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CRUSADERSTERLING PENSIONS LIMITED

FINANCIAL STATEMENTS
31 DECEMBER 2016

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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	Tofarati Agusto	Director	Nil
6	Lanre Adesanya	Director	Nil
7	Kunle Omilani	Director	Nil
8	Femi Oyetunji	Director	Nil
9	Richard Asabia	Director	Nil
10	Conrad Ifode	Executive Director	Nil
11	Olufemi Odukoya	Executive 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

Report of the Independent Auditors

To the Members of CrusaderSterling Pensions Limited

Opinion

We have audited the financial statements of CrusaderSterling Pensions Limited, which comprise the statement of financial position at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report, Audit Committee's Report, Corporate Governance Report and Company Secretary's Certificate but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Najeeb A. Abdussalaam, FCA
FRC/2013/ICAN/00000000753
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A1119563

Dated: 19 January 2017

CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER, 2016

	Notes	2016 N'000	2015 N'000
Assets			
Cash and cash equivalents	5	**267,376**	323,325
Investment - Held to maturity	6	**2,831,695**	2,435,867
Other assets	7	**249,255**	228,878
Intangible asset	9	**70,797**	22,202
Property, plant and equipment	8	**438,008**	446,799
Total assets		**3,857,131**	3,457,071
Liabilities			
Other payables	10	**386,256**	237,717
Current tax payable	13.2	**238,945**	287,441
Deferred tax liability	13.3	**40,331**	40,842
Total liabilities		**665,532**	566,000
Equity			
Ordinary share capital	14.2	**1,341,206**	1,341,206
Share premium	15	**13,540**	13,540
Statutory contingency reserve	17	**472,354**	357,668
Revenue reserve		**1,364,499**	1,178,657
Total equity		**3,191,599**	2,891,071
Total liabilities and equity		**3,857,131**	3,457,071

The financial statements were approved by the Board of Directors on **19 January 2017** and signed on its behalf by:

Wole Oshin
Chairman
FRC/2013/CIIN/00000003054

Adeniyi Falade
Managing Director
FRC/2013/ICAN/00000003357

Kolawole Balogun
Financial Controller
FRC/2013/ICAN/00000003392

The accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
Fee income	12.1	2,084,979	1,847,365
Investment income	12.2	375,984	334,726
Other income	12.3	4,162	1,796
		2,465,125	2,183,886
Administrative expenses		(1,274,018)	(1,108,161)
Profit before tax		1,191,107	1,075,725
Current tax expense	13.1	(274,135)	(266,644)
Deferred tax expense	13.3	511	(3,492)
		917,483	805,589
Other comprehensive income		-	-
Total comprehensive income		917,483	805,589
Statutory reserve	17	(114,686)	(100,698)
Profit attributable to owners of equity		802,797	704,891
Basic earnings per share (EPS) Kobo	20	68.41	60.06

CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Issued share capital N	Share premium N	Statutory contingency reserves N	Retained earnings N	Total equity N
At 31 December 2014	**1,341,206**	**13,540**	**256,970**	**742,006**	**2,353,722**
Changes in equity for 2015					
Profit for the year	-	-	-	805,589	805,589
Total comprehensive income for the year				805,589	805,589
Statutory contingency provision for the year	-	-	100,698	(100,698)	
Dividend paid during the year	-	-		(268,240)	(268,240)
Contributions by and to owners of the business	-	-	100,698	(368,938)	(268,240)
At 31 December 2015	**1,341,206**	**13,540**	**357,668**	**1,178,657**	**2,891,071**

	Issued share capital N	Share premium N	Statutory contingency reserves N	Retained earnings N	Total equity N
At 31 December 2015	**1,341,206**	**13,540**	**357,668**	**1,178,657**	**2,891,071**
Changes in equity for 2016					
Profit for the year	-	-	-	917,483	**917,483**
Total comprehensive income for the year	-	-	-	917,483	**917,483**
Statutory contingency provision for the year	-	-	114,686	(114,686)	**-**
Dividend paid during the year	-	-	-	(616,955)	**(616,955)**
Contributions by and to owners of the business	**-**	**-**	**114,686**	**(731,641)**	**(616,955)**
At 31 December 2016	**1,341,206**	**13,540**	**472,354**	**1,364,499**	**3,191,599**

