

RESORT SAVINGS & LOANS PLC



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

RESORT SAVINGS & LOANS PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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RESORT SAVINGS & LOANS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Your Company's Directors are pleased to present the 8th Annual Report on the affairs of Resort Savings and Loans Plc ("the Bank")

1 Legal Form and Principal Activity

Legal Form

The Bank was incorporated as a private limited liability company on 17 June 1992 and obtained a license to operate as a Mortgage

Principal Activity

The Bank's principal activity continues to be the provision of mortgage banking and other financial services to corporate and

Mortgage Services: The Bank has been actively involved in the provision of retail mortgage banking services to variety of customers

Property Acquisition Management: The Bank acts as an intermediary between sellers and buyers wishing to consummate

Fund Management: The Bank is also engaged in the provision of liability management

The Bank's fully owned subsidiary; Resort Developers Limited carries on the business of real estate development, management and

2 Result for the Year

	31-Dec-14	31-Dec-13
	₹'000	₹'000
Turnover	1,643,427	1,613,744
Profit/(Loss) before Income Tax	(2,972,532)	(1,547,560)
Income Tax Expense	(16,342)	(18,765)
Profit/(Loss)for the year	(2,988,874)	(1,566,325)

RESORT SAVINGS & LOANS PLC

**DIRECTORS' REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

3 Share Capital

The Bank has an authorized share capital of ₦10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion)

The Directors who held office during the year under review and to the date of the report are set out below:

S/N	NAME	NATIONALITY	DESIGNATION
1	Chief Babatunde Adefarati	Nigerian	Chairman
2	Mr. Abimbola Olayinka	"	MD/Chief Executive Officer
3	Barrister Joseph O. J. Chukwuocha	"	Non-Executive Director
4	Dr. Nosike Agokei'	"	"
5	Senator Sunday Olawale Fajinmi	"	"
6	Arc. Usman Karaye Umaru	"	"
7	Mr. Danladi Tijo Baido	"	"

4 Election/Re-election of Directors

In compliance with Section 259 of the Companies and Allied Matters Act, one-third of the Directors are required to retire from office

5 Directors' Interest in Shares

Directors of the Bank in the period under audit together with their direct and indirect interest in the issued share capital of the Bank

RESORT SAVINGS & LOANS PLC

**DIRECTORS' REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Name of Director	Number of Shares Held as at 31		Number of Shares Held as at 31	
	Direct	Indirect	Direct	Indirect
Chief Babatunde Adefarati	48,094,340	60,000,000	48,094,340	60,000,000
*Mr. Abimbola' Olayinka'	60,456,000	44,600,000	32,456,000	46,000,000
**Barrister Joseph O. J. Chukwuocha	1,000,000	400,000,000	1,000,000	400,000,000
*** Dr. Nosike Agokei	7,000,000	242,608,694	7,000,000	282,808,694
****Senator Sunday Olawale Fajinmi	6,978,000	2,222,548	6,978,000	50,000,000
*****Arc. Usman Karaye Umaru	1,000,000	50,000,000	1,000,000	50,830,000
*****Mr. Danladi Tijo Baido	3,885,000	21,509,434	3,885,000	51,509,434

The indirect shares held by Chief Babatunde Adefarati are in respect of Falcons Chemicals Limited.

*The indirect shares held by Mr. Abimbola Olayinka are in respect of Wisknol Options Limited.

**The indirect shares held by Barrister Jideofor Chukwuocha are in respect of Mr. Obazee Sunny

***The indirect shares held by Dr. Nosike Agokei are in respect of Next International Limited

****The indirect shares held by Senator Sunday Olawale Fajinmi are in respect of several shareholders.

*****The indirect shares held by Arc. Usman Karaye Umaru are in respect of several shareholders.

*****The indirect shares held by Mr. Danladi Tijo Baido are in respect of several shareholders.

6 Directors' Interests in Contract

For the purpose of Section 277 of the Companies and Allied Matters Act, 2004, none of the Directors have notified the Bank of any

7 Shareholding Range Analysis

The shareholding pattern of the bank as at 31 December 2014 is as stated below:

Range	No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1 - 1,000	270	2.10	270	214,773	-	214,733
1,001 - 5,000	91	0.71	361	276,013	-	490,786
5,001 - 10,000	75	0.58	436	644,288	0.01	1,135,074
10,001 - 50,000	123	0.96	559	3,932,740	0.03	5,067,814
50,001 - 100,000	148	1.15	707	13,660,416	0.12	18,728,230
100,001 -	10,067	78.28	10,774	2,404,954,632	21.23	2,423,682,862
500,001 -	1,004	7.81	11,778	836,705,478	7.39	3,260,388,340
1,000,001 -	1,083	8.42	12,861	8,069,344,064	71.22	11,329,732,404
Grand Total	12,861	100		11,329,732,404	100	

RESORT SAVINGS & LOANS PLC

**DIRECTORS' REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

8 Substantial Interest in Shares

According to the Register of Members, the following shareholders held more than 5% of the issued share capital of the Company as

Shareholder	Number of Shares	Percentage
Vicad Securities Limited	660,000,000	5.83
FCUS/AMCON/Zenith Bank /DEAP	641,853,258	5.67

9 Donations & Charitable Contributions

The bank has not given out any donations and charitable contributions during the period under review.

In compliance with section 38(2) of the Companies And Allied Matters Act, 2004, the Bank did not make any donation or gift to any

10 Free Float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this

11 Contractual Arrangements

The Bank's business operations utilize many suppliers/service providers and necessary measures are in place to ensure that the

12 Property, Plant & Equipment

Information relating to changes in the assets is given in Note 21 to the financial statements. In the Directors' opinion, the market

RESORT SAVINGS & LOANS PLC

**DIRECTORS' REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

13 Human Resources

Employment of Physically Challenged Persons

The Bank's employment policy is non-discriminatory as applications for employment including those from physically challenged

Health, Safety and Welfare of Employees

The Bank accords high priority to the health, safety and welfare of its employees. In furtherance of this, the Bank's operations and

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates a contributory pension plan in line with the Pension Reform Act, 2004 and also has a terminal gratuity scheme in

Employee Involvement & Training

The Bank encourages participation of its employees in arriving at decisions on matters affecting their well being. To this end, the

The Bank places a high premium on the development of its manpower. It recognizes that its employees remain a key asset

Staff Strength

As at 31 December 2014, the Bank had a total number of 308 employees on its payroll.

14 Events after Reporting Period

There are no events after reporting date which could have had a material effect on the state of affairs of the Bank as at 31 December

RESORT SAVINGS & LOANS PLC
DIRECTORS' REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

15 Disclosure of Information to Auditors

Each of the Directors has confirmed that so far as he is aware, there is no relevant audit information of which the auditors are

16 External Auditor

The External Auditors, Grant Thornton Nigeria is to retire at the Annual General Meeting, however, being eligible, it has expressed

17 Fraud and Forgeries

There was no fraud experienced during the year under audit.

The Board of Directors takes this opportunity to appreciate the customers, suppliers, business partners/associates, federal and state



LAGOS, NIGERIA.

