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CRUSADERSTERLING PENSIONS LIMITED

FINANCIAL STATEMENTS
31 DECEMBER 2014

CRUSADERSTERLING PENSIONS LIMITED

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Corporate Information

Board of Directors

The names of the Directors who held office during the year and their shareholdings are as follows:

S/N	Names	Designation	Share holdings
1	Wole Oshin	Chairman	Nil
2	Adeniyi Falade	Managing Director/CEO	Nil
3	Yemi Adeola	Director	Nil
4	B.C Molokwu	Director	Nil
5	Larry Ademeso	Director	Nil
6	Tofarati Agusto	Director	Nil
7	Lanre Adesanya	Director	Nil
8	Kunle Omilani	Director	Nil
9	Femi Oyetunji	Director	Nil
10	Richard Asabia	Director	Nil

Company Secretary
Custodian Trustees Limited
Custodian House
16, Commercial Avenue
Sabo Yaba, Lagos

Company Auditor
PKF Professional Services
PKF House
205A, Ikorodu Road
Obanikoro, Lagos

PKF Professional Services

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Accountants & business advisers

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF CRUSADERSTERLING PENSIONS LIMITED

We have audited the accompanying financial statements of **CrusaderSterling Pensions Limited**, which comprises the statement of financial position at 31 December 2014, the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004 and International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigeria and International Standards on Auditing. 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 misstatements.

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 judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor 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 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 present fairly, in all material respects the financial position of **CrusaderSterling Pensions Limited** at 31 December 2014, and of their financial performance and cash flows for the year then ended, in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004 and in the manner required by the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

The company has kept proper books of account which are in agreement with the financial position and statements of comprehensive income as it appears from our examination of their records.

Najeeb Abdus-salaam

Najeeb Abdus-salaam, FRC/2013/ICAN/00000000753
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A0886554

Date: 30 January 2015

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CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER, 2014

	Notes	2014 N'000	2013 N'000
Assets			
Cash and cash equivalents	5	539,922	466,598
Investment - Held to maturity	6	1,602,710	1,090,510
Other assets	7	232,149	305,396
Intangible asset	9	22,722	21,929
Property, plant and equipment	8	476,598	410,874
Total assets		2,874,101	2,295,307
Liabilities			
Other payables	10	218,814	228,413
Post employment benefits	11	-	-
Deposit for shares		1,905	-
Current tax payable	13.2	262,305	208,167
Deferred tax liability	13.3	37,350	25,347
Total liabilities		520,374	461,927
Equity			
Ordinary share capital	14.2	1,341,206	1,341,206
Share premium	15	13,540	13,540
Statutory contingency reserve	17	256,972	171,806
Revenue reserve		742,009	306,828
Total equity		2,353,727	1,833,380
Total liabilities and equity		2,874,101	2,295,307

The financial statements on pages 2 to 25 were approved by the Board of Directors on **30 January 2015** and signed on its behalf by:

Wole Oshin	**Adeniyi Falade**	**Kolawole Balogun**
Chairman	Managing Director	Financial Controller
FRC/2013/CIIN/00000003054	**FRC/2013/ICAN/00000003357**	**FRC/2013/ICAN/00000003392**

The accompanying notes on pages 6 to 22 form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 N'000	2013 N'000
Fee income	12.1	1,732,755	1,360,067
Interest income	12.2	206,212	187,120
Other income	12.3	15,019	3,020
		1,953,986	1,550,207
Administrative expenses		(1,019,396)	(911,689)
Profit before tax		934,590	638,518
Current tax expense	13.1	(241,262)	(189,206)
Deferred tax expense	13.3	(12,003)	(13,012)
		681,325	436,300
Other comprehensive income		-	-
Total comprehensive income		681,325	436,300
Statutory reserve	17	(85,166)	(54,538)
Profit attributable to owners of equity		596,159	381,762
Basic earnings per share (EPS) Kobo	20	50.80	32.53

CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Issued share capital N	Share premium N	Statutory contingency reserves N	Retained earnings N	Total equity N
At 31 December 2012	1,341,206	13,540	117,268	(74,934)	1,397,080
Changes in equity for 2013					
Profit for the year	-	-		436,300	436,300
Total comprehensive income for the year				436,300	436,300
Issue of share capital					
Statutory contingency provision for the year	-	-	54,538	(54,538)	-
Share issue expenses	-	-			-
Contributions by and to owners of the business	-	-	54,538	(54,538)	-
At 31 December 2013	1,341,206	13,540	171,806	306,828	1,833,380