CRUSADERSTERLING PENSIONS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
Cash flows from operating activities			
Income received		**2,065,619**	1,850,638
Payments to employees and suppliers		**(1,059,566)**	(1,014,571)
Income tax paid		**(322,631)**	(241,508)
Net cash from operating activities	21	**683,422**	594,559
Cash flows from investing activities			
Purchase of property, plant and equipment	8	**(54,507)**	(36,326)
Proceeds from disposal of property, plant and equipment		**11,945**	3,383
Investment - Held to maturity		**(395,828)**	(833,157)
Purchase of Intangible assets	9	**(60,100)**	(9,872)
Interest received		**376,075**	334,961
Net cash (used in) / from activities		**(122,415)**	(541,011)
Cash flows from financing activities			
Refund of deposit for shares		**-**	(1,905)
Dividend paid in the year		**(616,955)**	(268,240)
Net cash used in financing activities		**(616,955)**	(270,145)
Net increase in cash and cash equivalents		**(55,948)**	(216,597)
Cash and cash equivalents at 1 January		**323,325**	539,922
Cash and cash equivalents at 31 December	5	**267,377**	323,325

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2015.

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 2015.

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 2015.

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 2015.

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

During the year, there were certain amendments and revisions to some of the standards. The nature and the impact of each new standard and amendments are described below. The Company intends to adopt these standards, if applicable, when they become effective.

2.3.1 Amendments to "IFRS 5 Non-current Assets Held for Sale and Discontinued Operations"

Effective for annual periods beginning on or after 1 January 2016

The amendment clarifies cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

2.3.2 Amendments to "IFRS 7 Financial Instruments: Disclosures"

The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. It also clarifies the applicability of previous amendments to IFRS 7 issued in December 2011 with regards to offsetting financial assets and financial liabilities in relation to interim financial statements prepared under IAS 34.

2.3.3 Amendments to "IFRS 10 Consolidated Financial Statements"
Amended by Investment Entities:

Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28): The narrow-scope changes aimed at clarifying exemption from preparing consolidated financial statements, subsidiaries providing services that relate to the parent's investment activities, application of the equity method by a non-investment entity investor to an investment entity investee and disclosures required.(Effective for annual periods beginning on or after 1 January 2016).

Amended by Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):

Narrow scope amendment addresses an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. It was also recommended to amend IFRS 10 so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 to an associate or joint venture is recognised only to the extent of unrelated investors' interests in the associate or joint venture. (Previous effective for annual periods begining on or after 1 January 2016, now deferred indefinitely).

2.3.4 Amendments to IFRS 11 "Joint Arrangements" Accounting for Acquisitions of Interests in Joint Operations

Effective for annual periods beginning on or after 1 January 2016

Amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.

2.3.5 Amendments to "IFRS 12 Disclosure of Interests in Other Entities"

Effective for annual periods beginning on or after 1 January 2016

The additional amendments clarify that the scope exclusion in paragraph 6(b) of IFRS 12 does not apply to the financial statements of a parent that is an investment entity and measures all of its subsidiaries at fair value.

2.3.6 "IFRS 14 Regulatory Deferral Accounts"

Effective for entity's first annual IFRS financial statements for periods beginning on or after 1 January 2016

The Standard permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard.

2.3.7 Amendments to "IAS 1 Presentation of Financial Statements"

Effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

The amendments clarify that: information should not be obscured by aggregating or by providing immaterial information. It also explains that materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply. The amendments also introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

2.3.8 Amendments to "IAS 16 Property, Plant and Equipment"

Effective for annual periods beginning on or after 1 January 2016

The amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. This is because such methods reflects a pattern of generation of economic benefits that arise from the operation of the business of which an asset is part, rather than the pattern of consumption of an asset's expected future economic benefits.

Further amendements issued on 30 June 2014 brings bearer plants from the scope of IAS 41 into the scope of IAS 16 and therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation

2.3.9 Amendments to "IAS 19 Employee Benefits"

Effective for annual periods beginning on or after 1 January 2016

The amendment clarifies the requirements of determining the discount rate in a regional market sharing the same currency (for example, the Eurozone).

