



NPF PENSIONS LIMITED

Reg. 1147206

NPF PENSIONS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

Assets	2014 #
Cash and cash equivalents	184,818,964
Loans and receivables	42,138,516
Prepayments	25,874,669
Property, plant and equipment	494,522,092
Intangible assets	58,122,850
Deferred tax asset	42,416,260
Total assets	847,893,351
Liabilities	
Accounts payable	99,065,972
Amounts owed to related party	316,659,721
Total liabilities	415,725,693
Shareholders' equity	
Share capital	1,000,000,000
General reserve	(567,832,342)
Total shareholders' equity	432,167,658
Total liabilities & shareholders' equity	847,893,351

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FIFTEEN (15) MONTHS TO 31 DECEMBER

Revenue	198,597,475
Less operating expenses	808,846,077
Loss before taxation	(610,248,602)
Deferred tax	42,416,260
Loss after taxation	(567,832,342)
Other comprehensive income	-
Total comprehensive loss for the period	(567,832,342)

The financial statements were approved by the Board of Directors in its meeting of 17th March 2015, and were signed on its behalf by:

Hamza Sule Wuro Bokki, Ph.d
FRC/2014/NIM/0000009918
Managing Director/ CEO

Nicholas N. Nneji
FRC/2014/ICAN/00000010102
Executive Director, Investment

Juliet Nssien
FRC/2013/ICAN/00000001016
Head, Finance

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NPF PENSIONS LIMITED

We have audited the financial statements of NPF Pensions Limited, which comprise the Statement of Financial Position for the fifteen months period to 31 December 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the fifteen months period then ended, and a summary of the significant accounting policies and other explanatory notes.

Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004 and Pension (Reform) Act 2014 and Guidelines issued by the National Pension Commission (PenCom). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors consider 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 management, 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.

**Matter of emphasis
Shortfall of Regulatory Minimum Capital
Going Concern Consideration**

The company's paid up share capital of N1,000,000,000 as at 31 December 2014 was eroded by the sum of N567,832,342 being the net pre-operational loss reported by it at same date. The loss was due largely to the inability of the Company to secure the transfer of N306,676,301,596 Police pension contributions held by other PFAs. The sum of N1,978,116,959 was received by the Company as at 31 December 2014 and a total sum of N52,062,706,161 subsequently as at 4 March 2015. The fact of this significant accumulated loss of N567,832,342 and the shortage of the regulatory minimum share capital by same amount threaten the going concern basis of the Company. However, these financial statements have been prepared on a going concern basis, which assumes that the Company shall continue to enjoy the support of the shareholders and the Regulator (PenCom) as may be required. PenCom has ordered a monthly transfer schedule with the PFAs over a period of six (6) months effective from December 2014 to May 2015 to secure the full transfer of Police Pensions Funds from the PFAs. Management estimates that expected transfers shall amount to N120billion by May 2015 and the Company's earnings in management fees for this volume of Net Assets Value will be about N2billion for the year 2015.

We consider these facts should be drawn to the attention of members but our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of NPF Pensions Limited as at 31 December 2014 and of its financial performance and its cash flows for the period then ended, in accordance with International Financial Reporting Standards, the Financial Reporting Council of Nigeria Act No 6, 2011, Pension Reform Act 2014 and the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of account have been kept by the Company; and
- (iii) The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Abel Atalor
FRC/2013/ICAN/00000001141
For: **MUHTARI DANGANA & CO.**
(Chartered Accountants)
ABUJA - NIGERIA

17/3/ 2015



For a better understanding of Company's financial position, the results of its operations and the scope of our audit, this financial information should be read in conjunction with the full financial statements for the fifteen months ended 31 December 2014 from which they were derived and in respect of which the auditor's report was issued.