



Accountants &
business advisers

**CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND (TCF)**

**FINANCIAL STATEMENTS
31 DECEMBER 2016**

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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Independent Auditor's Report

To the Shareholders of CrusaderSterling Pensions Limited - Transitional Contributions Fund (TCF)

Opinion

We have audited the financial statements of CrusaderSterling Pensions Limited - Transitional Contributions Fund (TCF), which comprise the statement of assets and liabilities at 31 December 2016, and the statement of income and expenditure, statement of cash flows and statement of value added for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statement present fairly, in all material respects the financial position of CrusaderSterling Pensions Limited - Transitional Contributions Fund (TCF) as at 31 December 2016, and of its financial performance and cash flows for the year then ended. The Fund managers has kept proper books of account, which are in agreement with the statement of assets and liabilities and income statement in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004 and in accordance with the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria.

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.

Emphasis of matter

We draw attention to the preparation of these financial statements on the basis of the Nigerian Statement of Accounting Standards as against using the International Financial Reporting Standards (IFRS) in line with the roadmap issued by Financial Reporting Council of Nigeria (FRC), on 3 September 2010, concerning other public interest entities that are expected to mandatorily adopt IFRS, for statutory reporting purpose, by 1 January 2013.

With respect to the non-compliance, there is an on-going discussion between stakeholders in the pension administration sector and Financial Reporting Council of Nigeria (FRC).

Our opinion is not qualified in respect of this matter.

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 report which is expected to be made available to us after that date. The other information 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.



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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.

Responsibilities of the Directors and Those Charged with Governance 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, the Pension Reform Act, 2004 as amended and with the requirements of Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria and applicable National Pension Commission (PenCom) guidelines and for such internal control as the Directors determine are 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.



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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

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

Dated: 9 February 2017



CRUSADERSTERLING PENSIONS LIMITED

TRANSITIONAL CONTRIBUTIONS FUND

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2016

A summary of the significant accounting policies, all of which have been consistently applied throughout the year is set out below:

1. Basis of accounting

The financial statements are prepared under the historical cost convention. Except for financial assets, no adjustments have been made to reflect the impact on the financial statements of specific price changes or changes in general price level.

2. Investments

2.1 Equity

Equity investments are stated at market value. Provisions are made for diminution in value of investments while appreciations are recognized in investment revaluation reserve.

2.2 Money market

Investments in money market instruments are stated at cost.

2.3 Bonds/debt instruments

Bonds are stated at nominal value. Any discount or premium arising on acquisition of bonds (Government Securities) included in the original cost of the investment are amortized over the period of purchase to maturity.

3. Foreign currencies

Transactions denominated in foreign currencies are recorded in Naira at the ruling rates of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the prevailing exchange rates at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to transaction date is included in the Income and Expenditure Account.

4. Income recognition

a) Investment income

Investment income is recognized on accrual basis and credited to the Income and Expenditure account of the Fund. Dividends are included as investment income on the date the right to payment is established, which, for listed shares, is the day the price is quoted ex-dividend.

b) Realized gains/losses on investments

Realized gains/losses are calculated as the difference between net sales proceeds and the original cost.

c) Unrealized gains/losses on investments

Unrealized gains/losses are calculated as the difference between current valuation at the balance sheet date and the original cost with adjustment for unrealized gains and losses recognized in earlier accounting periods in respect of assets disposed in current year.

5. Fund management fees

a) Administration fee

Administration fee is charged at rates consistent with the provisions of the Pension Reform Act, 2004 as amended and the regulations of the National Pension Commission and deducted at source from contributions by Retirement Savings Account holders.

b) Asset management fee

Asset management fee is accrued on a daily basis at rates approved by the National Pensions Commission (PENCOM) on the opening net asset value each day.

6. Provisions

Provisions are recognized when the Fund has present obligation, whether legal or constructive, as a result of past event for which it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in accordance with the Statement of Accounting Standard (SAS 23).

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
ASSETS			
Cash at bank	2	5,720	3,918
Investments	3	89,959	66,305
Other assets	4	<u>2,249</u>	<u>1,482</u>
TOTAL ASSETS		<u>97,928</u>	<u>71,705</u>
LIABILITIES			
Creditors and accruals		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u>97,928</u>	<u>71,705</u>
FINANCED BY:			
Members' contribution	5	79,232	63,490
Accumulated surplus	7	<u>18,696</u>	<u>8,215</u>
		<u>97,928</u>	<u>71,705</u>

The financial statements were approved by the Board of Directors on **9 February 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 statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
INCOME			
Interest income	6	<u>10,484</u>	<u>7,271</u>
Total income		<u>10,484</u>	<u>7,271</u>
EXPENSES			
Charges and commission		<u>3</u>	<u>1</u>
		<u>3</u>	<u>1</u>
Surplus for the year		<u><u>10,481</u></u>	<u><u>7,270</u></u>