2.3.10 Amendments to "IAS 27 Consolidated and Separate Financial Statements"

Effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

Amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

2.3.11 Amendments to "IAS 34 Interim Financial Reporting"

Effective for annual periods beginning on or after 1 January 2016

The Amendment discusses clarification of the meaning of disclosure of information 'elsewhere in the interim financial report.

2.3.12 Amendments to "IAS 38 Intangible Assets"

Effective for annual periods beginning on or after 1 January 2016

Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset.

Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.

2.3.13 Amendments to "IAS 41 Agriculture: Bearer Plants"

Effective for annual periods beginning on or after 1 January 2016

Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plants in the scope of IAS 16 Property, plant and Equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16.

2.4 New standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective: This includes:

2.4.1 IFRS 9, 'Financial instruments'

Effective for annual periods beginning on or after 1 January 2018, issued on 24 July 2014. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured 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 liabilities, 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 liabilities, 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 creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 not later than the accounting period beginning on or after 1 January 2018. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

2.4.2 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. The Standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key jugdements and estimates. This will be effective from 1 January 2017.

2.4.3 IFRS 16 'Leases'

Effective for annual periods beginning on or after 1 January 2019

- New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.
- IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.
- IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.
- IFRS 16 supersedes the following Standards and Interpretations:

a) IAS 17 Leases;
b) IFRIC 4 Determining whether an Arrangement contains a Lease;
c) SIC-15 Operating Leases—Incentives; and
d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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 requirements.

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 2016

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.

	2016 N'000	2015 N'000
5. Cash and cash equivalents		
Cash in hand	**61**	291
Bank balance	**48,836**	96,084
Placements with bank	**210,998**	219,622
Deposit with custodian	**7,481**	7,328
	267,376	323,325
6. Investment - Held to maturity		
Treasury bills	**1,917,182**	2,157,573
Bonds	**914,513**	278,294
	2,831,695	2,435,867

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

	2016 N'000	2015 N'000
7. Other assets		
Account receivables (Note 7.1)	**226,007**	187,318
Prepayments	**22,800**	40,917
Other receivables	**448**	643
	249,255	228,878

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 N'000	2015 N'000
7.1	**Account receivables**		
	Management fees receivable	**220,290**	175,304
	Admin fees receivable	**9,548**	16,303
	Other receivables	**2,948**	2,490
		232,786	194,097
	Impairment (Note 7.2)	**(6,779)**	(6,779)
		226,007	187,318
7.2	**Reconciliation of impairment**		
	At 1 January	**(6,779)**	(11,067)
	Write back during the year	**-**	4,288
	At 31 December	**(6,779)**	(6,779)

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	176,935	48,370	223,583	21,387	125,876	29,900	794,477
Additions in the year	-	-	1,644	11,849	507	33,789	6,718	54,507
Disposals	-	-				(20,635)	(3,615)	(24,250)
At 31 December	168,426	176,935	50,014	235,432	21,894	139,030	33,003	824,734
Depreciation								
At 1 January	-	6,574	36,981	202,913	21,352	61,624	18,234	347,678
Charge for the year	-	3,539	4,396	12,225	144	30,180	3,922	54,406
Disposals	-					(11,984)	(3,374)	(15,358)
	-	10,113	41,377	215,138	21,496	79,820	18,782	386,726
Carrying amount								
At 31 December 2016	**168,426**	**166,822**	**8,637**	**20,294**	**398**	**59,210**	**14,221**	**438,008**
At 31 December 2015	168,426	170,361	11,389	20,670	35	64,252	11,666	446,799

Notes

None of the assets of the company was impaired during the year and none of the assets of the Company were pledged as collateral for bank loans.