BY ORDER OF THE BOARD

RESORT SAVINGS & LOANS PLC
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

1 Introduction

Effective corporate governance drives good performance and lays the foundation for the way in which Resort Savings & Loans Plc

The Board's approach to governance is to keep track of developments and adopt those practices that are most relevant to the Bank to

The Bank ensured compliance with various legislation, regulations, standards and codes which are entrenched within the Bank's

2 The Board of Directors

The Board has ultimate responsibility for the governance of the Bank and is accountable to shareholders for delivering sustainable

The Board of Directors recognizes that the right attitude and approach towards good corporate governance practices are most

Our Board remains strong in its oversight responsibilities and we shall continue to ensure we do business ethically, continually putting

RESORT SAVINGS & LOANS PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

3 Responsibilities of the Board

Today's board is ever more accountable for an organisation's performance and as such, must set its strategic direction and monitor

- * Approval of quarterly, half yearly and annual financial statements and any change in accounting and dividend policies of the
- * Formulation of policies and setting of objectives and strategic direction for management to maximise shareholders' value.
- * Determining the terms of reference and procedures of the Board Committees, including reviewing and approving the reports of
- * Monitoring the Company's performance to ensure that the Company is a going concern by setting performance objectives and
- * Overseeing the Bank's financial reporting systems, including the independent audit, and ensuring that appropriate systems of
- * Monitoring and influencing culture, reputation, ethical standards, legal and regulatory compliance and overseeing corporate
- * Monitoring the effectiveness of the Bank's governance practices by selecting, compensating and when necessary, replacing key
- * Exercising objective independent judgment on corporate affairs by ensuring proper composition of the Board by appointing a

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Board is afforded sufficient time to deliberate on corporate matters particularly in respect of strategy and risk, including risk

The Board meets at least once in every quarter and additional meetings are convened as required. To enhance the capacity of the

4 Composition

As at 31 December 2014, the Company had 7 (Seven) Directors which comprised of a Non-Executive Chairman, an Executive

These Directors have demonstrated excellent business knowledge and board experience required by the Bank to operate effectively in

The Board is aware of the need to appoint an additional executive director to the Board and necessary steps have been put in place

5 Roles of the Chairman and the Chief Executive Officer

There is a clear division of responsibilities between the running of the board and the executive responsibility for the running of the

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

6 Non-Executive Directors (NEDs)

Non-executive directors, appointed in the understanding that they will serve in the best interests of the Company and its shareholders,

- * Monitoring and scrutinizing the performance of management in meeting agreed goals, strategy and objectives.
- * Ensuring that the financial information produced by the Bank is accurate and that the financial controls and system of risk
- * Determining appropriate levels of remuneration of executive directors, and recommending the appointment, and where necessary
- * Promoting the highest standards of corporate governance and seeks compliance with the provisions of the SEC Code.
- * Supporting the Chairman and the CEO/MD in their leadership roles while monitoring their conduct.

The Chairman, Chief Francis Babatunde Adefarati, is a Non-Executive Director and he leads the Board. He is responsible for

The Chief Executive Officer (CEO) and Managing Director (MD), Mr Abimbola Olayinka, has day to day management responsibility

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

6 Attendance at Board Meetings

The board meeting provides a forum where the directors regularly come together to focus on their roles and responsibilities, identify

The table below shows the number of Board meetings held within the review period and members' attendance.

Dates of meetings & attendance						
	18/2/2014	2/7/2014	25/9/2014	25/11/2014	19/12/2014	
Name & Designation						
Chief Babatunde Adefarati-Chairman	00	x	00	00 □ x		
Mr. Abimbola Olayinka - M.D	00	00	00	00	00	
Bar. Joseph O. J. Chukwuocha - Member	00	00	00	00	00	
Dr. Nosike Agokei - Member	00	00	00	00	00	
Senator Sunday O. Fajinmi - Member	00	00	00	00	00	
Mr. Danladi Tijo Baido - Member	x	x	x	x	x	
Arc. Usman Karaye Umaru - Member	00	00	00	00	00	

7 Board Committees

The Board carries out its oversight roles through its committees to fully utilize its potential. Whilst the Board Committees each with

The Board has six standing committees namely; the statutory Audit Committee, the Finance and General Purpose Committee, the

In line with good corporate governance practice, the Chairman of the Board is not a member of any of the committees.

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

A Statutory Audit Committee

The Statutory Audit committee was established by the Board in compliance with section 359 of the Companies and Allied Matters

The Committee is tasked with the responsibility of reviewing the Bank's annual and interim financial statements, review audit report

Membership of the Committee and record of attendance at meetings during the review period are as follows:

Dates of meetings & attendance							
Name & Designation	12/4/2014	21/4/2014	19/5/2014	13/6/2014	20/6/2014	5/9/2014	14/11/2014
Dr. Adelani K. Oniwinde-Chairman	OO	OO	OO	OO	OO	OO	OO
Alhaja Ayodele Kudaisi - Member	OO	OO	OO	OO	OO	OO	OO
Chief Godwin Anono - Member	OO	OO	OO	OO	OO	OO	OO
Barr. Joseph O. J. Chukwuocha - Director	OO	OO	OO	OO	OO	OO	OO
Senator Sunday O. Fajinmi - Director	OO	OO	OO	OO	X	OO	OO
Dr. Nosike Agokei - Director	OO	OO	OO	OO	OO	OO	OO

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

B Corporate Governance/Nomination Committee

The Committee comprises majorly of non-executive directors. The Corporate Governance and Nomination Committee is

The Committee ensures promotion of corporate governance and compliance with governance practices established by the Bank's

The Committee also ensures succession planning and the Bank's compliance with various legal and regulatory requirements. The

Membership of the Committee and record of attendance at meetings during the review period are as follows:

Name & Designation	Date of Meeting & Attendance			
	11/2/2014	12/5/2014	1/9/2014	10/11/2014
Senator Sunday O. Fajinmi-Chairman	OO	OO	OO	OO
Mr Abimbola Olayinka-MD/CEO	OO	OO	OO	OO
Barr. Joseph O. J. Chukwuocha-Director	OO	OO	x	OO
Mr Danladi Tijo Baido-Director				□x

C Tenders Committee

The Tenders Committee is responsible for obtaining the most favourable terms for acquisition of goods, work and services that are

The Committee is also responsible for reducing budget expenses and securing the corporate interests of the Bank. The Committee

Membership of the Committee and record of attendance at meetings during the review period are as follows:

Name & Designation	Date of Meeting & Attendance		
	11/2/2014	12/5/2014	4/9/2014
Mr Danladi Tijo Baido-Chairman	OO	OO	OO
Mr Abimbola Olayinka-MD/CEO	OO	OO	OO
Barr. Joseph O. J. Chukwuocha-Director	OO	OO	OO

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

D Finance & General Purpose Committee

The Committee comprising of three non-executive directors is responsible for strategic planning, periodic budgeting and

The Committee held two meetings during the period under review.

Membership of the Committee and record of attendance at meetings during the review period are as follows:

Name & Designation	Date of Meeting & Attendance					
	20/1/2014	3/2/2014	14/5/2014	3/9/2014	12/11/2014	16/12/2014
Dr Nosike Agokei-Chairman	OO	OO	OO	OO	OO	OO
Mr Abimbola Olayinka-MD/CEO	OO	OO	OO	OO	OO	OO
Senator Sunday O. Fajinmi-Director	OO	X	OO	X	OO	OO
Arc. Usman Karaye Umaru-Director						

E Board Audit & Risk Management Committee

The Board Audit & Risk Management Committee has the oversight responsibility of reviewing the Bank's risk policies, overseeing

The Chief Risk Officer of the Bank presents regular updates to the Committee at its meetings.