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

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		9,717	5,849
Charges and commission		<u>(3)</u>	<u>(1)</u>
Net cash provided by operating activities	8	<u>9,714</u>	<u>5,848</u>
Cash flows from investing activities			
Purchase of investments		<u>(23,653)</u>	<u>(38,996)</u>
Net cash provided by investing activities		<u>(23,653)</u>	<u>(38,996)</u>
Cash flows from financing activities			
Funds received from unidentified contributors	5	45,460	56,324
Refunds of funds received		<u>(29,718)</u>	<u>(19,384)</u>
Net cash provided by financing activities		<u>15,742</u>	<u>36,940</u>
Net increase/(decrease) in cash and cash equivalents		1,803	3,791
Cash and cash equivalents at 1 January		<u>3,917</u>	<u>126</u>
Cash and cash equivalents at 31 December	2	<u><u>5,720</u></u>	<u><u>3,917</u></u>

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

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

1. The fund

The fund represents contributions from various unidentified contributors. The assets of the Fund are to be properly accounted in line with the PENCOM directives of February 2014.

	2016 N'000	2015 N'000
2. Cash at bank	<u>5,720</u>	<u>3,918</u>
This represent the balances on the various interest bearing accounts with First Pension Custodian Nigeria Limited.		
3. Investments		
Term deposits	24,063	57,405
Treasury bills	<u>65,896</u>	<u>8,900</u>
	<u>89,959</u>	<u>66,305</u>
4. Other assets		
Interest receivable - Money market	407	539
Treasury bills	<u>1,842</u>	<u>943</u>
	<u>2,249</u>	<u>1,482</u>
5. Members' contribution		
At 1 January	63,490	26,550
Addition during the year	45,460	56,324
Fund transfers	<u>(29,718)</u>	<u>(19,384)</u>
At 31 December	<u>79,232</u>	<u>63,490</u>
This represents pool of fund from several unidentified contributors in line with the National Pension Commission's Directive (PENCOM) of February 3, 2014 that advised that separate fund be maintained for such contributors.		
6. Interest income		
Interest on fixed securities	4,501	4,160
Interest on call	125	82
Treasury bills	<u>5,857</u>	<u>3,029</u>
	<u>10,484</u>	<u>7,271</u>

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

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

	2016 N'000	2015 N'000
7. Accumulated surplus		
At 1 January	8,215	945
Surplus during the year	<u>10,481</u>	<u>7,270</u>
At 31 December	<u><u>18,696</u></u>	<u><u>8,215</u></u>
8. Reconciliation of surplus for the year to net cash provided by operating activities		
Surplus for the year	<u>10,481</u>	<u>7,270</u>
Change in operating assets/liabilities		
Operating assets	(767)	(1,422)
Operating liabilities	<u>-</u>	<u>-</u>
Total adjustments	<u>(767)</u>	<u>(1,422)</u>
Net cash provided by operating activities	<u><u>9,714</u></u>	<u><u>5,348</u></u>

9. Cash and cash equivalents

These represent the balances on the account with the Fund Custodian.

10. Guarantees and other capital commitments

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

11. Post balance sheet event

There were no events after year end, which could have had a material impact on the financial statements.

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

Other National Disclosures

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 N'000	%	2015 N'000	%
Gross income	10,484		7,271	
Administrative and other expenses:				
- Local	(3)		(1)	
- Foreign	-		-	
	<u>10,481</u>	<u>100</u>	<u>7,270</u>	<u>100</u>
APPLIED AS FOLLOWS:				
To pay managers, custodian and regulator:				
- Fees	-	-	-	-
To provide for growth and development:				
- Surplus for the year	<u>10,481</u>	<u>100</u>	<u>7,270</u>	<u>100</u>
	<u>10,481</u>	<u>100</u>	<u>7,270</u>	<u>100</u>

Value added is the wealth created by the efforts of the Pension Fund Administrator and its allocation between Managers, Custodians, National Pension Commission and re-investment for the creation of more wealth.

CRUSADERSTERLING PENSIONS LIMITED
TRANSITIONAL CONTRIBUTIONS FUND

STATEMENT OF CHANGES IN NET ASSET VALUE
AS AT 31 DECEMBER 2016

	Note	2016 N'000	2015 N'000
Income			
Contributions	5	45,460	56,324
Interest income		<u>10,484</u>	<u>7,271</u>
		<u>55,944</u>	<u>63,595</u>
Expenses			
Charges and commission		3	1
Funds transfers		<u>29,718</u>	<u>19,384</u>
		<u>29,721</u>	<u>19,385</u>
Net increase in fund		26,223	44,210
TCF fund, beginning of the year		<u>71,705</u>	<u>27,495</u>
TCF Fund, end of the year		<u><u>97,928</u></u>	<u><u>71,705</u></u>



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CRUSADERSTERLING PENSIONS LIMITED RSA FUND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

CRUSADERSTERLING PENSIONS LIMITED RSA FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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Independent Auditor's Report

To the Shareholders of CrusaderSterling Pensions Limited RSA Fund

Opinion

We have audited the financial statements of CrusaderSterling Pensions Limited RSA Fund, which comprise the statement of assets and liabilities at 31 December 2016, and the statement of income and expenditure, statement of cash flows and statement of value added for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statement present fairly, in all material respects the financial position of CrusaderSterling Pensions Limited RSA Fund as at 31 December 2016, and of its financial performance and cash flows for the year then ended. The Fund managers has kept proper books of account, which are in agreement with the statement of assets and liabilities and income statement in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004 and in accordance with the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria.