	2016 N'000	2015 N'000
9. Intangible costs		
Software		
Cost		
At 1 January	**64,130**	54,258
Additions in the year	**60,100**	9,872
At 31 December	**124,230**	64,130
Amortisation		
At 1 January	**41,928**	31,536
Charge for the year	**11,505**	10,392
	53,433	41,928
Carrying amount		
At 31 December	**70,797**	22,202
10. Other payables		
Sundry creditors	**63,640**	42
Accruals	**296,703**	201,714
Value added tax (10.1)	**13,710**	24,904
Information technology levy (10.2)	**12,203**	11,057
	386,256	237,717
10.1 Value added tax		
At 1 January	**24,904**	8,420
VAT out put	**104,316**	118,263
Remittances in the year	**(115,510)**	(101,779)
At 31 December	**13,710**	**24,904**
10.2 Information technology development levy		
At 1 January	**11,057**	9,537
Provisions in the year	**11,903**	10,866
Payment in the year	**(10,757)**	(9,346)
At 31 December	**12,203**	**11,057**

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 2016

	2016 N'000	2015 N'000
11. Post employment benefits		
Defined contribution plan		
At the beginning of the year	-	-
Provisions in the year	81,708	84,716
Remittance during the year	(81,708)	(84,716)
At the end of the year	-	-
12. Income		
12.1 Fee income		
Management fees - RSA	1,812,652	1,614,185
Management fees - Retirees	112,538	101,233
	1,925,190	1,715,418
Management fees - Legacy Companies:		
First Bank Nigeria Plc	1,666	2,326
Crusader Insurance Plc	3,293	3,229
GT Bank Plc	26,439	27,948
Federal Airport Authority	1,898	1,744
Intercontinental Bank	3,044	3,908
University of Agric	442	1,135
Palmoil	35	33
Sterling bank	2,282	332
Jigawa Legacy	8,646	-
Total management fees	1,972,935	1,756,073
Administrative fees - RSA	112,044	87,126
Administrative fees - Retirees	-	4,166
Total fee income	2,084,979	1,847,365

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

	2016	2015
12.2 Investment income		
Income on fixed deposit	17,774	16,761
Income on treasury bills	283,586	293,797
Income on treasury bonds	74,138	14,891
Interest on statutory reserves deposits	486	9,277
	375,984	334,726
12.3 Other income		
Other income	167	-
Other fee	850	-
Profit on disposal of property, plant & equipments	3,054	1,561
Miscellaneous income	91	235
	4,162	1,796

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 N'000	2015 N'000
13. Taxation		
13.1 Income statement		
Income tax for the year	**255,817**	248,955
Education tax for the year	**18,318**	17,689
	274,135	266,644
Deferred tax for the year (13.3)	**(511)**	3,492
	273,624	270,136

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.

	2016	2015
13.2 Statement of financial position		
At 1 January	**287,441**	262,305
Income tax for the year	**255,817**	248,955
Education tax for the year	**18,318**	17,689
Payment during the year	**(322,631)**	(241,508)
At 31 December	**238,945**	287,441

	2016	2015
13.3 Deferred tax assets		
Recognised deferred tax assets and liabilities		
At 1 January	**40,842**	37,350
Tax (write back)/charge recognised in the year	**(511)**	3,492
At 31 December	**40,331**	40,842

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

	2016	2015
13.4 Reconciliation of effective tax rate		
Profit for the period after tax	**917,483**	805,589
Total income tax expense:		
- Current	**274,135**	266,644
- Deferred	**(511)**	3,492
- IT levy	**11,903**	10,866
	285,527	281,002
Profit for the period before excluding income tax	**1,203,010**	1,086,591
Effective tax rate	**24%**	26%

		2016 N'000	2015 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 31 December	**13,540**	13,540
16.	**Profit on ordinary activities before taxation**		
	This is stated after charging/(crediting):		
	Audit fee	**3,600**	3,600
	Directors' fees	**3,600**	3,525
	Finance charges	**1,528**	1,858
	Depreciation	**54,406**	64,301
	Amortisation of intangigle assets	**11,506**	10,392
	Gain on fixed assets disposed	**(3,054)**	(1,561)
	Pension contributions (company)	**33,308**	33,039
17.	**Statutory contingency reserve**		
	Balance at 1 January	**357,668**	256,970
	Additions in the year	**114,686**	100,698
	Balance at 31 December	**472,354**	357,668

In accordance with part viii section 69 of the Pension Reform Act 2014, the Company transferred 12.5% of its net profit after tax to statutory reserve fund.

