

RESORT SAVINGS & LOANS PLC



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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**REPORT OF THE DIRECTORS OF RESORT SAVINGS & LOANS PLC ("THE BANK")
FOR THE YEAR ENDED 31 DECEMBER 2013**

Your Company's Directors are pleased to present the 8th Annual Report on the affairs of Resort Savings and Loans Plc ("the Bank") along with Audited Financial Statements and the External Auditor's report for the financial year ended 31st December, 2013.

1. Legal Form and Principal Activity

The Bank was incorporated as a private limited liability company on June 17, 1992 and obtained a license to operate as a Mortgage Bank in November 29, 1993. It became a public limited liability Company in February, 2008 and its shares were listed on the floors of the Nigerian Stock Exchange on November 23, 2009.

The Bank's principal activity continues to be the provision of mortgage banking and other financial services to corporate and individual customers. Such services include granting of loans and advances, corporate finance as well as money market activities.

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

2. Business Review

The Chairman's statement and the Managing Director/Chief Executive Officer's statement on pages and respectively provides a comprehensive review of the business for the year and the prospects for the ensuing year.

3. Result for the Year

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Turnover	2,207,431,000
Profit before taxation	(1,547,559,000)
Taxation	(18,765,000)
Profit after taxation	(1,566,324,000)

4. 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) ordinary shares of 50 kobo (fifty kobo) each with issued share capital of ₦5,664,866,202 (Five Billion Six Hundred and Sixty Four Million Eight Hundred and Sixty Thousand Two Hundred and Two Naira) divided into 11,329,732,404 (Eleven Billion Three Hundred and Twenty Nine Million Seven Hundred and Thirty Two Thousand Four Hundred and Four) ordinary shares of 50 kobo each.

**REPORT OF THE DIRECTORS OF RESORT SAVINGS & LOANS PLC ("THE BANK") CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. Board of Directors

The names of the current Directors of the Company, along with their biographical details are set out on pages..... and of the annual report and are incorporated into this report by reference.

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	REMARKS
1.	Chief Francis Adefarati	Nigerian	Chairman	-
2.	Mr. Abimbola Olayinka	"	MD/Chief Executive Officer	-
3.	Barrister Jideofor Chukwuocha	"	Non-Executive Director	-
4.	Dr. Nosike Agokei	"	"	-
5.	Senator Sunday Olawale Fajinmi	"	"	-
6.	Arc. Usman Karaye Usman	"	"	Appointed with effect from January 31, 2013
7.	Mr. Danladi Tijo Baido	"	"	Appointed with effect from January 31, 2013

6. 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 by rotation at the Annual General Meeting (AGM). Following from this, Chief Francis B. Adefarati and Dr. Nosike Agokei will retire by rotation and being eligible offers themselves for re-election in accordance with Section 259 of the Companies and Allied Matters Act CAP C20 LFN 2004. Dr. Nosike Agokei has given notice that he does not intend to seek a re-election. The Board strongly supports the re-election of Chief Francis B. Adefarati and recommends that the shareholders vote in favour of his re-election.

7. Directors' Interest in Shares

Directors of the Bank in the period under review together with their direct and indirect interest in the issued share capital of the Bank as at December 31, 2013 as recorded in the Register of Directors' Shareholding and/or as notified by the Directors in line with the provisions of Sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange are as stated below:

**REPORT OF THE DIRECTORS OF RESORT SAVINGS & LOANS PLC ("THE BANK") CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

Name of Director	Number of Shares Held as at December 31, 2013		Number of Shares Held as at December 31, 2012	
	Direct	Indirect	Direct	Indirect
Chief Francis Adefarati	48,094,340	60,000,000	40,094,340	60,000,000
*Mr. Abimbola Olayinka	32,456,000	46,000,000	5,456,000	14,000,000
**Barrister Jideofor Chukwuocha	1,000,000	400,000,000	1,000,000	400,000,000
*** Dr. Nosike Agoeki	7,000,000	282,808,694	7,000,000	242,608,694
****Senator Sunday Olawale Fajinmi	6,978,000	50,000,000	6,978,000	51,000,000
*****Arc. Usman Karaye Umaru	1,000,000	50,830,000	-	-
*****Mr. Danladi Tijo Baido	3,885,000	51,509,434	-	-

- *The indirect shares held by Mr. Abimbola Olayinka are in respect of Wisknol Options Limited.
- **The indirect shares held by Barrister Jideofor Chukwuocha in respect of Mr. Obazee Sunny
- ***The indirect shares held by Dr. Nosike Agoeki 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.