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.

Emphasis of matter

We draw attention to the preparation of these financial statements on the basis of the Nigerian Statement of Accounting Standards as against using the International Financial Reporting Standards (IFRS) in line with the roadmap issued by Financial Reporting Council of Nigeria (FRC), on 3 September 2010, concerning other public interest entities that are expected to mandatorily adopt IFRS, for statutory reporting purpose, by 1 January 2013.

With respect to the non-compliance, there is an on-going discussion between stakeholders in the pension administration sector and Financial Reporting Council of Nigeria (FRC).

Our opinion is not qualified in respect of this matter.

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 report which is expected to be made available to us after that date. The other information 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.



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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.

Responsibilities of the Directors and Those Charged with Governance 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, the Pension Reform Act, 2004 as amended and with the requirements of Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria and applicable National Pension Commission (PenCom) guidelines and for such internal control as the Directors determine are 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:

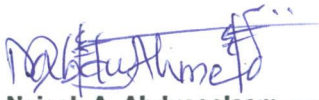
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

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

Dated: 9 February 2017



CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2016

A summary of the significant accounting policies, all of which have been consistently applied throughout the year is set out below:

1. Basis of accounting

The financial statements are prepared under the historical cost convention. Except for financial assets, no adjustments have been made to reflect the impact on the financial statements of specific price changes or changes in general price level.

2. Investments

2.1 Equity

Equity investments are stated at market value. Provisions are made for diminution in value of investments while appreciations are recognized in investment revaluation reserve.

2.2 Money market

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2.3 Bonds/debt instruments

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3. Foreign currencies

Transactions denominated in foreign currencies are recorded in Naira at the ruling rates of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the prevailing exchange rates at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to transaction date is included in the Income and Expenditure Account.

4. Income recognition

a) Investment income

Investment income is recognized on accrual basis and credited to the Income and Expenditure account of the Fund. Dividends are included as investment income on the date the right to payment is established, which, for listed shares, is the day the price is quoted ex-dividend.

b) Realized gains/losses on investments

Realized gains/losses are calculated as the difference between net sales proceeds and the original cost.

c) Unrealized gains/losses on investments

Unrealized gains/losses are calculated as the difference between current valuation at the balance sheet date and the original cost with adjustment for unrealized gains and losses recognized in earlier accounting periods in respect of assets disposed in current year.

5. Fund management fees

a) Administration fee

Administration fee is charged at rates consistent with the provisions of the Pension Reform Act, 2004 and the regulations of the National Pension Commission and deducted at source from contributions by Retirement Savings Account holders.

b) Asset management fee

Asset management fee is accrued on a daily basis at rates approved by the National Pensions Commission (PENCOM) on the opening net asset value each day.

6. Provisions

Provisions are recognized when the Fund has present obligation, whether legal or constructive as a result of past event for which it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in accordance with the Statement of Accounting Standard (SAS 23).


CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
ASSETS			
Cash at bank	2	1,147,525	1,081,948
Investments	3	116,532,641	98,651,542
Other assets	4	6,679,953	6,143,485
TOTAL ASSETS		124,360,119	105,876,975
LIABILITIES			
Creditors and accruals	5	1,009,518	855,040
TOTAL LIABILITIES		1,009,518	855,040
NET ASSETS		123,350,601	105,021,935
FINANCED BY:			
Members' contribution	6	77,162,099	69,291,663
Accumulated surplus	11	46,188,502	35,730,272
		123,350,601	105,021,935

Accounting unit price	3.1154	2.8399
Rate of return	9.70%	9.75%
Three years rolling average rate of returns	8.58%	10.36%


The financial statements were approved by the Board of Directors on **9 February 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 statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
INCOME			
Interest income	7	13,487,333	11,831,684
Dividend		1,110,813	733,484
Profit on disposal of investment	8	1,271,392	2,816,014
Other income	10	308,795	450
Total income		<u>16,178,333</u>	<u>15,381,632</u>
EXPENSES			
Fees	9	2,543,376	2,294,410
Charges and commission		325	3,992
Other expenses		1,999	1,875
Amortised premium on bond		3,174,402	145,904
Diminution in investment		-	3,747,107
		<u>5,720,102</u>	<u>6,193,288</u>
Surplus for the year		<u>10,458,230</u>	<u>9,188,344</u>