	Issued share capital N	Share premium N	Statutory contingency reserves N	Retained earnings N	Total equity N
At 31 December 2013	1,341,206	13,540	171,806	306,828	1,833,380
Changes in equity for 2014					
Profit for the year	-	-	-	681,325	681,325
Total comprehensive income for the year	-	-	-	681,325	681,325
Statutory contingency provision for the year	-	-	85,166	(85,166)	-
Dividend paid during the year	-	-	-	(160,978)	(160,978)
Deposit for shares in the year	-	-	-	-	-
Contributions by and to owners of the business	-	-	85,166	(246,144)	(160,978)
At 31 December 2014	1,341,206	13,540	256,972	742,009	2,353,727

CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 N'000	2013 N'000
Cash flows from operating activities			
Income received		**1,810,553**	1,191,877
Payments to employees and suppliers		**(955,412)**	(736,534)
Income tax paid		**(187,124)**	(105,148)
Net cash from operating activities	21	**668,017**	350,195
Cash flows from investing activities			
Purchase of property, plant and equipment	8	**(128,362)**	(361,041)
Proceeds from disposal of property, plant and equipment		**10,467**	2,672
Investment - Held to maturity		**(512,200)**	(164,831)
Purchase of Intangible assets	9	**(11,737)**	(14,115)
Interest received		**206,212**	187,120
Net cash (used in) / from activities		**(435,620)**	(350,195)
Cash flows from financing activities			
Deposit for shares		**1,905**	-
Dividend paid in the year		**(160,978)**	-
Net cash used in financing activities		**(159,073)**	-
Net increase in cash and cash equivalents		**73,324**	-
Cash and cash equivalents at 1 January		**466,598**	466,598
Cash and cash equivalents at 31 December	5	**539,922**	466,598

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. The Company

1.1 Legal form

Crusadersterling Pensions Limited was incorporated on 12 October, 2004.

1.2 Principal activities

The principal activities of the company is the business of pension fund management and administration.

2. Basis of Preparation

2.1 This financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB). Additional information required by local regulators is included where appropriate.

2.1.1 Functional and presentation currency

The financial statements are presented in Naira, which is the Company's presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in Naira, which is the functional currency of the Company, and the presentational currency for the financial statements.

2.2 Summary of new and amended standards issued and effective during the year

2.2.1 IAS 36: Recoverable amount disclosures for non-financial assets

The standard as amended, reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.2.2 IAS 39: Novation of derivatives and continuation of hedge accounting

The amended IAS 39 Financial Instruments: Recognition and Measurement make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.2.3 IFRS 10, IFRS 12 and IAS 27: Investment Entities

The amendment provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement. Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries. Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated). The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.2.4 IFRIC 21 Levies

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The liability is recognised progressively if the obligating event occurs over a period of time. If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached. The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.3 New standards, amendments and interpretations issued but not effective and not early adopted

2.3.1 IFRS 9: Financial Instruments

This addresses the classification, measurent and recognition of financial assets and liabilities. IFRS 9 was first issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liablities, the standard retains most of the IAS 39 requirements. The main change is that in cases where the fair value option is taken for financial liabilties, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this create an accounting mis-match. The entity is yet to assess IFRS 9 full impact and intend to adopt IFRS 9 not later than the accounting period beginning on or after 1st January 2018.

2.3.2 IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out requirements for disclosure of information of the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial statements. Effective for annual periods beginning on or after 1 January 2016

2.3.3 IFRS 14 Defered Regulatory Income

The objective of IFRS 14 is to specify the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides good or services to customers at a price or rate that is subject to rate regulation. The standard is effective for annual periods beginning on or after 1 January 2016

2.3.4 IFRS 15 Revenue Contract from customers

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual reporting periods starting from 1 January 2017 onwards. Earlier application is permitted.

2.4 Basis of measurement

The financial statements comprise of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs).The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets/(liabilities) measured at fair value. The financial statements are presented in Naira, which is the Company's presentational currency.

Preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

2.5 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.

The estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3. Summary of significant policies

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

3.1 Property, plant and equipment

All property, plant and equipment assets are stated at cost less accumulated depreciation less accumulated impairment losses,if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

When the carrying amount of an asset is greater that its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.1.1 Subsequent costs

Cost arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

3.1.2 De-recognition

An item of property,plant and equipment is derecognised on disposal or when no future economic, benefits are expected from its use.Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

3.1.3 Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis to write -off assets over their estimated useful lives.Depreciation starts when an asset is ready for use and ends when derecognised or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated.

The estimated useful lives used are as follows:

Vehicles	25%
Furniture, fittings and equipment	20%
Office Equipment	20%
Computer Equipment	25%
Office Partitioning	50%
Building	2%

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3.2 Intangible assets acquired separately

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses.

Amortization is charged to income statement on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in income statement. Intangible assets with an indefinite useful life are tested for impairment annually. Amortization periods and methods are reviewed annually and adjusted if appropriate.

3.3 Impairment of non-financial assets

The entity assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

3.4 Receivables

Trade/other receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue trade receivables is recognized as it accrues.

3.5 Payables

Trade/other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

3.6 Cash and cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term for the purpose of statement of cashflows, cash and cash equivalents are reported net of bank overdraft.

3.7 Interest-bearing borrowings

Interest-bearing borrowings are stated at amortised cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

3.8 Equity instruments

Equity instruments issued by the entity are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

3.9 Compound instruments

At the issue date the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest rate method until extinguished upon conversion or at the instruments redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognised in equity, net of income tax effects, and is not subsequently re-measured.

3.10 Retirement benefits

Define contribution plan

The Company runs a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays into a separate entity a fixed contribution of 10% and 8% contributed by the Company and staff respectively based on basic salary, transport and housing allowances. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under the defined contribution plans, the Company pays contributions to approved pension administrators on a mandatory and or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.11 Revenue recognition

Fees and commission income

This represents administration and management fees received and receivable on members' contributions and the net asset value of funds under management respectively. All fees and commission income are recognized as services are provided.

Investment return

Investment return comprises of dividend, interest movement in amortized cost on debt securities and other loan and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.

The realized gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortised costs as appropriate.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

3.12 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.12.1 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

3.12.2 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/(loss), it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss.

3.13 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.14 Foreign currency transactions

Transactions in foreign currencies are recorded in Naira at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in Income Statement in the period in which they arise except for:

Exchange differences on foreign currency borrowings which are regarded as an adjustments to interest costs, where those interest costs qualify for capitalization to assets under construction.

Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.15 Risk Management Framework

The principal significant risks are assessed and mitigated under three broad headings:

Strategic risks– This specifically focused on the economic environment, the products offered and market. The strategic risks arose from a Company's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inablity to adapt to changes in its business environment.

Operational Risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

Financial Risks – Risk associated with the financial operation of the company, including capital management, investments, liquidity and credit.

The board of directors approves the company's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align investment strategy to the corporate goals, and specify reporting

3.15.1 Strategic Risks

Capital Management Policies, Objectives and Approach

The following capital management objectives, policies and approach to managing the risks which affect its capital position are adopted by the Company:

- To maintain the required level of financial stability thereby providing a degree of security to stakeholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the contributors, regulators and stakeholders.

CrusaderSterling's operations are also subject to regulatory requirements within Nigeria in which it operates. In addition annual returns must be submitted to PENCOM on a regular basis.

Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and customers.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis.

The Company's primary source of capital used is equity shareholders' funds.

3.15.2 Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirments for appropriate segregation of duties , including independent authorisation of transactions.
- requirements for the reconciliation and monitoing of transactions
- compliance with regulatory and other legal requirements
- documentataion of controls and procedures
- training and professional development
- Ethical and business standards

3.15.3 Financial Risks

The Company has exposure to the following risks from financial instruments:
Liquidity risks
Market risks

3.15.4 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Company employs policies and procedures to mitigate it's exposure to liquidity risk:

3.15.5 Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Naira and its financial assets are primarily denominated in the Naira and its exposure to foreign exchange risk is minimal.

3.15.6 Fair value determination

Fair value is the amount at which an asset or liability is exchanged between knowlegeable willing parties in an arms length transaction.

The carrying values of the Company's financial assets and liabilities are a reasonable approximation of fair values as at the applicable reporting periods.