8. 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 direct or indirect interest in any contract or proposed contract with the Bank.

9. Shareholding Range Analysis

The shareholding pattern of the bank as at December 31, 2013 is as stated below:

**REPORT OF THE DIRECTORS OF RESORT SAVINGS & LOANS PLC ("THE BANK") CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

<i>Range</i>	<i>No. of Holders</i>	<i>Holders %</i>	<i>Holders Cum.</i>	<i>Units</i>	<i>Units %</i>	<i>Units Cum.</i>
1 - 1,000	270	2.10%	270	214,773	0.00%	214,733
1,001 - 5,000	91	0.71%	361	276,013	0.00%	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 - 500,000	10,067	78.28%	10,774	2,404,954,632	21.23%	2,423,682,862
500,001 - 1,000,000	1,004	7.81%	11,778	836,705,478	7.39%	3,260,388,340
1,000,001 - above	1,083	8.42%	12,861	8,069,344,064	71.22%	11,329,732,404
Grand Total	12,861	100.00%		11,329,732,404	100.00%	

10. 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 at December 31, 2013:

Shareholder	Number of Shares	Percentage
Vicad Securities Ltd	660,000,000	5.83 %
FCUS/AMCON/ZENITH BANK/DEAP CAPITAL MGT. & TRUST PLC	641,853,258	5.67%

11. Donations & Charitable Contributions

In order to identify with the aspirations of the community within which the Bank operates a total sum of N582,750.00 (Five Hundred and Eighty Two Thousand, Seven hundred and Fifty Naira) was given out as donations and charitable contributions during the period under review. Details of the donations and the charitable contributions are as follows:

• Lagos State Prisons Command	82,750.00
• SOS Children's village, Isolo and Modupe Cole Memorial Child Care & Treatment Home School, Yaba	500,000.00

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 political party, political association or for any political purpose during the year.

12. 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 report, the Company has maintained in excess of the prescribed free float (20%) under the Listing Rules of the Nigerian Stock Exchange throughout the Financial year ended December 31, 2013.

**REPORT OF THE DIRECTORS OF RESORT SAVINGS & LOANS PLC ("THE BANK") CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

13. Contractual Arrangements

The Bank's business operations utilize many suppliers/service providers and necessary measures are in place to ensure that the business is not totally reliant on a single supplier for key materials or components. The terms of payment are agreed upon before the commencement of any contractual agreement with a supplier and the Bank abides by those terms on the timely submission of satisfactory invoices.

14. Property, Plant & Equipment

Information relating to changes in the assets is given in Note i to the financial statements. In the Directors' opinion, the market value of the Bank's assets is not less than the value shown in the financial statements.

15. Human Resources

(i) Employment of Physically Challenged Persons

The Bank's employment policy is non-discriminatory as applications for employer including those from physically challenged persons are treated fairly. The Bank ensures the most qualified and experienced persons are recruited for appropriate job level irrespective of an applicant's nationality, state of origin, ethnicity, sex, religion or physical condition.

(ii) 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 business premises are designed with a view to guaranteeing the safety and healthy living conditions of its employees and visitors alike. Employees are adequately insured against occupational hazards. The Bank is committed to maintaining the highest standards of safety by enforcing strict health and safety rules and practices.

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 place for its employees.

(iii) Employee Involvement & Training

The Bank encourages participation of its employees in arriving at decisions on matters affecting their well-being. To this end, the Bank provides opportunity where employees deliberate on issues affecting the Bank and employees' interests with a view to making inputs to decisions thereon.

The Bank places a high premium on the development of its manpower. It recognizes that its employees remain a key asset indispensable for its sustainability and growth as an organization. Consequently, some employees were sponsored for various training courses in the period under review. These were complemented by on-the-job training.

REPORT OF THE DIRECTORS OF RESORT SAVINGS & LOANS PLC ("THE BANK") CONT'D
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- (iv) Staff Strength
As at December 31st, 2013, the Bank had a total number of 256 employees on its payroll.

16. Post Balance Sheet Events

Mr Danaladi Tijo Baido and Arc. Usman Karaye Umaru were appointed Directors on January 31, 2013.