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

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		14,074,792	8,467,883
Payment for services		<u>(2,391,221)</u>	<u>(2,191,546)</u>
Net cash provided by operating activities	12	<u>11,683,571</u>	<u>6,276,337</u>
Cash flows from investing activities			
Purchase of investments		(41,430,092)	(124,500,422)
Proceeds from disposal of investments		<u>21,941,663</u>	<u>119,480,193</u>
Net cash provided by investing activities		<u>(19,488,429)</u>	<u>(5,020,229)</u>
Cash flows from financing activities			
Contribution by members	6	18,337,059	14,486,270
Benefit payment		(6,868,854)	10,184,376)
Transfer of assets to retirees fund		<u>(3,597,769)</u>	<u>(5,624,245)</u>
Net cash provided by financing activities		<u>7,870,436</u>	<u>(1,322,351)</u>
Net increase/(decrease) in cash and cash equivalents		65,577	(66,243)
Cash and cash equivalents at 1 January		<u>1,081,948</u>	<u>1,148,191</u>
Cash and cash equivalents at 31 December	2	<u><u>1,147,525</u></u>	<u><u>1,081,948</u></u>

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

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

1. History of the fund

The fund commenced operations in July 2006. The assets of the Fund are managed by the Administrator to guarantee minimum pension payments to the contributors upon retirement in line with the Pensions Reform Act, 2004.

	2016 N'000	2015 N'000
2. Cash at bank	<u>1,147,525</u>	<u>1,081,948</u>
This represent the balances on the various interest bearing accounts with First Pension Custodian Nigeria Limited.		
3. Investments		
Term deposits	9,979,656	35,483,044
Treasury bills	18,576,922	7,405,721
Bonds (3.1)	76,100,115	45,198,107
Quoted securities (Note3.2)	11,543,183	10,231,741
Private Equity (3.3)	237,650	241,779
Real Estates Investments Trust (REIT) (Note 3.4)	95,115	91,150
	<u>116,532,641</u>	<u>98,651,542</u>
3.1 Bonds		
Federal government bonds	70,741,422	41,035,515
State government bonds	2,124,212	2,112,593
Corporate	3,234,481	2,050,000
	<u>76,100,115</u>	<u>45,198,108</u>
3.2 Quoted securities		
At 1 January	14,279,213	9,813,775
Addition during the year	2,331,286	4,589,124
Disposal during the year	(1,336,349)	(123,686)
	<u>15,274,150</u>	<u>14,279,213</u>
Revaluation (loss) / surplus (3.5)	(3,730,967)	(4,047,474)
At 31 December	<u>11,543,183</u>	<u>10,231,739</u>
Market value: N10.2 billion (2014: N9.52billion).		
3.3 Private equity		
At 1 January	242,487	231,516
Addition during the year	29,437	10,971
	<u>271,924</u>	<u>242,487</u>
Revaluation (loss)/surplus	(34,274)	(707)
At 31 December	<u>237,650</u>	<u>241,780</u>
Market value: N237.7 Million (2015: N241.8 Million).		

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

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

	2016 N'000	2015 N'000
3.4 Real Estates Investments Trust (REIT)		
At 1 January	91,150	103,000
Unrealised gain/loss	<u>3,965</u>	<u>(11,850)</u>
At 31 December	<u><u>95,115</u></u>	<u><u>91,150</u></u>
Market value: N95.1 Million (2015: N91.2Million).		
3.5 Unrealised loss on equity investment		
At 1 January	(4,047,872)	(299,089)
Movements in market value	<u>316,905</u>	<u>(3,748,783)</u>
	(3,730,967)	(4,047,872)
Revaluation (loss)/gain on others (REIT and Private equities)	<u>(42,159)</u>	<u>(9,557)</u>
	(3,773,126)	(4,057,429)
Unrealised loss on equity investments previously recognised	<u>4,057,429</u>	<u>310,322</u>
Unrealised gain/loss recognised in the year	<u><u>284,303</u></u>	<u><u>(3,747,107)</u></u>
4. Other assets		
Interest receivable	2,317,550	1,694,983
Dividend receivable	1,159	11,294
Unamortized premium	<u>4,361,244</u>	<u>4,437,208</u>
	<u><u>6,679,953</u></u>	<u><u>6,143,485</u></u>
4.1 Premium on bond		
Total cost of bond	83,795,764	49,792,317
Total nominal value of bond	<u>(76,100,116)</u>	<u>(45,198,107)</u>
Total discount/premium on bond	7,695,648	4,594,210
Total discount amortised	<u>(3,334,404)</u>	<u>(157,001)</u>
Deferred discount	<u><u>4,361,244</u></u>	<u><u>4,437,209</u></u>
Discounts are recognised in line with the appropriate accounting standard and regulatory guidelines.		
5. Sundry creditors and accruals		
Accrued fees and commission	236,176	201,833
Unreconciled members contributions	<u>773,342</u>	<u>653,207</u>
	<u><u>1,009,518</u></u>	<u><u>855,040</u></u>