The Committee held 4 (four) meetings during the period under review. Membership of the Committee and record of attendance at

Name & Designation	Date of Meeting & Attendance		
	5/2/2014	11/6/2014	3/9/2014
Barr. Joseph O. J. Chukwuocha-Chairman	OO	OO	OO
Mr Abimbola Olayinka-MD/CEO	OO	OO	OO
Dr. Nosike Agokei - Director	OO	OO	OO
Senator Sunday Olawale Fafinmi - Director			

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

F Credit and Projects Committee

The Credit and Projects Committee assists the Board in approving specific loans that are above Management's limit and conduct

- * notify the Board of top debtors to the Bank and formulate policies on recoveries.
- * review asset and liability management of the Bank
- * conduct periodical review of loans granted by the Bank to ensure compliance with the Bank's internal control system
- * ensure that the Bank's internal control policy is sufficient to safeguard the quality of the bank's risk asset.
- * ensure the Bank complies with regulatory requirements as it relates to the granting of loans.

The Committee has been re-constituted and met once during the period under review. Membership of the Committee

Date of Meeting & Attendance				
Name & Designation	5/2/2014	13/5/2014	4/9/2014	12/11/2014
Arc. Usman Karaye Umaru-Chairman	⊙	⊙	⊙	⊙
Mr Abimbola Olayinka-MD/CEO	⊙	⊙	⊙	⊙
Mr Danladi Tijo Baido-Director	⊙	⊙	⊙	⊙
Dr Nosike Agokei-Director	⊙	⊙	⊙	⊙

8 Directors' Continuous Professional Development

The Bank has a policy to ensure that newly appointed Directors receive comprehensive and formal induction which may include

RESORT SAVINGS & LOANS PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

9 Performance Evaluation

The Board has developed a process of reviewing its effectiveness and the effectiveness of its Committees. This is based on

10 Information and Support

Executive Management on the instructions of the Board has the responsibility of ensuring that the Board gets adequate and timely

11 Independent Professional Advice

Directors have access to independent professional advice at the expense of the Bank when necessary for the discharge of particular

12 Accountability and Audit

Financial Reporting

It is the director's responsibility to prepare the financial statements of the Bank and ensure that the financial statements are prepared

Management provides the Board with regular financial updates to enable the Board give an informed and comprehensive assessment

The respective responsibilities of the Directors, Audit Committee and the External Auditors in connection with the financial

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Internal Control and Risk Management

The Board is responsible for reviewing the effectiveness of the Bank's internal controls and ensuring that the controls are effective to

Following from the above, the Board, with the support of the Board Audit and Risk Management Committee had reviewed the

Whistle-Blowing Policy

The Bank has adopted the Whistle Blower policy pursuant to which employees can raise their concerns relating to fraud, malpractice

The purpose of the whistle-blowing policy is to ensure that there is a process whereby genuine concerns about the Bank are reported

13 Company Secretary

The Company Secretary owes its duty to the Company, Board of Directors and Shareholders. To this end, the Company Secretary is

The Company Secretary guides the Board in the discharge of its regulatory responsibilities. The Board has unlimited access to the

14 Shareholder participation

Shareholders influence the corporate governance practice of the Bank through exercising influence on fundamental matters such as

RESORT SAVINGS & LOANS PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

All shareholders are treated equally regardless of their shareholding. The Bank has an active website (www.resortng.com)

15 Protection of Shareholders right

The Board ensures the protection of the statutory and general rights of shareholders at all times particularly their right to vote at

16 Declaration of Interests

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interest. The Companies and

17 Compliance Statement

In the opinion of the Board of Directors, the Company complied with the Code of Corporate Governance issued by the Securities &

The Companies and Allied Matters Act, Cap C20 LFN 2004 requires the Directors to prepare financial statements for each financial

- Keeps proper accounting records that disclose with accuracy, the financial position of the Bank and comply with the
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting

18 Securities Trading and Complaint Management Policies

It is hereby stated that the securities trading and complaints policies are currently being worked upon and not yet in place.

RESORT SAVINGS & LOANS PLC


**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve



Chief Francis Babatunde Adefarati
Chairman
FRC/2013/ODN/00000003629



Mr. Abimbola Olayinka
Managing Director/CEO
FRC/2013/ICAN/00000001650

RESORT SAVINGS & LOANS PLC

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Companies and Allied Matters Act, Cap C20 LFN 2004 requires the Directors to prepare financial statements for each financial

- Keeps proper accounting records that disclose with accuracy, the financial position of the Bank and comply with the
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank

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Chief Francis Babatunde Adefarati
Chairman
FRC/2013/ODN/0000003629



Mr. Abimbola Olayinka
Managing Director/CEO
FRC/2013/ICAN/0000001650

RESORT SAVINGS & LOANS PLC

**CERTIFICATION PURSUANT TO SECTION 60(2) OF
INVESTMENT AND SECURITIES ACT NO. 29 OF 2007
FOR THE YEAR ENDED 31 DECEMBER 2014**

We the undersigned hereby certify the following with regards to our financial reports for the year ended 31 December 2014 that:

- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain:
 - i) any untrue statement of a material effect, or
 - ii) omit to state a material fact, which would make the statements, misleading in the light of the circumstance under which such
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all
- d) We:
 - i) are responsible for establishing and maintaining internal controls
 - ii) have designed such internal controls to ensure that material information relating to the company is made known to such
 - iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to this report;
 - iv) have presented in the report our conclusions about the effectiveness of the Bank's internal controls based on our evaluation as
- e) We have disclosed to the auditors of the Bank and the Statutory Audit Committee:
 - i) all significant deficiency in the design or operation of internal controls which would adversely affect the Bank's ability to record,
 - ii) any fraud, whether or not material, that involves management or other employees who have significant role in the Bank's
- f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could



Mr. Abimbola Olayinka
Managing Director/CEO
FRC/2013/ICAN/0000001650



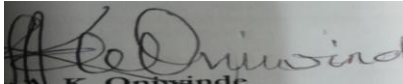
Mr. Olayemi Rabi
Chief Finance Officer
FRC/2013/ICAN/0000001648

RESORT SAVINGS & LOANS PLC

**REPORT OF THE STATUTORY AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2014**

In compliance with the provisions of section 359 (3) to (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the

- 1 The accounting and reporting policies of the Bank are consistent with legal requirements and agreed ethical practices.
- 2 The scope and planning of the external audit were adequate.
- 3 The Bank maintained effective systems of accounting and internal control during the year.
- 4 The Bank's management adequately responded to matters covered in the management report issued by the External Auditors.



Dr. A. K. Oniwinde
Chairman, Statutory Audit Committee
FRC/2013/CIIN/0000002850

Members of the Statutory Audit Committee are:

- | | |
|---|------------------------|
| 1 Dr. Adelani K. Oniwinde - Shareholder | Shareholder – Chairman |
| 2 Chief Godwin Anono - Shareholder | Shareholder – Member |
| 3 Alhaja Ayodele Sarat Kudaisi | Shareholder – Member |
| 4 Bar. Joseph O. J. Chukwuocha | Director – Member |
| 5 Senator Sunday O. Fajinmi | Director – Member |
| 6 Dr. Nosike Agokei | Director – Member |



Grant Thornton

An instinct for growth™

Independent Auditor's Report to the Members of Resort Savings & Loans Plc

Report on the Financial Statements

We have audited the accompanying financial statements of **Resort Savings & Loans Plc**, for the year ended 31 December 2014, set out on pages 26 to 73, which have been prepared on the basis of the significant accounting policies set out on pages 53 to 49.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

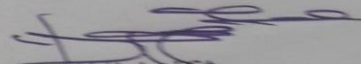
Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of Resort Savings & Loans Plc as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council Act, 2011.