Fair values of equity securities with active markets were derived with reference with their markets prices as at the reporting period.

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4. **Critical judgement in applying the company's accounting policies**

The company makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgement are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption. The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both the estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities within the next financial are discussed below:

a. **Depreciation and residual value of property and equipment**

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

b. **Determination of impairment of non- financial assets**

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that coudl indicate that impariment exist.

		2014 N'000	2013 N'000
5.	**Cash and cash equivalents**		
	Cash in hand	**16**	117
	Bank balance	**97,848**	19,036
	Placements with bank	**258,859**	325,633
	Deposit with custodian	**183,199**	121,812
		539,922	466,598
6.	**Investment - Held to maturity**	**1,602,710**	**1,090,510**

This amount represents investment in treasury bills which the management intends to keep till maturity and are carried at their amortised cost.

		2014 N'000	2013 N'000
7.	**Other assets**		
	Staff loans and advances	**255**	1,509
	Prepayments	**66,622**	50,188
	Account receivables (Note 7.1)	**165,272**	253,699
		232,149	305,396

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 N'000	2013 N'000
7.1	**Account receivables**		
	Management fees receivable	**157,114**	255,587
	Admin fees receivable	**14,635**	7,757
	Other receivables	**302**	1,422
		172,051	264,766
	Impairment (Note 7.2)	**(6,779)**	(11,067)
		165,272	253,699
7.2	**Reconciliation of impairment**		
	At 1 January	**(11,067)**	(6,779)
	Write back during the year	**4,288**	-
	Additional provision	**-**	(4,288)
	At 31 December	**(6,779)**	(11,067)

8. Property, plant and equipment

	Land N'000	Building N'000	Furniture and fixtures N'000	Computer equipment N'000	Office Partitioning N'000	Motor vehicles N'000	Office equipment N'000	Total N'000
Cost								
At 1 January	168,426	148,700	40,597	206,672	20,959	75,877	22,700	683,931
Additions in the year	-	25,235	6,644	6,950	428	87,840	1,265	128,362
Disposals	-	-	-	-	-	(44,136)	-	(44,136)
At 31 December	168,426	173,935	47,241	213,622	21,387	119,581	23,965	768,157
Depreciation								
At 1 January	-	-	27,230	156,044	20,411	52,876	16,496	273,057
Charge for the year		3,035	4,844	25,587	673	25,645	2,854	62,638
Disposals	-	-	-	-	-	(44,136)	-	(44,136)
	-	3,035	32,074	181,631	21,084	34,385	19,350	291,559
Carrying amount								
At 31 December 2014	**168,426**	**170,900**	**15,167**	**31,991**	**303**	**85,196**	**4,615**	**476,598**
At 31 December 2013	168,426	148,700	13,367	50,628	548	23,001	6,204	410,874

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 N'000	2013 N'000
9.	**Intangible costs**		
	Software		
	Cost		
	At 1 January	**42,521**	28,406
	Additions in the year	**11,737**	14,115
	At 31 December	**54,258**	42,521
	Amortisation		
	At 1 January	**20,592**	12,521
	Charge for the year	**10,944**	8,071
		31,536	20,592
	Carrying amount		
	At 31 December	**22,722**	21,929
10.	**Other payables**		
	Sundry creditors	**7,222**	18,190
	Accruals	**193,635**	170,188
	Value added tax (10.1)	**8,420**	33,532
	Information technology levy (10.2)	**9,537**	6,503
		218,814	228,413
10.1	**Value added tax**		
	At 1 January	**33,532**	9,583
	VAT input	**-**	-
	VAT out put	**91,964**	68,721
	Remittances in the year	**(117,076)**	(44,772)
	At 31 December	**8,420**	**33,532**
10.2	**Information technology development levy**		
	At 1 January	**6,503**	4,508
	Provisions in the year	**9,419**	6,456
	Payment in the year	**(6,385)**	(4,461)
	At 31 December	**9,537**	**6,503**