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

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

	2016 N'000	2015 N'000
6. Members' contribution		
At 1 January	69,291,663	70,614,014
Addition during the year	18,456,118	14,528,261
Administration fees	<u>(119,059)</u>	<u>(41,991)</u>
	87,628,722	85,100,234
Less: Transfer to retirees fund account	(3,597,769)	(5,624,245)
Lumpsum payments	<u>(6,868,854)</u>	<u>(10,184,376)</u>
At 31 December	<u><u>77,162,099</u></u>	<u><u>69,291,663</u></u>
This represents pool of fund from several account holders.		
6.1	In line with the National Pension Commission's Guideline (PENCOM) of January 23, 2009 that advised that separate fund be maintained for retirees, the administrator transferred net assets worth N3.6 billion (2015 : N5.62 billion) to the retiree fund account.	
7. Interest income		
Interest on fixed securities	1,544,375	3,903,766
Interest on call	62,273	129,070
Income on treasury bill	1,304,927	6,134,920
Interest on bond	<u>10,575,758</u>	<u>1,663,928</u>
	<u><u>13,487,333</u></u>	<u><u>11,831,684</u></u>
8. Profit on disposal of investment		
Bonds (Note 8.1)	70,261	1,138,304
Equities (Note 8.2)	1,016,694	64,166
Treasury Bill (Note 8.3)	<u>184,437</u>	<u>1,613,544</u>
	<u><u>1,271,392</u></u>	<u><u>2,816,014</u></u>
8.1 Profit on disposal of bond		
Proceed of securities disposed	13,260,068	30,966,467
Value of securities disposed	<u>(13,189,807)</u>	<u>(29,828,163)</u>
Loss/profit on disposal	<u><u>70,261</u></u>	<u><u>1,138,304</u></u>
8.2 Profit on disposal of equities		
Proceed on equities disposed	2,353,229	187,852
Value of equities disposed	<u>(1,336,535)</u>	<u>(123,686)</u>
Profit on disposal of equities	<u><u>1,016,694</u></u>	<u><u>64,166</u></u>
8.3 Profit on disposal of treasury bill		
Proceed from disposal of treasury bills	9,502,769	88,471,778
Value of treasury bills disposed	<u>(9,318,332)</u>	<u>(86,858,234)</u>
Profit on disposal of treasury bills	<u><u>184,437</u></u>	<u><u>1,613,544</u></u>

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

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

	2016 N'000	2015 N'000
9. Fees		
Management fees - PFA	1,903,283	1,718,865
Management fees - PFC	356,866	323,329
Management fees - PENCOM	283,227	252,216
	<u>2,543,376</u>	<u>2,294,410</u>
10. Other income		
Commission received	13,115	450
Gain on valuation of investments	284,303	-
Exchange gain	11,377	-
	<u>308,795</u>	<u>450</u>
11. Accumulated surplus		
At 1 January	35,730,272	26,541,928
Surplus during the year	10,458,230	9,188,344
At 31 December	<u>46,188,502</u>	<u>35,730,272</u>
12. Reconciliation of surplus for the year to net cash provided by operating activities		
Surplus for the year	10,458,230	9,188,344
Profit on disposal of investments	(1,271,392)	(2,816,014)
(Gain)/loss on valuation of investments	(284,303)	3,747,107
Premium/(discount) recognised in the year	3,174,402	145,904
Exchange gain	(11,377)	-
Change in operating assets/liabilities		
Operating assets	(536,468)	(4,097,735)
Operating liabilities	154,478	108,731
Total adjustments	<u>1,225,340</u>	<u>(2,912,007)</u>
Net cash provided by operating activities	<u>11,683,571</u>	<u>6,276,337</u>
13. Cash and cash equivalents		
These represent the balances on the various accounts with the Fund Custodian.		
14. Guarantees and other capital commitments		
The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of the financial statements. The liabilities are relevant in assessing the Fund's state of affairs.		
15. Post balance sheet event		
There were no events after year end, which could have had a material impact on the financial statements.		
16. Comparative figures		
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year in accordance with the Statement of Accounting Standard No.2 (SAS).		

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

Other National Disclosures

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 N'000	%	2015 N'000	%
Gross income	16,178,333		15,381,632	
Administrative and other expenses:				
- Local	(3,176,726)		(3,898,878)	
- Foreign	-		-	
	<u>13,001,607</u>	<u>100</u>	<u>11,482,754</u>	<u>100</u>
APPLIED AS FOLLOWS:				
To pay managers, custodian and regulator:				
- Fees	2,543,376	20	2,294,410	20
To provide for growth and development:				
- Surplus for the year	<u>10,458,230</u>	<u>80</u>	<u>9,188,344</u>	<u>80</u>
	<u>13,001,607</u>	<u>100</u>	<u>11,482,754</u>	<u>100</u>

Value added is the wealth created by the efforts of the Pension Fund Administrator and its allocation between Managers, Custodians, National Pension Commission and re-investment for the creation of more wealth.