Report on Other Legal Requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the Bank and
- iii) Our examination of loans and advances was carried out in accordance with the Prudential Guidelines for FMB issued by the Central Bank of Nigeria (CBN). In accordance with the circular issued by Central Bank of Nigeria (CBN), details of asset related credits are disclosed in Note 28.
- iv) The Bank's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.


Nnamchi Abuka, FCA
 FRC/2013/TCAN/0000015451
 FOR: GRANT THORNTON
 (CHARTERED ACCOUNTANTS)
 LAGOS, NIGERIA.



08 January 2016

Chartered Accountants

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RESORT SAVINGS & LOANS PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31-Dec-14 N'000	31-Dec-13 N'000
Interest Income	5	865,808	1,036,037
Interest Expense	6	(429,662)	(303,901)
Net Interest Income		436,146	732,136
Fee and Commission Income	7	767,978	564,038
Fee and Commission Expense	8	(210,317)	(84,670)
Net Fee and Commission Income		557,661	479,368
Investment Income	9	9,641	13,669
Other Income	10	69,994	53,975
		79,635	67,644
Net Income		1,073,442	1,279,148
Personnel Expenses	11	(413,472)	(341,952)
Other Operating Expenses	12	(1,197,266)	(1,067,252)
Allowance and Impairment Loss	13	(2,435,237)	(1,417,503)
Loss before Income Tax		(2,972,532)	(1,547,560)
Income Tax Expense	22	(16,342)	(18,765)
Loss for the Year		(2,988,874)	(1,566,325)
Other comprehensive income, net of income tax			
Total Comprehensive Income for the Year		(2,988,874)	(1,566,325)
Earnings Per Share (expressed in kobo per share)			
Basic		(26.38)	(13.82)

The notes on pages 30 to 73 are an integral part of these financial statements.

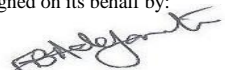
RESORT SAVINGS & LOANS PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014


	Note	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Assets			
Cash and Cash Equivalents	14	630,853	1,306,161
Loans and Advances	15	2,161,486	4,041,867
Investment Securities	16	1,316,046	848,110
Non-Current Assets Held for Sale	17	3,398,580	1,639,183
Other Assets	18	193,553	444,275
Intangible Assets	19	605	838
Property, Plant and Equipment	20,21	247,649	217,969
Total Assets		7,948,773	8,498,403
Liabilities and Equity			
Liabilities			
Deposits from Customers	22	4,287,549	3,414,103
Income Tax Liabilities	23	57,029	56,687
Other Liabilities	24	946,496	392,473
Long-Term Borrowings	25	1,133,735	983,697
Total Liabilities		6,424,809	4,846,961
Equity			
Ordinary Share Capital	26	5,664,866	5,664,866
Retained Earnings		(7,308,463)	(4,319,588)
Statutory Reserve		97,754	97,754
Non-distributable Regulatory Risk Reserve		3,069,807	2,208,409
Total Equity		1,523,964	3,651,442
Total Liabilities and Equity		7,948,773	8,498,403

The notes on pages 30 to 73 are an integral part of these financial statements.

The Financial Statements on pages 26 to 73 were approved by the Board of Directors on 8 January 2016 and signed on its behalf by:


Chief Francis Babatunde Adefarati
Chairman
FRC/2013/ODN/00000003629


Mr. Abimbola Olayinka
Managing Director/CEO
FRC/2013/ICAN/00000001650


Mr. Olayemi Rabiu
Chief Finance Officer
FRC/2013/ICAN/00000001648

FOR THE YEAR ENDED 31 DECEMBER 2014

	Equity Share N'000	Statutory Reserve N'000	Regulatory Risk Reserve N'000	Retained Earnings N'000	Total N'000
Year Ended 31 December 2013					
Balance at 1 January 20	5,664,866	97,754	-	(2,753,263)	3,009,357
Loss for the year	-	-	-	(1,566,325)	(1,566,325)
Transfer for the year	-	-	2,208,409	-	2,208,409
Balance at 31 Decem	5,664,866	97,754	2,208,409	(4,319,588)	3,651,441
Year Ended 31 December 2014					
Balance at 1 January 20	5,664,866	97,754	2,208,409	(4,319,588)	3,651,441
Profit for the year	-	-	-	(2,988,874)	(2,988,874)
Recoveries/write off	-	-	(2,208,409)	-	(2,208,409)
Transfers during the ye	-	-	-	-	-
Loans and Advances	-	-	569,807	-	569,807
Non-Current Assets H	-	-	2,000,000	-	2,000,000
Investment Securities	-	-	500,000	-	500,000
Balance at 31 Decem	5,664,866	97,754	3,069,807	(7,308,463)	1,523,964

The notes on pages 30 to 73 are an integral part of these financial statements.

RESORT SAVINGS & LOANS PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER**

	31-Dec-14	31-Dec-13
	₹'000	₹'000
Cash flows from operating activities		
Profit/(Loss) before Income Tax	(2,972,532)	(1,547,560)
Adjustments for:		
Allowance and Impairment Loss	2,435,237	1,957,215
Depreciation of Property, Plant and Equipment	98,255	81,812
Amortization of Intangible Assets	878	264
Net Interest Income	(436,146)	(732,136)
	(874,308)	(240,405)
Changes in Investment Securities	(467,936)	(475,364)
Change in Value of Non-Current Assets Held for Sale	(1,759,398)	(83,711)
Changes in Loans and Advances	306,541	(591,596)
Changes in other Assets	250,722	(205,837)
Changes in Deposits from Customers	873,446	1,737,574
Change in other Liabilities	554,022	(56,447)
Changes in Long-Term Borrowings	150,037	343,511
Interest Received	865,808	1,036,037
Interest Paid	(429,662)	(303,901)
Income Tax Paid	(16,000)	(92,026)
Net Cash (used in) from Operating Activities	(546,727)	1,067,836
Cash Flows from Investing Activities		
Acquisition of Property and Equipment	(127,936)	(130,721)
Acquisition of Intangible Assets	(645)	-
Net Cash used in Investing Activities	(128,581)	(130,721)
Net increase/(decrease) in Cash and Cash Equivalents	(675,307)	937,115
Cash and Cash Equivalents at 1 January	1,306,161	369,044
Cash and Cash Equivalents at 31 December	630,853	1,306,161

The notes on pages 30 to 73 are an integral part of these financial statements.

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 Reporting Entity

Resort Savings & Loans Plc (the "Bank") is a company incorporated in Nigeria under the Companies and Allied Matters Act, CAP C20

2 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the

The Financial Statements were authorized for issue by the Board of Directors of Resort Savings and Loans Plc on

(b) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of

- Available-for-sale financial assets are measured at fair value.
- Investment Properties are measured at fair value.

