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Independent Auditor's Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of First Securities Discount House Limited ("the Company") and its subsidiary companies ("the Group"), which comprise the consolidated balance sheets as at 30 June 2007, the consolidated profit and loss accounts, statements of consolidated cash flows, value added statement for the year then ended, the statement of accounting policies, notes to the consolidated financial statements and the five year financial summary, set out on pages 7 to 28.

Directors' Responsibility for the Consolidated financial statements

The directors' are responsible for the preparation and fair presentation of these consolidated financial statements 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, the financial statements give a true and fair view of the state of affairs of the Company and Group as at 30 June 2007 and of their profit 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.

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 and its subsidiary companies, so far as appears from our examination of those books and additionally, the Group's balance sheet and profit and loss account are in agreement with the books of accounts.

Compliance with section 27(2) of the Banks and Other Financial Institutions Act of Nigeria.

Based on our audit and representations received, to the best of our knowledge and belief, the Company did not contravene any of the rules and regulations of the Banks and Other Financial Institutions Act of Nigeria.

KPMG.

13 September 2007

Lagos, Nigeria