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

STATEMENT OF CHANGES IN NET ASSET VALUE AS AT 31 DECEMBER 2016

	Note	2016 N'000	2015 N'000
Income			
Contributions	6	18,337,058	14,486,270
Dividend income		1,110,813	733,484
Interest income		13,487,333	11,831,684
Profit on disposal of investments		1,271,392	2,816,014
Other income	10	308,795	450
		34,515,391	29,867,902
Expenses			
Fees		2,543,376	2,294,410
Charges and commission		325	3,992
Other expense		1,999	1,875
Lumpsum payment		6,868,854	10,184,376
Assets transferred to retirees fund		3,597,769	5,624,245
Amortised premium on bond		3,174,402	145,904
Dimunition in investment		-	3,747,107
		16,186,725	22,001,909
Net increase in fund		18,328,666	7,865,993
RSA fund, beginning of the year		105,021,935	97,155,942
RSA Fund, end of the year		123,350,601	105,021,935

CRUSADERSTERLING PENSIONS LIMITED - RSA FUND

FIVE YEARS FINANCIAL SUMMARY

31 DECEMBER 2016	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Assets					
Cash at bank	1,147,525	1,081,948	1,148,191	1,013,166	1,719,501
Investments	116,532,641	98,651,542	94,708,310	82,189,891	61,720,697
Other assets	6,679,953	6,143,485	2,045,750	1,993,995	1,585,255
Total assets	124,360,119	105,876,975	97,902,251	85,197,052	65,025,453
Total liabilities	1,009,518	855,040	746,309	1,173,931	1,594,812
Net assets	123,350,601	105,021,935	97,155,942	84,023,121	63,430,641
Financed by					
Members' contribution	77,162,099	69,291,663	70,614,014	62,162,063	50,733,372
Accumulated surplus	46,188,502	35,730,272	26,541,928	18,416,924	12,248,694
Investment revaluation reserves	-	-	-	3,444,134	448,575
	123,350,601	105,021,935	97,155,942	84,023,121	63,430,641
Total income	16,178,333	15,381,632	10,473,588	7,881,880	7,218,520
Expenses	(5,720,102)	(6,193,288)	(2,348,583)	(1,713,650)	(1,188,038)
Surplus	10,458,231	9,188,344	8,125,005	6,168,230	6,030,482
Accounting unit price	3.1154	2.8399	2.5877	2.4333	2.1163
Rate of return	10%	10%	6%	15%	13%
Three years rolling average rate of returns	9%	10%	11%	10%	10%



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**CRUSADERSTERLING PENSIONS LIMITED
(RETIREES FUND)**

**FINANCIAL STATEMENTS
31 DECEMBER 2016**

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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Independent Auditor's Report

To the Shareholders of Crusadersterling Pensions Limited – Retirees Fund

Opinion

We have audited the financial statements of Crusadersterling Pensions Limited – Retirees Fund, which comprise the statement of assets and liabilities at 31 December 2016, and the statement of income and expenditure, statement of cash flows and statement of value added for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statement present fairly, in all material respects the financial position of Crusadersterling Pensions Limited – Retirees Fund as at 31 December 2016, and of its financial performance and cash flows for the year then ended. The Fund managers has kept proper books of account, which are in agreement with the statement of assets and liabilities and income statement in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004 and in accordance with the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria.

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.

Emphasis of matter

We draw attention to the preparation of these financial statements on the basis of the Nigerian Statement of Accounting Standards as against using the International Financial Reporting Standards (IFRS) in line with the roadmap issued by Financial Reporting Council of Nigeria (FRC), on 3 September 2010, concerning other public interest entities that are expected to mandatorily adopt IFRS, for statutory reporting purpose, by 1 January 2013.

With respect to the non-compliance, there is an on-going discussion between stakeholders in the pension administration sector and Financial Reporting Council of Nigeria (FRC).

Our opinion is not qualified in respect of this matter.

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 report which is expected to be made available to us after that date. The other information 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.



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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.

Responsibilities of the Directors and Those Charged with Governance 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, the Pension Reform Act, 2004 as amended and with the requirements of Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria and applicable National Pension Commission (PenCom) guidelines and for such internal control as the Directors determine are 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.



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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

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

Dated: 9 February 2017



CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
Income			
Investment income	7	2,205,416	2,027,217
Dividend		75,923	39,715
Profit on disposal of investment	8	142,193	386,421
Other income	9	<u>7,188</u>	<u>-</u>
Total income		<u>2,430,720</u>	<u>2,453,353</u>
Expenses			
Fees	10	176,118	159,026
Bank charges		2,075	2,464
Amortised premium on bond		539,363	45,032
Diminution in Investment		40,743	455,908
Other expense		<u>500</u>	<u>500</u>
		<u>758,800</u>	<u>662,930</u>
Surplus for the year		<u><u>1,671,919</u></u>	<u><u>1,790,423</u></u>