(c) Functional and Presentation currency

These Financial Statements are presented in Nigeria Naira which is the Bank's functional currency. Except otherwise indicated, financial

(d) Use of Estimates and judgements

The preparation of the financial statements in conformity with IFRSs require management to make judgements, estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by
At the date of authorisation of these financial statements, certain new IFRS standards, amendments and interpretations to existing

IFRS 9, 'Financial instruments', issued in November 2009 (effective 1 January 2015)

IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement

IFRS 10, 'Investment Entities,' Issued: 31 October 2012 (effective 1 January 2014)

IFRS 10 was issued on 31 October 2012. It replaced Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities

- provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries,
 - require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate
- The company is yet to assess IFRS10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after

b) New standards, amendments and interpretations issued but not effective for the financial

A number of new standards and amendments to standards and interpretations that are effective for annual periods beginning after 1

IAS 36 Impairment of Assets; Amendments, Issued: 29 May 2013 (effective 1 January 2014)

Amends IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is

IAS 39 Financial Instrument; Amendments, Issued: 27 June 2013 (effective 1 January 2014)

Amends 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,

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

- A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their
The company is yet to assess the amendment to IAS 39's full impact and intends to adopt IAS 39 amendment no later than the accounting

IFRIC 21 Levies, Issued: 20 May 2013 (effective 1 January 2014)

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in
The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in
- 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.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in the financial statements.

a) Interest

Interest income and expenses are recognised in profit or loss using effective interest method. The effective interest rate is the rate that

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are integral parts of the

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Interest income and expense presented in the statement of comprehensive income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;

b) Fees and Commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the

Other fees and commission income, including project management fee and processing fees are recognised as the related services are

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

c) Employee Benefits

(i) Pension fund obligations

A defined contribution plan is a pension plan under which the bank pays fixed contributions into a separate entity - Pension Fund

For defined contribution plans, the bank pays contributions to an administered pension plans on a rule basis, however, additional

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

(ii) Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick

Provisions for leave pay and bonuses are recognised as a liability in the financial statements.

d) Tax Expense

The tax expense represents the sum of the current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to

(i) Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the bank expects, at the end of the

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable

(iii) Tax Exposure

In determining the amount of current and deferred tax, the bank takes into account the impact of uncertain tax positions and whether

e) Cash and Cash Equivalents

Cash and Cash Equivalents comprise of notes and coins on hand, demand deposits and other short term, highly liquid financial assets with

f) Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

Loans and advances to customers include:

Those classified as Mortgage Loans;

Those classified as Commercial Real Estate Financing;

Those classified as Others;

Those designated as at fair value through profit or loss.

Loans and advances are initially measured at cost plus incremental direct transaction cost. They are subsequently measured at cost less

Allowance for impairment of Loan is made in accordance with the 2011 Revised Guidelines for Primary Mortgage Banks in Nigeria issued

Mortgage Loans:

Principal and/or Interest outstanding for over:	Classification	Allowance
3 months but less than 6 months	Watchlist	1%
6 months but less than 1 year	Substandard	10%
1 year but less than 2 years	Doubtful	100% less 50% of the estimated
2 years and over	Lost	100%

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Commercial Real Estate Financing:

Principal and/or Interest outstanding for over:	Classification	Allowance
6 months but less than 1 year and the past due is less than 40% of installment amount.	Watchlist	1%
6 months but less than 1 year and the past due is more than 40% of installment amount.	Substandard	25%
1 year but less than 2 years	Doubtful	50%
2 years but less than 3 years	Very doubtful	75%
3 years and over	Lost	100%

Other loans (neither mortgage nor real estate loans)

Principal and/or Interest outstanding for over:	Classification	Allowance
3 months but less than 6 months	Substandard	10%
6 months but less than 1 year	Doubtful	50%
1 year and over	Lost	100%

Performing loans

In addition to the specific allowance on non-performing loans, a minimum allowance of 1% is made for all performing accounts to

Interest in Suspense

Interest on non-performing loans is recognised to interest in suspense account. Interest suspended is recognised in profit or loss account

g) Investment Securities

Investment securities are initially measured at the fair value plus, in case of investment securities not at fair value through profit or loss,

(i) Available-for-sale

Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified as another

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the

Other fair value changes, other than impairment losses, are recognised in other comprehensive income and presented in the fair value

(ii) Held-to-maturity

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the

Held-to-maturity investments are carried at amortised cost using the effective interest method, less any impairment losses. A sale or

Sales or reclassification that are so close to maturity that changes in the market rate of interest would not have a significant effect

Sales or reclassification after the Bank has collected substantially all of the asset's original principal and;

Sales or reclassification attributable to non-recurring isolated events beyond the Bank's control that could not have been

(iii) Fair value through profit or loss

The Bank designates some investments securities at fair value, with fair value changes recognised immediately in profit or loss.

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

h) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the

When the use of a property changes such that it is reclassified as property, plant and equipment, its cost at the date of reclassification

The gain of ₦3,189,241,492.15 resulting from the change in the fair value of investment properties in prior year has been reversed

i) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the

- The cost of material and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

- When the Bank has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the
- Capitalised borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property have different useful lives, they are accounted for as separate items (major components) of property.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Bank.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the

The estimated useful life for the current and comparative years of significant items of property, plant and equipment are as follows:

- Building	50 years
- Motor Vehicles	3-5 years
- Office Equipment	3-5 years
- Computer Hardware	2-5 years
- Furniture & Fittings	4-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

j) Intangible Assets

(i) Internally generated intangible assets - Computer software development costs.

Expenditure on research activities is recognised as an expense in the year in which it is incurred. An internally-generated intangible asset

- An asset is created that can be identified;
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation period, amortisation method and residual value is reviewed at each financial year end. The residual value of intangible

(ii) Purchased Computer Software

Intangible assets are measured initially at cost and are amortised on a straight-line basis over their useful lives.

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The average

- Computer Software: 2-5 years

The residual value of intangible assets is assumed to be zero.

The asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

k) Share Capital

Ordinary Shares

Ordinary shares are classified as equity (share capital) and recorded at the proceeds received, net of incremental external costs directly

l) Financial Instruments

(i) Recognition and Measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the bank becomes a party to the

Financial liabilities and equity instruments, issued by the bank, are classified according to the substance of the contractual arrangements

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The bank transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liabilities is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract

Investments made by bank which are classified as either held at fair value through profit or loss or available-for-sale, and are measured at

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

(ii) Fair Value Hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments: Disclosures':

- Level 1: Quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
- Level 2: Valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted
- Level 3: Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is

(iii) De-recognition of Financial Instruments

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or on trade date

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

(iv) Financial Assets

Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity and
- available-for-sale financial assets.

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

- Financial Assets at fair value through profit or loss

This category has two components: those held for trading, and those designated at fair value through profit or loss at inception. A financial

Financial assets designated at fair value through profit or loss at inception are those that are:

- Held to match liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally

- Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

- Available-for-sale

Available-for-sale instruments are those intended to be held for an indefinite period of time, which may be sold in response to needs for

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

- Held - to - Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that

(v) Financial Liabilities

Financial liabilities are recognised initially at fair value, generally being their issue proceeds net of transaction costs incurred. Financial

The bank classifies certain liabilities at fair value through profit or loss, mainly to match the accounting classification of assets with similar

(vi) Gains and Losses

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in

(vii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

(viii) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally

(ix) Impairment of Financial Assets

(i) Assets Carried at Amortised Cost

At each reporting date, the bank assesses whether there is objective evidence that a financial assets or group of financial assets are

The bank first assesses whether objective evidence of impairment exists individually for financial asset that are individually significant, and

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring

(ii) Asset Carried at Fair Value

At each reporting date, the bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through

m) Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised when the bank has a present obligation as a result of a past

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

n) Foreign Currency Transactions and Balances

Foreign Currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

4 Financial Risk Management

(a) Introduction

The bank uses its financial skills to provide competitive mortgage banking services to a broad range of customers - Local and Foreign.

