)
Write-backs during the year	5,954	-	5,954	-
Balance, end of year	-	(5,954)	-	(5,954)

11 Deferred taxation:

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	56,896	25,506	23,998	17,392
Deferred tax credit (see note 20(b))	144,747	31,390	14,300	6,606
Balance, end of year	201,643	56,896	38,298	23,998

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

Fixed assets	23,038	13,927	(28,534)	(18,971)
General provision on commercial bills	49,467	34,824	49,467	34,824
Unrelieved losses	111,773	-	-	-
Provision for gratuity	17,365	8,145	17,365	8,145
Balance, end of year	201,643	56,896	38,298	23,998

12 Investment in subsidiary companies comprises:

FSDH Asset Management Limited (See (a) below)	-	-	200,000	200,000
Pensions Alliance Limited (See (b) below)	-	-	364,000	364,000
	-	-	564,000	564,000

a) This represents the Company's 99.7% shareholding in 200,000,000 Ordinary shares of N1 each in FSDH Asset Management Limited.

b) This represents the Company's 51% shareholding in 364,000,000 Ordinary shares of N1 each in Pensions Alliance Limited.

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13 Long-term investments:

Long-term investments comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Quoted equity investments	119,388	119,388	-	-
Provision for diminution in investments	(6,011)	(4,750)	-	-
	113,377	114,638	-	-

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of the year	4,750	(2,225)	-	-
Provisions during the year	1,261	4,750	-	-
Write-backs during the year	-	2,225	-	-
Balance, end of year	6,011	4,750	-	-

Quoted bonds

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
17% 2nd FGN Bond 2008 Series	-	1,000,000	-	1,000,000
9% 4th FGN Bond 2010 Series	700,000	-	700,000	-
7.95% 4th FGN Bond 2010 Series	700,000	-	700,000	-
7% 4th FGN Bond 2010 Series	100,000	-	100,000	-
8.99% 4th FGN Bond 2010 Series	5,000,000	-	5,000,000	-
14.5% 3rd FGN Bond 2011 Series	1,000,000	-	1,000,000	-
9.5% 4th FGN Bond 2012 Series	200,000	-	200,000	-
9.23% 4th FGN Bond 2012 Series	400,000	-	400,000	-
9.25% 4th FGN Bond 2014 Series	100,000	-	100,000	-

	8,200,000	4,513,705	8,200,000	4,513,705
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Unquoted Investments

Nigeria Inter Bank Settlement Systems	666	666	666	666
	8,314,043	4,629,009	8,200,666	4,514,371

The directors are of the opinion that adequate provision has been made for diminution in the value of long-term investments as at the balance sheet date.

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14 Fixed assets:

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	64,598	51,402	341,187	186,902	8,717	652,806
Additions	13,120	54,942	44,971	27,061	-	140,094
Transfer	8,717	-	-	-	(8,717)	-
Disposal	-	-	(250)	(17,514)	-	(17,764)
Balance, end of year	86,435	106,344	385,908	196,449	-	775,136
Accumulated Depreciation:						
Balance, beginning of year	49,489	25,018	214,401	85,152	-	374,060
Charge for the year	7,176	9,658	60,211	46,247	-	123,292
Disposal	-	-	(174)	(15,335)	-	(15,509)
Balance, end of year	56,665	34,676	274,438	116,064	-	481,843
Net Book Value:						
Balance, end of year	29,771	71,668	111,470	80,385	-	293,293
Balance, beginning of year	15,109	26,384	126,786	101,750	8,717	278,746

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	43,937	37,332	208,990	118,533	8,717	417,509
Additions	13,101	51,367	26,209	21,721	-	112,399
Transfer	8,717	-	-	-	(8,717)	-
Disposal	-	-	-	(17,514)	-	(17,514)
Balance, end of year	57,038	88,699	243,916	122,740	-	512,394
Accumulated Depreciation:						
Balance, beginning of year	32,815	19,967	164,453	61,893	-	279,128
Charge for the year	3,921	5,703	24,361	29,044	-	63,030
Disposal	-	-	-	(15,335)	-	(15,335)
Balance, end of year	36,736	25,670	188,814	75,602	-	326,823
Net Book Value:						
Balance, end of year	20,302	63,029	55,102	47,138	-	185,571
Balance, beginning of year	11,122	17,365	44,537	56,640	8,717	138,381

c) No leased assets are included in the above fixed asset

d) There were no authorised or contracted capital commitments as at the balance sheet date (2007: Nil)

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15 Placements

Placements comprise :

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Unsecured:				
Call	24,440,000	27,050,000	24,440,000	27,050,000
Term	21,000,000	-	21,000,000	-
	45,440,000	27,050,000	45,440,000	27,050,000

16 Short term borrowings:

(a) Short term borrowings comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Commercial papers	1,424,896	908,491	-	-
Promissory note	30,000	-	-	-
	1,454,896	908,491	-	-

(b) Short term borrowings represent commercial papers and promissory notes issued to institutional investors and bears interest at rates ranging from 14% to 18% per annum, with maturities ranging from 30 days to 60 days.

