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INDEPENDENT AUDITOR'S REPORT

To the Members of **Legacy Pension Managers (PFA) Limited**:

Report on the Financial Statements

We have audited the accompanying financial statements of Legacy Pension Manager (PFA) Limited, which comprise the balance sheet as at 31 December, 2008, and the profit and loss account, statement of cash flows and value added statement for the year then ended, and the statement of accounting policies, notes to the financial statements and the five year financial summary, as set out on pages 6 to 23.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Statements of Accounting Standards applicable in Nigeria and the manner required by the Companies and Allied Matters Act of Nigeria, the Pension Reform Act 2004, and relevant National Pension Commission guidelines and circulars. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 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, the financial statements give a true and fair view of the financial position of Legacy pension Managers (PFA) Ltd as at 31 December 2008 and of its 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 Pension Reform Act 2004 and relevant National Pension Commission guidelines and 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, so far as appears from our examination of those books and the Company's balance sheet and profit and loss account are in agreement with the books of accounts.

Compliance with the requirements of the Pension Reform Act 2004 and the National Pension Commission Guidelines

Based on our audit and representations received, to the best of our knowledge and belief, the Company did not contravene any of the requirements of the Pension Reform Act 2004 or the rules and regulations of the National Pension Commission (PENCOM).

KPMG

3 August 2009
Lagos, Nigeria



Profit and Loss Account
For the period ended 31 December 2008

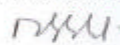
	<u>Notes</u>	<u>2008</u> N	<u>2007</u> N
REVENUE			
Management fee		254,445,094	96,527,281
Administration fee		68,024,210	59,044,000
		<u>322,469,304</u>	<u>155,571,281</u>
Operating expenses	1	(427,993,497)	(340,904,181)
OPERATING LOSS		(105,524,193)	(185,332,900)
Other income	2	6,661,974	12,364,864
Interest & similar charges		(51,135,198)	(28,138,045)
LOSS BEFORE TAXATION	3	(149,997,417)	(201,106,081)
Taxation	4	54,146,350	166,150,104
LOSS AFTER TAXATION		(95,851,067)	(34,955,977)
Accumulated loss, beginning of period		(450,097,873)	(415,141,896)
Accumulated loss, end of period		<u>(545,948,940)</u>	<u>(450,097,873)</u>
Loss per share – Basic	5	(0.64)	(0.23)

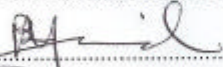
The accompanying notes form an integral part of these profit and loss accounts.

Balance Sheet
As at 31 December 2008

	Notes	2008	2007
		N	N
FIXED ASSETS	6	112,308,344	109,153,698
DEFERRED TAX ASSETS	7	229,558,360	175,412,010
CURRENT ASSETS			
Prepayments and other debtors	8	99,663,678	81,707,809
Cash and short term funds		56,931,505	61,809,958
		156,595,183	143,517,767
CREDITORS: Amounts falling due within one year:			
Overdrafts and other short term borrowings	9	(83,650,917)	(164,714,525)
Finance lease	10	-	(62,515,026)
Other creditors and accrued expenses	11	(81,683,710)	(80,901,797)
Deposit for shares	13	(729,076,200)	(420,050,000)
NET CURRENT LIABILITIES		(737,815,644)	(584,663,581)
NET ASSETS / (LIABILITIES)		(395,948,940)	(300,097,873)
CAPITAL & RESERVES			
Share capital	12	150,000,000	150,000,000
Retained loss		(545,948,940)	(450,097,873)
SHAREHOLDERS' FUNDS / (DEFICIT)		(395,948,940)	(300,097,873)
Pension funds under management	20	22,379,436,000	11,394,276,000

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:


)
 Mahey Rafindadi Rasheed OFR) Chairman


)
 Bello Mohammed Maccido) Managing Director

Approved by the Board of Directors on 3 August 2009

The accompanying notes form an integral part of these balance sheets.