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the bank;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall bank focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control

(b) Significant risks

The bank has exposure to significant risks which are categorised as follows:

- (i) Regulatory (capital adequacy, legal, accounting and taxation);
- (ii) Business environment (reputation and strategic);
- (iii) Operational (people, information technology and internal control processes);
- (iv) Market (equity prices, interest rate and currency); and
- (v) Liquidity

(c) Detailed Discussion of significant risks

(i) Regulatory Risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry

Regulatory Capital Risk

Regulatory Capital Risk is the risk that the company does not have sufficient capital to meet either minimum regulatory or internal

The Central Bank of Nigeria (CBN) sets and monitors capital requirements for the bank to protect its customer deposit and

The bank's objectives in managing capital are:

- To safeguard the bank's ability to continue as a going concern so that it can continue to provide returns for the shareholder and
- To provide an adequate return to the shareholder commensurately with the level of risk.

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

The table below summarises the minimum required capital and the regulatory capital held.

	2014	2013
Regulatory minimum capital requirement (N'000)	<u>5,000,000</u>	####
Actual qualifying capital (N'000)	<u>1,523,964</u>	####
Actual Capital Ratio (times)	<u>0</u>	<u>1</u>

Based on the revised guidelines for Primary Mortgage Banks (PMB) in Nigeria issued by Central Bank of Nigeria (CBN), the new

Legal Risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for

The bank has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any

Taxation Risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

- Transactional Risk

The risk which concerns specific transactions entered into by the bank, including restructuring projects and reorganizations.

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

- Operational Risk

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the bank.

- Compliance Risk

The risk associated with meeting the company's statutory obligations.

- Financial Accounting Risk

The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the bank's taxation risk, the bank tax policy is as follows:

The bank will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance,

Compliance with this policy is aimed at ensuring that:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax
- The bank continually reviews its existing operations and planned operations in this context; and
- The bank ensures that, where clients participate in company products, these clients are either aware of the probably tax

The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through

Accounting Risk

Accounting Risk is the risk that the company fails to explain the current events of the business in the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately

(ii) Business Environment

Reputational Risk

Reputational Risk is the risk of loss caused by a decline in the reputation of the bank or any of its specific business units from the

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

Strategic Risk

Strategic Risk is the risk of an unexpected negative change in the bank value, arising from the adverse effect of executive decisions on both

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the

Company Risk identifies and assesses both those risks qualitatively as part of a quarterly evaluation. On the basis of this evaluation,

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

(iii) Operational Risk

Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to

(iv) Market Risk

Market Risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

The bank is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are

Interest Rate and Market Price Risk

These risks have very different impacts on the various categories of business used in the bank's Assets and Liabilities Management

Interest Rate Risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Foreign Currency Risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the company ensures that the net exposure is

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the bank is exposed to credit risk are:

- * Certain classes of financial assets such as bonds, term deposits and cash and cash equivalent; and
- * Certain accounts within trade and other receivables.

Financial Assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to the

The following policy and procedure is in place to mitigate the bank's exposure to this credit risk:

- * Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have

Other Receivables

Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial

The bank is a registered mortgage banker and is required to hold minimum liquid capital. The Central Bank of Nigeria (CBN) is the

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

Sensitivities

Management applies a number of sensitivity tests to the earnings of the bank to better understand the exposure to and importance of each. IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the. Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:

- * The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in
- * The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in. It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

	31-Dec-14	#####
	₦'000	₦'000
5 Interest Income		
Cash and Cash Equivalent	35,061	34,098
Loans and Advances to Customers	819,763	985,159
Treasury Bills and Investment Securities	816	1
Others	10,168	16,778
Total Interest Income	<u>865,808</u>	<u>#####</u>
6 Interest Expense		
Deposits from Customers	331,548	219,096
Others	98,113	84,805
Total Interest Expense	<u>429,66</u>	<u>303,901</u>
Interest expenses were primarily incurred from various customers deposit accounts which attracts different interest rates based on the		
Net Interest Income	<u>436,14</u>	<u>732,136</u>
7 Fee and Commission Income		
Credit Related Fees	707,943	533,740
Commission on Turnover	8,404	12,885
Asset Management Fee	47,417	14,383
Other	4,214	3,029
Total Fee and Commission Income	<u>767,97</u>	<u>564,038</u>

Fees and commission income were earned from credit related fees, commission on turnover, and asset management fees. Other income

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

	31-Dec-14	#####
	₹'000	₹'000
8 Fee and Commission Expense		
Credit Related Expenses	202,439	73,119
Asset Management Expenses	6,111	11,481
Other	1,767	71
Total Fee and Commission Expense	<u>210,317</u>	<u>84,670</u>

Fee and Commission expenses were incurred on credit products, NHF processing expenses and project management expenses.

Net Fee and Commission Income	<u>557,661</u>	<u>479,368</u>
--------------------------------------	-----------------------	-----------------------

9 Investment Income

Dividend Income	59	70
Rental Income	9,582	13,599
	<u>9,641</u>	<u>13,669</u>

Investment income were rentals mainly derived from investment properties.

10 Other Income

Penalty Charges	1,781	435
Search Fees	1,976	3,079
Cheque Book Charges	1,743	1,354
Savings Passbook/Slips Charges	1,138	1,065
Other Income	45,851	32,791
Account Closure Charges	27	41
Cashier Surplus	-	30
Miscellaneous Income	1,086	0
Insurance Claims	-	-
Commission Received	1,001	1,356
SMS Income Account	2,827	2,786
E-Business NEFT and Commission Income Account	1,384	4
Debit Card Income Account (Rsl)	10,988	11,035
Corresponding ATM Income Account	192	-
	<u>69,994</u>	<u>53,975</u>

RESORT SAVINGS & LOANS PLC

**NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014**

	31-Dec-14 ₦'000	##### ₦'000
11 Personnel Expenses		
Salaries and Wages	370,047	332,871
Gratuity and Productivity Incentive	29,905	-
Pension Contribution	13,520	9,081
	413,472	341,952

Average number of personnel employed (including directors):

Directors	1	1
Management	20	14
Others	287	241
	308	256

Key management includes the Bank's managing director, the general manager and assistant general manager, managers and or heads of

12 Other Operating Expenses

Depreciation		
- Building	24,171	20,128
- Office Equipment	14,482	16,449
- IT Equipment	26,466	16,836
- Furniture and Fittings	10,472	10,367
- Motor Vehicle	31,163	18,033
	106,755	81,812

The bank's depreciation policy is consistent with prior year and the applicable rates have been applied on property, plant and equipment.

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 #####	
	₦'000	₦'000
Amortisation		
- Computer Software	2,378	264
	<u>2,378</u>	<u>264</u>
Auditors' Remuneration		
- Current Year	6,000	5,500
- Fees for Other Services	-	-
	<u>6,000</u>	<u>5,500</u>
Professional Fees	<u>48,475</u>	<u>20,413</u>
Other Expenses	<u>996,218</u>	<u>922,633</u>
Other expenses are mainly comprised of rent and rates, advert and promotions, business development, transport cost, motor running,		
Directors' Emoluments		
Non-Executive Directors' Emolument	11,715	4,940
Executive Director's Emolument	25,724	31,690
	<u>37,439</u>	<u>36,630</u>
Total Other Operating Expenses	<u>1,197,266</u>	<u>#####</u>
13 Allowance and Impairment Loss		
Investment Securities	1,661,386	17,670
Non-Current Assets Held for Sale	2,000,000	-
Loans and Advances to Customers	945,652	#####
Reversal of provision for loan losses no longer required	(2,171,802)	(539,712)
	<u>2,435,237</u>	<u>#####</u>

Impairment loss has been provided based on the recoverability of the asset being less than the carrying value of the bank's assets.