17 Other liabilities:

a) These comprise:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Unrealised interest and discount income	-	517,192	-	517,192
Accrued expenses and discount payable	553,947	1,383,864	471,911	206,329
Due to customers	561,060	173,391	-	-
Due to banks in Nigeria	-	806	-	806
	1,115,007	2,075,253	471,911	724,327

18 Dividend payable:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	-	-	-	-
Dividend declared in the year	524,024	377,344	524,024	377,344
Payments during the year	(524,024)	(377,344)	(524,024)	(377,344)
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.

19 Provisions for gratuity :

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	110,239	80,916	104,608	77,456
Payments in the year	(11,541)	(8,454)	(8,662)	(8,308)
Charge for year	40,914	37,778	39,393	35,460
Balance, end of year	139,612	110,240	135,339	104,608

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20 Taxation payable

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	210,938	252,345	76,419	187,506
Current year tax (see note(b) below)	522,025	194,495	315,404	76,192
	732,963	446,840	391,823	263,698
Payment during the year	(181,689)	(235,902)	(63,592)	(187,279)
Balance, end of year	551,274	210,938	328,231	76,419

b) The charge for the year comprises:

Company income tax	487,757	190,672	294,050	70,292
Education tax	34,268	13,925	21,354	5,900
Prior year under / (over) provision	-	(10,102)	-	-
	522,025	194,495	315,404	76,192
Deferred tax credit (note (11) above)	(144,747)	(31,390)	(14,300)	(6,606)
Tax charge	377,278	163,105	301,104	69,586

The current tax charge has been computed at the applicable rate of 30% (2007: 30%) plus education levy of 2% (2007: 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.

21 Share capital

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
a) Authorised:				
3,100,000,000 Ordinary share of N1 each (2007: 2,100,000,000 Ordinary share of N1 each)	3,100,000	3,100,000	3,100,000	3,100,000
Called-up and fully paid				
2,794,794,000 Ordinary share of N1 each (2007: 2,012,500,000 Ordinary share of N1 each)	2,794,794	2,012,500	2,794,794	2,012,500

b) The movement on the share capital account during the year was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	2,012,500	2,012,500	2,012,500	2,012,500
Transfer from share disposal account (see note 22)	782,294	-	782,294	-
Balance, end of year	2,794,794	2,012,500	2,794,794	2,012,500

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22 Deposit for shares

The Company made right issues of 1,006,250,004 Ordinary shares of N1 each at N3 per share. A total of 782,293,722 ordinary shares were taken up and proceeds of N2,321,881,000 net of share issue expenses of N25,000,166 from the offer has been allotted during the year after obtaining CBN approval. The nominal value of the shares was transferred to the share capital account while the balance was transferred to the share premium account.

Movement in the deposit for shares account was as follows:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	2,321,881	-	-	-
Proceeds from rights issue		2,321,881		2,321,881
Transfer to share capital	(782,294)	-	(782,294)	-
Transfer to share premium	(1,539,587)	-	(1,539,587)	-
Balance, end of year	-	2,321,881	-	2,321,881

23 Share premium

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	-	-	-	-
Premium from rights issue	1,539,587	-	1,539,587	-
Balance, end of year	1,539,587	-	1,539,587	-

24 Statutory reserve

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	1,112,703	893,304	1,112,703	893,304
Transfer from profit and loss account	267,832	219,399	262,995	219,399
Balance, end of year	1,380,535	1,112,703	1,375,698	1,112,703

In accordance with existing legislation, 15% of profit after taxation (2007: 15%) has been transferred to statutory reserve. In addition, Pension Alliance Limited, a subsidiary company in the group, has transferred 12.5% of profit after taxation to statutory reserve account which is required to be done on an annual basis.