Section 12 (2a) of the the Nigerian Information Technology Development Agency (NITDA) Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 N'000	2013 N'000
11.	**Post employment benefits**		
	Defined contribution plan		
	At the beginning of the year	-	23
	Provisions in the year	63,103	50,454
	Remittance during the year	(63,103)	(50,477)
	At the end of the year	-	-
12.	**Income**		
12.1	**Fee income**		
	Management fees - RSA	1,450,799	1,160,324
	Management fees - Retirees	75,762	53,524
		1,526,561	1,213,848
	Management fees - Legacy Companies:		
	First Bank Nigeria Plc	1,931	1,954
	Crusader Insurance Plc	2,361	2,517
	GT Bank Plc	26,480	16,423
	Federal Airport Authority	1,602	1,328
	Intercontinental Bank	4,010	5,359
	University of Agric	635	-
	Palm Oil	23	-
	Total management fees	1,563,603	1,241,429
	Administrative fees - RSA	166,433	117,763
	Administrative fees - Retirees	2,719	875
	Total fee income	1,732,755	1,360,067

Fee income are approved and reviewed from time to time by the National Pension Commission (PENCOM).

		2014 N'000	2013 N'000
12.2	**Interest income**		
	Interest income on fixed deposit	25,086	130,592.00
	Interest income on treasury bills	181,068	56,462
	Interest income on staff loan	58	65
		206,212	187,119
12.3	**Other income**		
	Other income	264	-
	Other fee	-	348
	Profit on disposal of property, plant & equipments	10,467	2,672
	Provision no longer required	4,288	-
		15,019	3,020

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 N'000	2013 N'000
13. Taxation		
13.1 Income statement		
Income tax for the year	**224,421**	175,995
Education tax for the year	**16,841**	13,211
	241,262	189,206
Deferred tax for the year (13.3)	**12,003**	13,012
	253,265	202,218

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 as amended. The charge for education tax is based on the provisions of the Education Tax Act, CAP E4 LFN 2004.

Also, in line with the provision of section 12 (2a) of the Nigeria Information Technology Development Agency (NITDA) Act 2007, the Company has made a provison of 1% on its profit before tax for the

	2014 N'000	2013 N'000
13.2 Statement of financial position		
At 1 January	**208,167**	124,109
Income tax for the year	**224,421**	175,995
Education tax for the year	**16,841**	13,211
Payment during the year	**(187,124)**	(105,148)
At 31 December	**262,305**	208,167
13.3 Deferred tax assets		
Recognised deferred tax assets and liabilities		
At 1 January	**(25,347)**	(12,335)
Tax loss recognised in the year	**(12,003)**	(13,012)
At 31 December	**(37,350)**	(25,347)

The Company has adopted the International Accounting Standard (IAS 12) - income taxes on deferred taxation, which is computed using the liability method.

	2014 N'000	2013 N'000
13.4 Reconciliation of effective tax rate		
Profit for the period after tax	**681,325**	436,300
Total income tax expense:		
- Current	**241,262**	189,206
- Deferred	**12,003**	13,012
- IT levy	**9,419**	6,456
	262,684	208,674
Profit for the period before excluding income tax	**944,009**	644,974
Effective tax rate	**28%**	32%

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 N'000	2013 N'000
14.	**Share capital**		
14.1	***Authorised:***		
	1,600,000,000 ordinary shares of N1.00 each	**1,600,000**	1,600,000
14.2	***Issued and fully paid:***		
	1,341,206,000 ordinary shares of N1 each	**1,341,206**	1,341,206
15.	**Share premium**		
	At 1 January	**13,540**	13,540
	Addition in the year	**-**	-
	At 31 December	**13,540**	13,540
16.	**Profit on ordinary activities before taxation** This is stated after charging/(crediting):		
	Audit fee	**3,000**	3,000
	Directors' fees	**3,500**	3,600
	Finance charges	**1,199**	1,009
	Depreciation	**62,639**	46,054
	Amortisation of intangigle assets	**10,944**	8,071
	Loss on foreign exchange	**-**	207
	Gain on fixed assets disposed	**(10,467)**	(2,672)
	Pension contributions (company)	**31,596**	24,478
17.	**Statutory contingency reserve**		
	Balance at 1 January	**171,806**	117,268
	Additions in the year	**85,166**	54,538
	Balance at 31 December	**256,972**	171,806

In accordance with part viii section 69 of the Pension Reform Act 2004, the Company transferred 12.5% of its net profit after tax to statutory reserve fund.