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
Cash flows from operating activities			
Interest income		2,493,058	1,377,118
Payment for services		<u>(168,779)</u>	<u>(157,881)</u>
Net cash provided by operating activities	12	<u>2,324,279</u>	<u>1,219,237</u>
Cash flows from investing activities			
Purchase of investments		(3,642,099)	(18,081,234)
Proceeds from sale of investments		3,100,183	15,002,691
Dividend		<u>70,665</u>	<u>30,870</u>
Net cash provided in investing activities		<u>(471,251)</u>	<u>(3,047,673)</u>
Cash flows from financing activities			
Contribution by members	6	3,377,366	4,257,234
Transfer from RSA		3,597,769	5,624,245
Benefit payments		<u>(8,718,179)</u>	<u>(8,431,637)</u>
Net cash provided by financing activities		<u>(1,743,044)</u>	<u>1,449,842</u>
Net increase/(decrease) in cash and cash equivalents		109,984	(378,594)
Cash and cash equivalents at 1 January		<u>19,355</u>	<u>397,949</u>
Cash and cash equivalents at 31 December	13	<u><u>129,339</u></u>	<u><u>19,355</u></u>

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

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

1. History of the Fund

The fund came to be on 1st February 2009 following the directive of the National Pensions Commission (PENCOM). PENCOM Directed that Pension Fund Administrators (PFA) should maintain separate accounts for retirees with guidelines on investment of the pension assets to be issued by PENCOM from time to time.

	2016 N'000	2015 N'000
2. Cash at bank	<u>129,339</u>	<u>19,355</u>
These represent the balances on the various interest bearing accounts with the First Pension Custodian Nigeria Limited.		
3. Investments		
Term deposits	1,954,805	5,114,832
Equity (3.1)	684,656	552,660
Treasury bill	2,881,149	2,778,488
Bonds (3.2)	<u>11,492,829</u>	<u>8,454,612</u>
	<u>17,013,440</u>	<u>16,900,592</u>
3.1 Equity		
Cost of equity		
At 1 January	1,139,366	819,610
Additions in year	448,371	474,848
Disposal	<u>(275,632)</u>	<u>(155,092)</u>
	1,312,105	1,139,366
Diminution in investments	<u>(627,449)</u>	<u>(586,706)</u>
	<u>684,656</u>	<u>552,660</u>
3.1.1 Investment (diminution)/ revaluation surplus		
At 1 January	(586,706)	(130,798)
Movement in the year	<u>(40,743)</u>	<u>(455,908)</u>
At 31 December	<u>(627,449)</u>	<u>(586,706)</u>
3.2 Bonds		
Federal government	10,200,000	7,198,582
State government	892,829	956,030
Corporate	<u>400,000</u>	<u>300,000</u>
	<u>11,492,829</u>	<u>8,454,612</u>
4. Other assets		
Interest receivable	464,159	451,415
Dividend receivable	5,258	8,845
Unamortised discount on bond	<u>251,971</u>	<u>552,357</u>
	<u>721,388</u>	<u>1,012,617</u>

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

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

	2016 N'000	2015 N'000
5. Creditors and accruals		
Accrued fees and commission	<u>18,802</u>	<u>16,076</u>
5.1 Unammortised (premium) / discount on bond		
Total nominal value of bond	11,492,829	8,454,612
Total cost of bond	<u>(12,337,957)</u>	<u>(9,060,760)</u>
Total (Premium)/ discount on bond	<u>(845,128)</u>	<u>(606,148)</u>
Premium/(Discount) amortised recognised	<u>593,156</u>	<u>53,793</u>
	<u>(251,971)</u>	<u>(552,355)</u>
<p>The deferred income relates to the unamortised discount on the the investment in bonds.</p>		
6. Members' contribution		
At beginning of the year	11,972,182	10,522,340
Contributions during the year	3,377,366	4,258,673
Transfer from RSA	3,597,769	5,624,245
Benefit payments during the year	<u>(8,718,179)</u>	<u>(8,431,637)</u>
Administration fees	-	<u>(1,439)</u>
At 31 December	<u>10,229,138</u>	<u>11,972,182</u>
<p>This represents pool of fund from several account holders.</p>		
7. Interest income		
Interest on fixed securities	250,003	1,077,951
Interest on call	26,820	29,348
Interest on bond	1,675,235	376,197
Interest on treasury bill	<u>253,358</u>	<u>543,721</u>
	<u>2,205,416</u>	<u>2,027,217</u>
8. Profit on disposal of investment		
Equity	8.1 98,551	27,600
Treasury Bill	8.2 34,100	216,112
Bond	8.3 9,542	142,709
	<u>142,193</u>	<u>386,421</u>

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

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

	2016 N'000	2015 N'000
8.1 Profit on sales of equity		
Proceed on disposal of equity	374,222	182,692
Value of equity disposed	<u>(275,671)</u>	<u>(155,092)</u>
	<u>98,551</u>	<u>27,600</u>
8.2 Profit on sales of treasury bill		
Proceed on disposal of treasury bill	1,383,148	1,383,661
Value of treasury bill disposed	<u>(1,349,048)</u>	<u>(1,167,549)</u>
	<u>34,100</u>	<u>216,112</u>
8.3 Profit on sales of bond		
Proceed on disposal of bond	1,342,813	3,436,338
Value of bond disposed	<u>(1,333,271)</u>	<u>(3,293,629)</u>
	<u>9,542</u>	<u>142,709</u>
9. Other Income		
Commission on bonds	5,500	-
Exchange gain	<u>1,688</u>	<u>-</u>
	<u>7,188</u>	<u>-</u>
10 Fees		
Management fees - PFA	118,162	106,753
Management fees - PFC	35,449	32,026
Management fees - Pencom	<u>22,507</u>	<u>20,247</u>
	<u>176,118</u>	<u>159,026</u>
11 Accumulated surplus		
At 1 January	5,944,307	4,175,741
Prior year adjustment (11.1)	-	(21,857)
Surplus during the year	<u>1,671,919</u>	<u>1,790,423</u>
At 31 December	<u>7,616,226</u>	<u>5,944,307</u>
11.1 Prior year adjustment		
The adjustment relates to correction of unammortised discount on bond of previous year.		