25 Retained earnings

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	2,270,909	1,283,278	2,001,201	1,135,285
Dividend paid	(524,024)	(377,344)	(524,024)	(377,344)
Transfer from profit and loss account	2,076,294	1,364,975	1,490,306	1,243,260
Balance, end of year	3,823,179	2,270,909	2,967,483	2,001,201

26 Revaluation reserve represents unrealised gain from the recognition of trading bonds at market value.

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27 Non-controlling Interest

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	87,134	36,898	-	-
Called up share capital (see Note 10)	-	153,725	-	-
Paid up share capital	-	44,500	-	-
Shortfall in share of loss from prior year	(1,935)	-	-	-
Share of profit/(loss)	16,589	(147,989)	-	-
Balance, end of year	101,788	87,134	-	-

28 Staff and directors' cost

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

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Staff and related costs	605,010	524,831	302,935	270,706
Pension costs	17,939	12,930	14,676	11,362
Gratuity costs	40,914	37,778	39,393	35,460
	663,863	575,539	357,004	317,528

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

	Group 2008 Number	Group 2007 Number	Company 2008 Number	Company 2007 Number
Management staff	25	19	14	9
Senior staff	98	55	24	24
Other staff	51	58	35	32
	174	132	73	65

c) Higher paid employees of the Group and 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 2008 Number	Group 2007 Number	Company 2008 Number	Company 2007 Number
N 25,001 - N50,000	4	0	2	0
N 50,001 - N60,000	12	4	2	0
N 60,001 - N70,000	13	3	0	1
N 70,001 - N80,000	3	5	1	3
N 80,001 - N90,000	1	16	1	9
N 90,001 - N100,000	12	6	1	6
N 100,000 - N110,000	12	7	1	1
N 110,001 - N120,000	1	1	0	1
N 120,001 - N130,000	5	0	5	0
N 130,001 - N140,000	8	1	4	1
N 140,001 - N150,000	7	2	2	0
N 150,001 - N160,000	3	1	1	1
N 160,001 - N170,000	3	1	3	1
N 170,001 - N180,000	3	8	1	5
N 180,001 - N190,000	3	4	2	1
N 200,001 - N210,000	6	3	0	3
N 210,001 - N220,000	5	2	0	2
N 230,001 - N240,000	3	8	4	2

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N 240,001 - N260,000	2	3	2	1
N 260,001 - N270,000	3	6	0	5
N 280,001 - N290,000	1	2	4	2
N 290,001 - N340,000	5	6	1	3
N 340,001 - N350,000	0	1	0	1
N 350,001 - N360,000	0	2	0	0
N 360,001 - N370,000	2	2	0	0
N 370,001 - N380,001	0		3	
N 380,001 - N390,000	2	3	2	0
N 390,001 - N400,000	9	4	5	1
N 420,001 - N440,000	3	3	2	3
N 440,001 - N450,000	2	0	1	0
N 450,001 - N490,000	8	6	1	2
N 500,001 - N510,001	0		2	
N 510,001 - N520,000	1	0	0	0
N 520,001 - N530,000	1	4	1	1
N 590,001 - N600,000	3	3	0	2
N 600,001 - N700,000	6	5	6	4
N 750,001 - N800,000	7	5	1	1
N 810,001 - N900,000	2	0	2	0
N 1,000,001 - N1,010,000	2	1	0	1
N 1,010,001 - N1,090,000	0	0	0	0
N 1,100,001 - N1,170,000	1	1	0	1
N 1,250,001 - N1,290,000	2	0	1	0
N 1,320,001 - N1,490,000	2	1	2	1
N 1,620,001 - N1,790,001	0		3	
N 1,840,001 - N1,850,000	2	0	0	1
N 1,890,001 - N1,970,000	1	2	1	0
N 2,200,001 - N2,410,000	2	0	2	0
N 2,500,001 - N3,500,000	1	0	1	0
N 4,000,001 - N5,000,000	0	0	0	0
	174	132	73	67

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

	2008	2007
	N'000	N'000
Fees as directors	7,730	10,050
Other emoluments	10,200	10,200
	17,930	20,250

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

	Company	Company
	2008	2007
	N'000	N'000
Chairman	1,404	1,404
Highest paid director	2,742	2,742

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

	Company	Company
	2008	2007
	Number	Number
N 1,000,000 - N 1,500,000	5	6
N 1,500,001 - N 2,000,000	4	5
	9	11

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29 Earnings per share

Earnings per share has been calculated on profit after taxation for the year based on 2,794,794,000 Ordinary share in issue as at 30 June 2008 (2007: 2,012,500,008).