18. Information regarding Directors and employees

		2014 N'000	2013 N'000
a)	**Directors:**		
	Fees	**3,500**	3,600
	Other emoluments - remuneration	**49,062**	50,352
	Remuneration of the chairman	**-**	-
	Remuneration of the highest paid director	**33,132**	33,132

b) Scale of Directors' remuneration

N		N	Number	Number
190,000	-	200,000	-	-
200,001		and above	1	1

	2014	2013
	Number	Number
18. Information regarding Directors and employees (Cont'd)		
c) Average number of persons employed (including Directors)		
Directorate	**2**	2
Information technology	**5**	5
Business development	**42**	41
Operations	**19**	19
Finance	**5**	4
Investment	**4**	3
Compliace/customer services	**8**	6
Internal control	**3**	3
Risk managemnet	**1**	1
Human resources/admin	**7**	7
Benefit	**8**	8
	104	99

d) Total employee cost for the above during the year	**N'000**	**N'000**
Salaries and wages	**476,983**	348,362
Pension cost	**31,596**	24,478
	508,579	372,840

e) Highest paid employees

N	N	Number	Number
100,001	- 250,000	-	-
250,001	and above	**104**	99

	2014 N'000	2013 N'000
19. Net changes in operating assets		
Decrease/(increase) in other assets	**73,247**	(168,539)
20. Net changes in operating liabilities		
(Decrease)/increase in creditors and accruals	**(9,599)**	121,054
Staff pension fund	-	(23)
	(9,599)	121,031
21. Reconciliation of net profit after tax to net cash provided by operating activities		
Profit after taxation	**681,325**	436,300
Adjustment to reconcile profit after tax to net cash provided by operating activities:		
Interest income	**(206,212)**	(187,120)
Profit on disposal of assets	**(10,467)**	(2,672)
Depreciation	**62,638**	46,053
Amortisation of intangible assets	**10,944**	8,071
Defered taxation	**12,003**	13,012
Increase in taxes payable	**54,138**	84,058
Operating profit before changes in operating assets and liabilites		
Net changes in operating assets (Note 19)	**73,247**	(168,539)
Net changes in operating liabilities (Note 20)	**(9,599)**	121,031
Total adjustments	**(13,308)**	(86,106)
Net cash provided by operating activities	**668,017**	350,194

22. Basic earnings per share

Earnings per share is calculated by dividing the net profit after tax attributable to ordinary shareholders by number of ordinary shares in issue during the year.

	2014	2013
Profit after tax for the year attributable to ordinary shareholders	**681,325**	436,300
Number of ordinary shares	**1,341,206**	1,341,206
Earnings per share (kobo)	**50.80**	32.53

23. Dividend

A dividend of 20k per share amounting to N268,622,200 was proposed by the Board of Directors on 30 January 2015. However, this is subject to National Pension Commission's (PENCOM) approval.

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

24. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and opertional decisions. The definition includes the Directors and key personnel among others.

Related Party Transactions

During the year, the company had dealing with Custodian and Allied Insurance Company Plc it's parent company.

Business dealing	Amount N'000
1. Rent of property	12,000
2. Provision of insurance coverage	5,835
3. Purchase of furniture and fittings	4,582

25. Financial commitments

The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statements. These liabilities are relevant in assessing the Company's state of affairs.

26. Contingent liabilities

There were no contingent liabilities at 31 December 2014.

27. Comparative figures

Certain figures in 2013 financial statements were re-classified to conform with 2014 presentation and enhance comparability.

28. Post balance sheet events - Events after reporting period

There were no significant post balance sheet events that could have had a material effect on the results to 31 December 2014 or the balance sheet to that date which have not been adequately provided for.

CRUSADER STERLING PENSIONS LIMITED

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 N'000	%	2013 N'000	
Turnover	**1,732,755**		1,360,067	
Other income	**221,231**		190,140	
	1,953,986		1,550,207	
Less: Cost of bought-in-goods and Services:-				
- Foreign	**-**		-	
- Local	**(586,284)**		(630,383)	
Value added	**1,367,702**	**100**	919,824	100
Applied as follows:				
To pay employees:				
Wages, salaries and other benefits	**508,579**	**33**	372,840	41
To pay providers of capital:				
Finance costs	**1,199**	-	1,009	0
To pay government:				
Income and education tax	**187,124**	**15**	105,148	11
Retained for future replacement of assets and expansion of business:				
Depreciation of property, plant and equipment	**62,638**	**5**	46,053	4
Deferred taxation	**12,003**	**-**	13,012	1
Retained profit for the year	**596,159**	**47**	381,762	42
Value added	**1,367,702**	**100**	919,824	100

Value added represents the additional wealth the Company has been able to create during the reporting period. This statement shows the allocation of that wealth among employees, shareholders, government, providers of funds and that retained for the future creation of more wealth.