		2016 N'000	2015 N'000
18.	**Information regarding Directors and employees**		
a)	**Directors:**		
	Fees	**3,600**	3,525
	Other emoluments - remuneration	**18,061**	48,755
	Remuneration of the chairman	**-**	-
	Remuneration of the highest paid director	**37,243**	33,132

b) Scale of Directors' remuneration

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

CRUSADERSTERLING PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	Number	**Number**
18. Information regarding Directors and employees (Cont'd)		
c) Average number of persons employed (including Directors)		
Directorate	**2**	2
Information technology	**5**	4
Business development	**49**	49
Operations	**19**	18
Finance	**5**	5
Investment	**5**	5
Compliace/customer services	**9**	9
Internal control	**3**	3
Risk managemnet	**1**	2
Human resources/admin	**5**	7
Benefit	**10**	8
	113	112
d) Total employee cost for the above during the year	**N'000**	**N'000**
Salaries and wages	**557,175**	534,678
Pension cost	**33,308**	33,039
	590,483	567,717

e) Highest paid employees

N		N	Number	Number
100,001	-	250,000	**-**	-
250,001	and above		**113**	104

	N'000	N'000
19. Net changes in operating assets		
Decrease/(increase) in other assets	**(20,376)**	3,272
20. Net changes in operating liabilities		
(Decrease)/increase in creditors and accruals	**148,535**	18,898

	2016 N'000	2015 N'000
21. Reconciliation of net profit after tax to net cash provided by operating activities		
Profit after taxation	**917,483**	805,587
Adjustment to reconcile profit after tax to net cash provided by operating activities:		
Interest income	**(375,984)**	(334,726)
Profit on disposal of assets	**(3,054)**	(1,561)
Other income	**(1,108)**	(235)
Depreciation	**54,406**	64,302
Amortisation of intangible assets	**11,505**	10,392
Deferred taxation	**511**	3,492
Increase in taxes payable	**(48,496)**	25,136
Operating profit before changes in operating assets and liabilites:		
Net changes in operating assets (Note 19)	**(20,376)**	3,274
Net changes in operating liabilities (Note 20)	**148,535**	18,898
Total adjustments	**(234,061)**	(211,028)
Net cash provided by operating activities	**683,422**	594,559

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.

	2016	2015
Profit after tax for the year attributable to ordinary shareholders	**917,483**	805,587
Number of ordinary shares	**1,341,206**	1,341,206
Earnings per share (kobo)	**68.41**	60.06

23. Dividend

An interim dividend of 18k per share amounting to N242,417,070 was proposed by the Board of Directors on 14 July 2016. This have been approved by National Pension Commission's (PENCOM) and payment made. In addition, the sum of N375,537,665 in respect of previous year dividend of 28k per share was paid in the year. The Board also proposed a final dividend of 29k per share on 19 January 2017. This is however subject to National Pension Commission's (PENCOM) approval.

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 operational 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 as detailed below;

Business dealing	**Amount N'000**
1. Rental of properties from sterling bank	2,040
2. Provision of legal and secretarial services by Custordian Trustees Limited	2,940
3. Rental of properties from Custodian Insurance Plc	4,776
4. Contribution to Custodian Assurance Plc Foundation (CSR)	11,908
5. Company's share of various cost incured by the parent company	25,110

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 2016.

27. Comparative figures

Certain figures in 2015 financial statements were re-classified to conform with 2016 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 2016 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 2016

	2016 N'000	%	2015 N'000	
Turnover	**2,084,979**		1,847,365	
Other income	**380,146**		336,521	
	2,465,125		2,183,886	
Less: Cost of bought-in-goods and Services:-				
- Foreign	**-**		-	
- Local	**(693,791)**		(600,120)	
Value added	**1,771,334**	**100**	1,583,766	100
Applied as follows:				
To pay employees:				
Wages, salaries and other benefits	**590,483**	**33**	567,717	36
To pay providers of capital:				
Finance costs	**1,528**	-	1,858	0
To pay government:				
Income and education tax	**322,631**	**15**	241,508	15
Retained for future replacement of assets and expansion of business:				
Depreciation of property, plant and equipment	**54,406**	**5**	64,300	3
Deferred taxation	**(511)**	**-**	3,492	0
Retained profit for the year	**802,797**	**47**	704,891	45
Value added	**1,771,334**	**100**	1,583,766	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