There are no post balance sheet events which could have had a material effect on the state of affairs of the Bank as at December 31, 2013 which have not been adequately provided for or disclosed.

17. 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 unaware. Each Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

18. External Auditor

The External Auditor, Grant Thornton International (Formally Spiropoulos, Adiele, Okpara & Co.) is to retire at the Annual General Meeting, however, being eligible, it has expressed its willingness to continue in office as External Auditor. In accordance with Section 357(2) of the Companies & Allied Matters Act, 2004, a resolution will be proposed at the Annual General Meeting to re-appoint the External Auditors and authorize the Directors to fix their remuneration.

19. Fraud and Forgeries

There was no fraud experienced during the year under review.

The Board of Directors takes this opportunity to appreciate the customers, suppliers, business partners/associates, federal and state government and regulatory authorities for their consistent support and co-operation to the Bank. Your Directors also thank the shareholders and investors for their confidence in the Bank.

BY ORDER OF THE BOARD



LPC SOLICITORS
COMPANY SECRETARY

RESORT SAVINGS & LOANS PLC
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

1 Introduction

Effective corporate government drives good performance and lays the foundation for the way in which Resort Savings & Loans Plc ("the Bank") operates. Good corporate governance is highly important in the light of continuous evolution of regulatory policies in respect of financial services provision and the need for the Bank to maintain investors confidence. The Bank operates in a highly regulated industry and sees good corporate governance, good risk management and internal control as key elements in a successful business. This facilitates effective entrepreneurial and creation of long term value for our stakeholders.

The Board's approach to governance is to keep track of developments and adopt those practices that are most relevant to the Bank to strengthen its competitive advantages once they become part of its operating reality.

The Bank ensured compliance with various legislation, regulations, standards and codes which are entrenched within the Bank's culture, helping to reduce its risk to regulatory sanctions and so protecting & promoting its stakeholders' interest during the period under review.

2 The Board of Directors

The Board has ultimate responsibility for the governance of the Bank and is accountable to shareholders for delivering sustainable value through the management of the Bank's business.

The Board of Directors recognizes that the right attitude and approach towards good corporate governance practices are most appropriately cascaded through the organisation from the top. In order to continue to be effective, it had ensured that the composition of the present Board is an optimal mix of the competencies and experiences required for the Bank, primarily designed to maximize shareholders funds.

Our Board remains strong in its oversight responsibilities and we shall continue to ensure we do business ethically, continually putting in place the right checks and controls to enable us to build long-term shareholder value and promote the interest of investors.

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 the Bank's risk profile. In fulfilling its role as the body charged with the responsibility for the good corporate governance, its responsibilities includes:

- * Approval of quarterly, half yearly and annual financial statements and any change in accounting and dividend policies of the Bank or major corporate structural changes relating to the Banks capital structure.
- * 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 such Committees.
- * Monitoring the Company's performance to ensure that the Company is a going concern by setting performance objectives and overseeing major capital expenditures, acquisitions, divestitures and approving annual budgets.
- * Overseeing the Bank's financial reporting systems, including the independent audit, and ensuring that appropriate systems of control are in place for risk management.
- * Monitoring and influencing culture, reputation, ethical standards, legal and regulatory compliance and overseeing corporate governance framework.
- * Monitoring the effectiveness of the Bank's governance practices by selecting, compensating and when necessary, replacing key executives and overseeing succession planning.
- * Exercising objective independent judgment on corporate affairs by ensuring proper composition of the Board by appointing a sufficient number of non-executive Board members capable of exercising independent judgment.

RESORT SAVINGS & LOANS PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

The Board is afforded sufficient time to deliberate on corporate matters particularly in respect of strategy and risk, including risk appetites. The Board continuously engages with management and contributes ideas to the Bank's strategy from the planning phase to the execution phase of specific projects. Once a strategy is defined by the board, updates on specific strategy objectives becomes part of the ongoing board agenda, providing the Board with access to sufficient details on the implementation of the developed strategy to enable it evaluate the performance of management on implementation of the set strategies. Relevant board papers are prepared by management and forwarded to the Company Secretary for onward circulation to the directors for consideration before the board meeting.

The Board meets at least once in every quarter and additional meetings are convened as required. To enhance the capacity of the Board in effective discharge of its responsibilities and in compliance with the provisions of the SEC's Code of corporate governance, the role and operations of the Board is appraised on an annual basis. The appraisal covers structure, composition, processes, competences and responsibilities.