CRUSADER STERLING PENSIONS LIMITED

FINANCIAL SUMMARY

31 DECEMBER	2014 N'000	2013 N'000	2012 N'000	2011 N'000	2010 N'000
Gross income	**1,953,986**	1,550,207	1,214,864	856,067	614,084
Fee income	**1,732,755**	1,360,067	1,044,084	807,118	577,419
Interest income	**206,212**	187,120	168,982	47,553	24,914
Other income	**15,019**	3,020	1,798	1,396	11,751
Administrative expenses	**(1,019,396)**	(911,689)	(768,799)	(537,765)	(408,549)
Profit on ordinary activities before taxation	**934,590**	638,518	446,065	318,302	205,535
Earnings per share	**50.80**	32.53	22.51	28.94	23.90
Balance Sheet					
Assets					
Cash and bank balances	**539,922**	466,598	1,392,277	983,076	332,675
Investment	**1,602,710**	1,090,510	-	-	-
Other assets	**232,149**	305,396	136,858	108,324	92,225
Fixed Assets	**499,320**	432,803	111,771	126,896	75,719
Deferred tax asset	**-**	-	-	8,118	104,661
Total Assets	**2,874,101**	2,295,307	1,640,906	1,226,414	605,280
Liabilities					
Creditors and accrued expenses	**220,719**	228,413	107,359	116,778	87,390
Staff pension fund	**-**	-	23	-	2,106
Taxation	**299,655**	233,514	136,444	12,050	7,637
Total liabilities	**520,374**	461,927	243,826	128,828	97,133
Capital and reserves					
Ordinary share capital	**1,341,206**	1,341,206	1,341,206	725,875	725,875
Preference share capital	**-**	-	-	225,166	225,166
Deposit for shares	**-**	-	-	401,870	-
Share premium	**13,540**	13,540	13,540	4,284	4,284
Statutory contingency reserve	**256,972**	171,806	117,268	79,525	41,196
Revenue reserve	**742,009**	306,828	(74,934)	(339,134)	(488,374)
Shareholders fund	**2,353,727**	1,833,380	1,397,080	1,097,586	508,147
Total liabilities and equities	**2,874,101**	2,295,307	1,640,906	1,226,414	605,280

CRUSADERSTERLING PENSIONS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Management Information	
	2014	2013
	N'000	N'000
Fee income	**1,732,755**	1,360,067
Interest income	**206,212**	187,120
Profit on disposal of assets	**10,467**	2,672
Other income	**4,552**	348
	1,953,986	1,550,207
Staff cost	**476,983**	412,919
Audit fees	**3,000**	3,000
Directors' fees	**3,500**	3,600
Directors' sitting allowance	**3,680**	4,220
Directors' rest and recreation	**12,250**	13,000
Directors' severance	**1,500**	20,750
Relocation expenses	**-**	3,258
Entertainment	**3,103**	2,688
Telephone and postages	**26,755**	20,644
Repairs and maintenance	**19,509**	18,256
Insurance	**8,721**	9,377
Office expenses	**13,148**	8,536
Depreciation	**62,639**	46,054
Amortization of intangible assets	**10,944**	8,071
Travelling and transport	**20,182**	18,029
Stationery and printing	**13,603**	15,192
Legal and professional fee	**8,788**	6,132
Pension contribution	**31,596**	24,478
Advert and publicity	**95,479**	126,206
Donations and subscription	**26,437**	28,823
Bank charges	**1,199**	1,009
Rent and rates	**29,918**	20,108
Sales and marketing	**83,469**	36,970
Electricity	**4,209**	3,630
Fuel	**18,598**	20,283
Staff welfare and training	**14,997**	9,948
Medical expenses	**11,037**	10,153
Provision for doubtful balances - management fees	**-**	4,288
Exchange loss	**-**	207
Information technology levy	**9,419**	6,456
Fines and penalty	**200**	25
LASPEC admin fees	**4,533**	5,379
	1,019,396	911,689
Profit before tax	**934,590**	638,518