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 N'000	31-Dec-13 N'000
14 Cash and Cash Equivalent		
Cash on Hand	15,942	28,232
Cash and Balances with other Banks	573,297	459,972
Money Market Placements	41,613	817,957
Cash and Cash Equivalents	630,853	1,306,161
Allowance for Doubtful Bank Balances	-	-
Cash and Cash equivalents in the statement of cash flows	630,853	1,306,161

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid

15 Loans and Advances

Analysis of Loans and Advances by Nature

Mortgage loans	1,135,706	1,091,708
Commercial Real Estate Financing	1,411,314	3,914,041
Others	69,753	77,490
Gross Loans	2,616,773	5,083,239
Collective impairment (note 15b)	(38,330)	(106,809)
Specific impairment (note 15b)	(416,957)	(934,562)
	(455,287)	(1,041,371)
Net Loans	2,161,486	4,041,867

**15(a) Loans and Advances to Customers at Amortised Cost
31 December 2014**

	Gross Amount	Impairment Allowance	Carrying Amount
Mortgage loans	1,135,706	86,546	1,222,252
Commercial Real Estate Financing	1,411,192	368,641	1,779,833
Others	69,746	100	69,846
	2,616,644	455,287	3,071,931

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

31 December 2013	Gross Amount	Impairment Allowance	Carrying Amount
Mortgage loans	1,091,708	(148,801)	942,907
Commercial Real Estate Financing	3,914,041	(882,550)	3,031,492
Others	77,490	(10,021)	67,468
	<u>5,083,239</u>	<u>(1,041,371)</u>	<u>4,041,867</u>
		31-Dec-14	31-Dec-13
		₦'000	₦'000
15(b) Impairment allowance on loans and advances			
Collective Impairment			
Balance at beginning of year		106,809	19,575
Impairment Loss for the year:			
Charge for the year		-	87,235
Write-offs/Recovery		(68,479)	-
Balance at end of year		<u>38,330</u>	<u>106,809</u>
Specific Impairment			
Balance at beginning of year		934,562	2,000,432
Impairment Loss for the year:			
Charge for the year		455,287	-
Write-offs/Recovery		(972,892)	(1,065,870)
Balance at end of year		<u>416,957</u>	<u>934,562</u>
15(c) Analysis of Loans and Advances by Security:			
Secured against real estate		1,982,108	4,073,830
Otherwise secured		634,536	1,009,868
Gross loans		<u>2,616,644</u>	<u>5,083,698</u>

15(d) The Regulatory Body CBN/NDIC stipulates that provisions for loans recognised in the profit or loss account shall be

Prudential Provisions is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory

	31-Dec-14 N'000	31-Dec-13 N'000
Transfer to non-distributable Regulatory Reserve		
General provision – 1%	26,161	1,991
Specific provision	995,231	3,243,018
Interest in suspense	3,702	4,772
Total prudential provision	1,025,093	3,249,781
IFRS Impairment:		
Collective Impairment	38,330	106,809
Specific Impairment	416,957	934,562
Total IFRS impairment	455,287	1,041,371
Difference in impairment figures (Prudential minus IFRS)	569,807	2,208,409
Transfer (to)/from regulatory risk reserve	(569,807)	(2,208,409)

15(e) Analysis of Loans and Advances by Performance (Prudential Guideline)

31 December 2014	Gross Loans N'000	Principal Allowance N'000	Interest in Suspense N'000	Total Allowance N'000
Watch list	-	-	-	-
Substandard	17,919	18,407	-	18,407
Doubtful	126,604	92,456	1,200	93,656
Very doubtful	52,349	-	-	-
Lost	341,972	884,368	2,502	886,870
	538,845	995,231	3,702	998,933
Performing	2,077,799	26,161	-	26,161
	2,616,644	1,021,392	3,702	1,025,093

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

31 December 2013	Gross Loans ₺'000	Principal Allowance ₺'000	Interest in Suspense ₺'000	Total Allowance ₺'000
Watch list	187,772	1,878	-	1,878
Substandard	256,073	44,131	-	44,131
Doubtful	53,287	26,644	954	27,598
Very doubtful	68,441	51,331	477	51,808
Lost	2,359,898	3,099,444	3,340	3,102,784
	2,925,471	3,223,427	4,772	3,228,199
Performing	2,158,227	21,582	-	21,582
	5,083,698	3,245,009	4,772	3,249,781

15(f) Analysis of Loans and Advances by Maturity:

	31-Dec-14 ₺'000	31-Dec-13 ₺'000
Under 1 month	78,110	163,190
1 – 3 months	200,122	303,067
3 – 6 months	411,409	1,060,381
6 – 12 months	451,748	1,154,146
Over 12 months	1,475,255	2,402,915
	2,616,644	5,083,698

15(g) Classification of Loans and Advances by Performance (Prudential Guideline)

31 December 2014

	Mortgage Financing ₺'000	Commercial Real Estate Financing ₺'000	Others Loans ₺'000	Total December 2014 ₺'000
Performing	1,135,106	876,447	66,246	2,077,799
Watchlist	-	-	-	-
Substandard	600	17,319	-	17,919
Doubtful	-	123,104	3,500	126,604
Very Doubtful	-	52,349	-	52,349
Lost	-	341,972	-	341,972
	1,135,706	1,411,192	69,746	2,616,644

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

31 December 2013

	Mortgage Financing	Commercial Real Estate Financing	Others Loans	Total December 2013
	₦'000	₦'000	₦'000	₦'000
Performing	773,739	1,327,319	57,169	2,158,227
Watchlist	187,772	-	-	187,772
Substandard	123,080	123,491	9,502	256,073
Doubtful	5,708	44,885	2,695	53,287
Very Doubtful	-	68,441	-	68,441
Lost	1,410	2,350,365	8,123	2,359,898
	1,091,708	3,914,501	77,490	5,083,698

Loans and advances are measured at amortised cost using the effective interest methods less a provision for impairment. At

As at 31 December 2014, N891,679,006 (2013: N539,292,803.25) included in mortgage financing are FMBN loans disbursed

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NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

	31-Dec-14	31-Dec-13
	₦'000	₦'000
15(h) Insider-Related Credits		
Aggregate amount of insider related credits outstanding at year-end:	769,572	3,010,457
Non performing (note 28)	888,058	2,995,307
The details of non-performing insider related credits are analysed in note 28 of these financial statements in conformity with the		
16 Investment Securities		
Available for Sale Investment Securities:		
Equities Securities with readily determinable fair values	16.1 646,874	848,110
Unquoted Equity Securities at cost	16.2 1,853,228	515,335
	2,500,102	1,363,445
16.1 Equities Securities with readily determinable fair values	646,874	848,110
Allowance for Impairment.	(317,832)	(515,335)
	329,042	332,775
16.2 Unquoted Equity Securities at cost	1,853,228	515,335
Allowance for Impairment.	(843,554)	-
	987,004	515,335
	1,316,046	848,110
Total Allowance for Impairment.	1,161,386	515,335
Prudential Provision	661,386	515,335
Transfer to non-distributable Regulatory Reserve	500,000	-
The Bank's Securities classified as quoted are securities listed and traded on the Nigerian Stock Exchange and the fair value of		

Also included in unquoted investment that have been designated at cost is the Banks equity investment in Resort Developers

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
17 Non-Current Assets Held for Sale		
Carrying amount January 01	1,639,183	1,555,471
Additions	1,907,148	467,141
Disposal	(147,750)	(383,430)
	3,398,580	1,639,183
In compliance with the Central Bank of Nigeria (CBN) directive prohibiting all PMB from project management for real estate		
18 Other Assets		
Interest Receivable	102,923	111,429
Prepayments	50,386	239,419
Other	40,244	93,426
	193,553	444,275
19 Intangible Assets		
Purchased Software		
Cost		
Balance at 1 January	38,467	35,763
Acquisitions	645	2,705
Balance at end of year	39,112	38,467
Accumulated Amortisation and Impairment Losses		
Balance at 1 January	37,629	37,365
Amortisation for the year	878	264
Impairment Loss		
Reclassification/Adjustments	-	-
Balance at end of year	38,507	37,629
Carrying Amounts	605	838

There were no capitalised borrowing costs related to acquisition of software during the year (2013: nil).