30 Net cash flow from trading activities

This comprises:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
Profit after taxation	2,360,715	1,436,385	1,753,301	1,462,659
Taxation	377,278	163,105	301,104	69,586
Adjustments to reconcile profit after taxation to net cash flow from trading activities				
- depreciation	123,292	115,311	63,030	51,771
- provisions on risk assets	37,604	3,178	29,811	3,178
- reversal of provisions no longer required	-	(2,225)	-	-
- provision for long-term investment	1,261	4,750	-	-
- gratuity charge	40,914	37,778	39,393	35,460
- profit on disposal of fixed assets	(2,801)	(2,918)	(2,772)	(2,918)
	2,938,263	1,755,364	2,183,867	1,619,736

31 Changes in operating assets:

	Group 2008 N'000	Group 2007 N'000	Company 2008 N'000	Company 2007 N'000
(increase)/decrease in operating assets:				
- Marketable securities	(21,041,660)	10,255,096	(20,665,215)	10,315,395
- Trading securities	6,893,736	(8,938,041)	6,893,738	(8,585,725)
- Assets on repurchase agreements	18,407,720	(3,175,381)	18,297,748	(3,142,870)
- Margin accounts	(68,326)	(1,490,197)	-	-
- Other assets	326,292	(50,791)	420,107	(376,034)
increase/(decrease) in operating liabilities:				
- Placements	18,390,000	(4,043,547)	18,390,000	(4,043,547)
- Short term borrowings	546,405	908,491	-	-
- Liabilities on repurchase agreements	(17,784,903)	2,639,298	(18,302,674)	3,142,870
- Other liabilities	(960,246)	1,264,998	(252,416)	177,417
	4,709,018	(2,630,074)	4,781,289	(2,512,494)

32 Related party transactions

During the year, the Company conducted business transactions with the following institutions whose directors are also directors of FSDH Limited: FSDH Staff Cooperative, Stanbic IBTC Bank Plc, Ecobank Plc, Spring Bank Plc, Afribank Nigeria Plc, Unity Bank Plc, Nigeria Social Insurance Trust Fund, AllCO Insurance Plc, Unico Pension Trust Fund, KMC Investment Ltd, UBA Asset Management Limited. The transactions with these institutions were carried out at arm's length.

33 Contingent liabilities, litigation and claims

The Company has litigation and claims which arose in the normal course of business and they are being contested by the Company. 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 requiring disclosure in these financial statements.

34 Subsidiary undertaking

The Company has a 99.7% shareholding interest in FSDH Asset Management Limited (FAML) which in turn has a 99.9% shareholding interest in FSDH Securities Limited (FSL). FSDH also has 51% shareholding interest in Pensions Alliance Limited.

There is a technical management agreement between the Company and FSDH Asset Management Limited and FSDH Securities Limited. The agreement provides for the provision of technical management assistance to FAML and FSL, for a fee of 10% of profit before tax. Amount charged during the year amounted to N78.5 million (2007: N35.4 million)

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

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35 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

	2008 N'000	2007 N'000
FAML's Assets Under Management	10,924,196	9,070,665
PAL's Assets Under Management	24,634,478	14,848,981
	35,558,674	23,919,646

36 Prior year comparative figures

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

37 Business segment reporting

The segment information is presented in respect of the group's business segments.

The group operates the following 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

Stockbroking - includes stock trading with proprietary portfolio and customers' portfolio.

The group's business reporting information comprises:

	Asset management N'000	Stock broking N'000	Fixed income securities N'000	Pension funds management N'000	Total N'000
REVENUE:					
Gross earnings - external	452,892	961,930	11,496,202	330,171	13,241,195
Intersegment revenue/(expense)	(31,933)	(46,603)	78,536	-	-
Total segment revenue	420,959	915,327	11,574,738	330,171	13,241,195
EXPENSES					
Depreciation	-	-	(63,030)	(60,262)	(123,292)
Segment result	348,099	507,852	1,975,869	(93,827)	2,737,993
ASSETS AND LIABILITIES					
Total assets	1,026,758	2,485,261	67,207,579	422,171	71,141,769
Total liabilities	(429,141)	(1,769,123)	(59,083,938)	(209,603)	(61,491,805)
Non-controlling Interest					(101,788)
Net Assets	597,617	716,138	8,123,641	212,568	9,548,176