4 Composition

As at 31 December 2013, the Company had 7 (seven) Directors which comprised of a non-Executive Chairman, an Executive Director and 5 Non-Executive Directors.

These Directors have demonstrated excellent business knowledge and board experience required by the Bank to operate effectively in an ever challenging environment. The Non-Executive Directors have been appointed for their requisite skills, experience and expertise in their various fields, as it relates to the business of the Bank. They are all considered to be independent of management and are able to bring to bear independent judgement on various deliberations of the Board.

The Board is aware of the need to appoint an additional executive director to the Board and necessary steps have been put in place for the identification and appointment of an ideal candidate for this position.

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 Bank's business. No one person has unfettered powers of decision. The roles of the Chairman and Chief Executive are separate and distinct.

RESORT SAVINGS & LOANS PLC
CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

The Chairman, Chief Francis Babatunde Adefarati, is a Non-Executive Director and he leads the Board. He is responsible for ensuring an effective Board and also facilitates the contribution of directors by promoting effective communication between executive and none executive directors.

The Chief Executive Officer (CEO) and Managing Director (MD), Mr Abimbola Olayinka, has day to day management responsibility for the running of the Bank's operations, and the implementation of strategy and policies agreed by the Board.

6 Non-Executive Directors (NED)

Non-executive directors, appointed in the understanding that they will serve in the best interests of the Company and its shareholders, are able to consider, challenge, monitor, and approve strategies and policies recommended by management. The responsibilities of the NED of the Bank are as follows:

- * Monitoring and scrutinising 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 management are both robust and defensible.
- *
Determining appropriate levels of remuneration of executive directors, and recommending the appointment, and where necessary removal of executive directors and in succession planning.
- * 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.

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 challenges facing the Bank and plan for the future.

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

Name & Designation	Dates of meetings & attendance									
	16/01/ 13	18/01/ 13	28/01/ 13	31/01/ 13	13/02/ 13	11/06/ 13	24/06/ 13	24/09/ 13	22/10/ 13	11/11/ 13
Chief Babatunde Adefarati	√	√	√	√	√	√	√	-	-	-
Mr. Abimbola Olayinka	√	√	√	√	√	√	√	√	√	√
Bar. Joseph O. J. Chukwuocha	√	√	√	√	√	√	√	√	√	√
Dr. Nosike Agokei	√	√	√	√	√	√	-	√	√	√
Senator Sunday O. Fajinmi	√	√	√	√	√	√	√	√	√	√
*Mr. Danladi Tiyo Baido	-	-	-	-	-	√	√	-	√	√
*Arc. Usman Karaye Umaru	-	-	-	-	√	-	√	√	-	√

*Directors appointed January 2013

7 Board Committees

The Board carries out its oversight roles through its committees to fully utilize its potential. Whilst the Board Committees each with its Terms of Reference that clearly defines its purpose, composition, structure, and duties make recommendations to the Board, the Board retains responsibility for final decision.

The Board has six standing committees namely; the statutory Audit Committee, the Finance and General Purpose Committee, the Credit and Projects Committee, the Board Audit & Risk Management Committee, the Tenders Committee and the Corporate Governance and Nomination Committee. The Board through its committees is able to deal effectively with complex issues and fully utilize its expertise to formulate strategies for the Bank. A summary of the roles, responsibilities, composition and frequency of meetings are hereunder stated.

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 2013**

A Statutory Audit Committee

The Statutory Audit committee was established by the Board in compliance with section 359 of the Companies and Allied Matters Act, 2004 and Securities and Exchange Commission Code of Corporate Governance. The Committee is constituted by 6 (six) members comprising of 3 (three) shareholders and 3 (three) Non-Executive Directors and forms part of the internal audit mechanism created by the Company to ensure financial regulatory and risk management compliance to financial laws and practices.

The Committee is tasked with the responsibility of reviewing the Bank's annual and interim financial statements, review audit report on internal weaknesses observed by internal and external auditors and oversee the independence and objectivity of external auditors. The Committee is also responsible for overseeing regulatory compliance of financial reporting standards, ethics & whistle-blowing activism and evaluation of risk management policies and practices, amongst others.