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

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

	2016 N'000	2015 N'000
12 Reconciliation of surplus for the year to net cash provided by operating activities		
Surplus for the year	<u>1,671,919</u>	<u>1,790,423</u>
Profit on disposal of investment	(142,193)	(386,421)
Premium on bond	539,363	45,032
Dividend income	(75,923)	(39,715)
Diminution in investment	40,743	455,908
Change in operating assets/liabilities		
Operating assets	287,642	(650,099)
Operating liabilities	<u>2,726</u>	<u>4,109</u>
	<u>652,359</u>	<u>(571,186)</u>
Net cash provided by operating activities	<u><u>2,324,279</u></u>	<u><u>1,219,237</u></u>
13. Cash and cash equivalents		
At 31 December	<u><u>129,339</u></u>	<u><u>19,355</u></u>

These represent the balances on the various accounts with the Fund Custodian.

14. Guarantees and other capital commitments

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

15. Post balance sheet event

There were no events after year end, which could have had a material impact on the financial statements.

16. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year in accordance with the Nigerian Statement of Accounting Standard No. 2 (SAS).

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

Other National Disclosures

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 N'000	%	2015 N'000	%
Gross income	2,430,720		2,453,353	
Administrative and other expenses:				
- Local	(582,682)		(503,904)	
- Foreign	-		-	
	<u>1,848,037</u>	<u>100</u>	<u>1,949,449</u>	<u>100</u>
Applied as follows:				
To pay managers, custodian and regulator:				
- Fees	176,118	10	159,026	8
To provide for growth and development:				
- Surplus for the year	<u>1,671,919</u>	<u>90</u>	<u>1,790,423</u>	<u>92</u>
	<u>1,848,037</u>	<u>100</u>	<u>1,949,449</u>	<u>100</u>

Value added is the wealth created by the efforts of the Pension Fund Administrator and its allocation between Managers, Custodians, National Pension Commission and re-investment for the creation of more wealth.

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

STATEMENT OF CHANGES IN NET ASSET VALUE AS AT 31 DECEMBER 2016

	Note	2016 N'000	2015 N'000
Income			
Contributions	6	3,377,366	4,258,673
Transfer from RSA	6	3,597,769	5,624,245
Interest income		2,205,416	2,027,217
Profit on disposal of investments	8	142,193	386,421
Discount on bond		7,188	-
Dividend		75,923	39,715
		9,405,854	12,336,271
Expenses			
Fees		176,118	159,026
Retirement benefit paid		8,718,179	8,431,637
Admin fees		-	1,439
Amortised premium on bond		539,363	45,032
Diminution in investment		40,743	455,908
Bank charges		2,075	2,464
Other expenses		500	500
Adjustment unamortised premium on bond		-	21,857
		9,476,979	9,117,863
Net (decrease)/increase in fund		(71,124)	3,218,408
Retiree fund, beginning of the year		17,916,489	14,698,081
Retiree fund, end of the year		17,845,365	17,916,489

CRUSADERSTERLING PENSIONS LIMITED - RETIREES FUND

FINANCIAL SUMMARY

31 DECEMBER

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Assets					
Cash at bank	129,339	19,355	397,949	188,533	135,667
Investments	17,013,440	16,900,592	13,955,961	11,537,935	7,413,903
Other assets	721,388	1,012,617	356,138	275,054	150,611
Total assets	17,864,167	17,932,564	14,710,048	12,031,522	7,730,181
Total liabilities	18,802	16,076	11,967	38,208	67,932
Net assets	17,845,365	17,916,488	14,698,081	11,993,314	7,662,249
Financed by					
Members' contribution	10,229,139	11,972,181	10,522,340	9,284,495	6,283,618
Accumulated surplus	7,616,227	5,944,307	4,175,741	2,427,160	1,284,719
Investment valuation reserve		-	-	281,659	90,912
	17,845,365	17,916,488	14,698,081	11,993,314	7,662,249
Total income	2,430,720	2,453,353	2,001,217	1,191,205	512,319
Expenses	(758,800)	(662,930)	(252,635)	(125,241)	(47,705)
Surplus	1,671,920	1,790,423	1,748,582	1,065,964	470,614
Accounting unit price	2.2403	2.0306	1.8111	1.6061	1.3965
Rate of return	10%	12%	13%	15%	13%
Three years rolling average rate of returns	12%	13%	12%	10%	10%