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Gross income	**2,465,125**	**2,183,886**	1,953,986	1,550,207	1,214,864
Fee income	**2,084,979**	**1,847,365**	1,732,756	1,360,067	1,044,084
Interest income	**375,984**	**334,961**	206,211	187,120	168,982
Other income	**4,162**	**1,561**	15,019	3,020	1,798
Administrative expenses	**(1,274,018)**	**(1,108,162)**	(1,019,398)	(911,689)	(768,799)
Profit on ordinary activities before taxation	**1,191,107**	**1,075,725**	934,588	638,518	446,065
Earnings per share	**68.41**	**60.00**	50.80	36.00	22.51
Balance sheet					
Assets					
Cash and bank balances	**267,376**	**323,325**	539,922	466,598	1,392,277
Investment	**2,831,695**	**2,435,867**	1,602,710	1,090,510	-
Other assets	**249,255**	**228,878**	232,149	305,396	136,858
Fixed assets	**508,805**	**469,001**	499,320	432,803	111,771
Total assets	**3,857,131**	**3,457,071**	2,874,101	2,295,307	1,640,906
Liabilities					
Creditors and accrued expenses	**386,256**	**237,716**	220,723	228,413	107,359
Staff pension fund	-	-	-	-	23.00
Taxation	**279,276**	**328,283**	299,655	233,514	136,444
Total liabilities	**665,532**	**565,999**	520,378	461,927	243,826
Capital and reserves					
Ordinary share capital	**1,341,206**	**1,341,206**	1,341,206	1,341,206	1,341,206
Share premium	**13,540**	**13,540**	13,540	13,540	13,540
Statutory contingency reserve	**472,354**	**357,670**	256,971	171,806	117,268
Revenue reserve	**1,364,499**	**1,178,656**	742,006	306,828	(74,934)
Shareholders fund	**3,191,599**	**2,891,072**	2,353,723	1,833,380	1,397,080
Total liabilities and equities	**3,857,131**	**3,457,071**	2,874,101	2,295,307	1,640,906

CRUSADERSTERLING PENSIONS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Management Information	
	2016	2015
	N'000	N'000
Fee income	**2,084,979**	1,847,365
Interest income	**375,984**	334,726
Profit on disposal of assets	**3,054**	1,561
Other income	**1,108**	235
	2,465,125	2,183,887
Staff cost	**557,175**	534,678
Audit fees	**3,600**	3,600
Directors' fees	**3,600**	3,525
Directors' sitting allowance	**3,871**	3,373
Directors' rest and recreation	**14,190**	12,250
Relocation expenses	**293**	-
Entertainment	**3,759**	4,602
Telephone and postages	**28,158**	20,258
Repairs and maintenance	**24,629**	19,257
Insurance	**11,105**	11,278
Office expenses	**12,422**	13,039
Depreciation	**54,406**	64,301
Amortization of intangible assets	**11,506**	10,392
Travelling and transport	**18,130**	13,307
Stationery and printing	**18,350**	16,721
Legal and professional fee	**13,627**	8,025
Pension contribution	**33,308**	33,039
Advert and publicity	**174,273**	99,799
IT communication and subscription	**25,348**	21,652
Bank charges	**1,528**	1,858
Rent and rates	**27,928**	36,114
Sales and marketing	**87,450**	95,671
CSR Foundation-Custodian	**11,908**	10,793
Electricity	**6,251**	4,480
Fuel	**22,288**	15,923
Staff welfare and training	**18,184**	10,293
Industrial training fund	**5,644**	-
Medical expenses	**15,408**	10,317
PENCOM Levy CSR	**-**	14,500
Information technology levy	**11,903**	10,866
PenCom project	**17,885**	-
Group Shared cost expenses	**25,110**	-
LASPEC admin fees	**10,781**	4,250
	1,274,018	1,108,161
Profit before tax	**1,191,107**	1,075,725

CRUSADERSTERLING PENSIONS LIMITED

FINANCIAL STATEMENTS
31 DECEMBER 2016

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