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NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

20 Property, Plant and Equipment

	Land	Building	IT Equipment	Office Equipment	Motor Vehicles	urniture & Fittings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost							
Balance at 1 January 2013	60,155	120,070	105,953	86,873	124,729	54,088	551,868
Additions	-	33,190	23,146	4,889	63,483	6,014	130,722
Disposals	-	-	-	-	(3,450)	-	(3,450)
Balance at 31 December 2013	60,155	153,260	129,099	91,762	184,762	60,101	679,140
Balance at 1 January 2014	60,155	153,260	129,099	91,762	184,762	60,101	679,140
Additions	-	21,821	36,695	14,764	44,007	10,649	127,936
Disposals	-	-	-	-	(13,250)	-	(13,250)
Balance at 31 December 2014	60,155	175,081	165,795	106,525	215,519	70,751	793,826

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

21 Property, Plant and Equipment (Cont'd)

	Land	Building	IT Equipment	Office Equipment	Motor urniture & Vehicles	Fittings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Accumulated Depreciation and Impairment Losses							
Balance at 1 January 2013	-	56,706	95,995	71,199	111,022	47,886	382,808
Depreciation/Reversal for the period	-	20,128	16,836	16,449	18,033	10,367	81,813
Disposals	-	-	-	-	(3,450)	-	(3,450)
Balance at 31 December 2013	-	76,834	112,831	87,648	125,605	58,253	461,171
Balance at 1 January 2014	-	76,834	112,831	87,648	125,605	58,253	461,171
Depreciation/Reversal for the period	-	24,171	26,466	5,982	31,163	10,472	98,255
Disposals/reversals	-	-	-	-	(13,250)	-	(13,250)
Balance at 31 December 2014	-	101,005	139,297	93,630	143,519	68,725	546,176
Carrying Amounts							
Balance at 31 December 2013	60,155	76,426	16,268	4,114	59,157	1,849	217,969
Balance at 31 December 2014	60,155	74,076	26,497	12,895	72,001	2,026	247,649

There were no capitalised borrowing costs related to acquisition of property, plant and equipment during the year (2013: nil).

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
22 Deposits from Customers		
Retail Customers:		
Current Deposits	278,185	213,273
Savings Deposits	1,022,237	460,795
Term Deposits	1,953,536	1,751,030
Corporate Customers:		
Current Deposits	475,165	398,546
Savings Deposits	6,798	7,077
Term Deposits	551,628	583,383
	4,287,549	3,414,103
22(a) The Maturity Profile of Deposit Liabilities is as follows:		
Under 1 month	895,114	366,673
1-3 months	600,113	367,160
3-6 months	1,765,442	550,741
6-12 months	624,763	917,901
Over 12 months	402,117	1,211,629
	4,287,549	3,414,103
23 Income Tax Liabilities		
Balance as 1 January	56,687	129,948
Charge for the year	16,342	18,765
	73,029	148,713
Paid During the year	(16,000)	(92,026)
Balance as at 31 December	57,029	56,687
Income Tax Expense		
Company Income Tax	16,342	18,765
Education Tax	-	-
Information Technology Levy	-	-
	16,342	18,765
Deferred Tax Charge/(Credit)	-	-
Charge to Income Statement	16,342	18,765

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NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

23(a) The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act. The charge

23(b) The Nigerian Information Technology Development Agency (NITDA) Act 2007 stipulates that, specified companies contribute

The deferred tax has been assessed in accordance with the International Financial Reporting Standard 12: On Income Taxes.

	31-Dec-14	31-Dec-13
	N'000	N'000
24 Other Liabilities		
Creditors and Accruals	638,626	223,864
Employee Retirement Benefits Obligation	16,397	4,241
Provision for Gratuity	41,126	15,221
Others	250,347	149,147
	946,496	392,473

The Bank operates defined benefit pension plan based on employee pensionable earnings and length of service and defined

The provision for gratuity of N41.126m are provision for post employment benefits. These balances were however not

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 N'000	31-Dec-13 N'000
25 Long-Term Borrowings		
Federal Mortgage Bank of Nigeria	1,133,735	983,697
	1,133,735	983,697

This represents funds obtained from Federal Mortgage Bank and disbursed to beneficiaries of National Housing Fund (NHF).

26 Share Capital

Authorised Share Capital		
20,000,000,000 (2013:20,000,000,000) Ordinary Shares of 50k	10,000,000	10,000,000
Issued Share Capital		
11,329,732,404 (2013:11,329,732,404) Ordinary Shares of 50k	5,664,866	5,664,866

At 31 December 2014 the bank's authorised share capital comprised 20,000,000,000 ordinary shares (2013:20,000,000,000)

The holders of ordinary shares are entitled to one vote per share at meeting of the Bank. All shares rank equally with regard to

27 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over

The related party loans as of 31 December 2014 are as shown on page 73.

RESORT SAVINGS AND LOANS PLC

NOTE 28

DIRECTOR /SISTER COMPANY LOANS

S/N	CUSTOMER NAME	FACILITY TYPE	TOTAL AMT DUE		PRUDENTIAL STATUS
			AS AT 31 Dec. 2014	MATURITY DATE	
1	IDUDU MANIKOMEVWEO/D		48,061,257.88	12/31/2010	N/P
2	IDUDU OGHENAKPOBOOD		42,306,202.40	27-08-2020	N/P
3	AWOSIKA OLUFEMISOL O/D		47,989,568.34	12/31/2010	N/P
4	DVCF OIL & GAS PLC	T/L	283,587,850.98	29-Dec-2019	Performing
5	PRECIOUS MINES & MIN O/D		55,478,004.58	14/09/2011	N/P
6	RESORT SECURITIES AN T/L		235,185,190.60	29-12-2019	Performing
7	RESORT SECURITIES AN O/D		21,260,876.24		Performing
8	OLAYINKA ABIMBOLA	S/L	2,092,346.33	03-Jul-2014	Performing
9	OLAYEMI HASSAN RABI	ML	22,500,000.00	30-Dec-2024	Performing
10	UMARU USMAN KARAY	O/D	6,164,029.90	13-Mar-2015	Performing
11	CHIEF F.B. ADEFARATI	O/D	4,292,690.17	12-Apr-2015	Performing
12	DEAP CAPITAL MANAG	O/D	654,075.34		N/P
			769,572,092.76		

ML - Mortgage LF - Lease Facility
 TL - Term Lo N/P - Non-Performing
 O/D - Overdr S/L - Staff Loan