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

Dates of meetings & attendance						
Name & Designation	17-01-13	30-01-13	18-06-13	25-06-13	23-09-13	06/11/2013
Dr. Adelani Onwinde	√	√	√	√	√	√
Alhaja Ayodele Kudasi	√	√	√	√	√	√
Chief Godwin Anono	√	√	√	√	√	√
Barr. J. O. J. Chukwuocha	√	√	√	√	√	√
Senator Sunday O. Fajinmi	√	√	√	√	√	√
Dr. Nosike Agokei	√	√	√	-	√	√

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

B Corporate Governance/Nomination Committee

The committee was re-constituted in the period under review comprising majority of non executive directors. The Corporate Governance and Nomination Committee is responsible for identification and nomination of candidates for appointment to the Board and review of the processes of Board and Committee evaluation. The Committee also ensures succession planning and the Bank's compliance with various legal and regulatory requirements. The Committee is also tasked with the responsibility of setting remuneration policy for directors and management staff. The Committee held one meeting during the period under review.

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

Date of Meeting & Attendance	
Name & Designation	4-Nov-13
Senator Sunday O. Fajinmi-Chairman	✓
Mr Abinbola Olayinka-MD/CEO	✓
Barr. J. O. J. Chukwuocha-Director	✓
Mr Danladi Tijo Baido-Director	✓

C Tenders Committee

The Tenders Committee is responsible for obtaining the most favourable terms for acquisition of goods, work and services that are required for the Bank's activities on the principles of competitiveness, transparency and team decision making.

The Committee is also responsible for reducing budget expenses and securing the corporate interests of the Bank. The Committee was re-constituted in the year under review and held one meeting in the year under review.

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

Date of Meeting & Attendance	
Name & Designation	4-Nov-13
Mr Danladi Tijo Baido-Chairman	✓
Mr Abinbola Olayinka-MD/CEO	✓
Barr. J. O. J. Chukwuocha-Director	✓

RESORT SAVINGS & LOANS PLC

CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

D Finance & General Purpose Committee

The Committee comprising of three non-executive directors is responsible for strategic planning, periodic budgeting and performance monitoring, financial accounting and statutory returns, supervision of assets, human resource matters and general administration.

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:

Date of Meeting & Attendance	
Name & Designation	7-Nov-13
Dr Nosike Agokei-Chairman	✓
Mr Abimbola Olayinka-MD/CEO	✓
Senator Sunday O. Fajinmi-Director	✓
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 management's process for risk identification and ensure that adequate policies are in place for risk prevention, identification and reporting and ensuring that the best practices are incorporated.

The Chief Risk Officer of the Bank presents regular updates to the Committee at its meetings. The Committee was re-constituted during the period under review and met once.

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

Date of Meeting & Attendance	
Name & Designation	10-Dec-13
Barr. J. O. J. Chukwuocha-Chairman	✓
Mr Abimbola Olayinka-MD/CEO	✓
Senator Sunday O. Fajinmi-Director	✓
Dr Nosike Agokei-Director	✓

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CORPORATE GOVERNANCE REPORT CONT'D
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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 periodical review of credits granted by the Bank to ensure compliance with the Bank's Internal control system. The committee has the following responsibilities:

- * 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 and record of attendance at meetings during the review period are as follows:

Date of Meeting & Attendance	
Name & Designation	8-Nov-13
Arc. Usman Karaye Umaru-Chairman	✓
Mr Abimbola Olayinka-MD/CEO	✓
Mr Danladi Tijo Baido-Director	✓
Dr Nosike Agokei-Director	✓

8 Directors' Continuous Professional Development

Newly appointed Directors receive comprehensive and formal induction which may include meeting with senior Management staff of the Bank and external advisers for proper understanding of the Bank business and operations environment. They receive briefings on the Bank's financial, strategic, operational and management position, the Bank's culture and value, key developments in the Bank and industry and environment in which it operates. The induction process is to fully equip them to perform their roles effectively on the board.

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
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Although Directors are aware of their responsibilities to the shareholders and have exercised their duties with care, skill and diligence in pursuit of the development of the Bank, the Bank however ensures continuous training of directors on issues pertaining to their oversight responsibilities to update their knowledge to enable an up to date knowledge with various developments as it relates to the business of the Bank.

9 Performance Evaluation

In line with corporate governance best practices and improving board's effectiveness, the Board undertakes annual evaluation of its own performance, that of its committees and individual directors. The evaluation which is led by the Chairman considers the board composition, structure, responsibilities and individual members' competencies.

Individual evaluation aims to show whether each director continues to contribute effectively and to demonstrate commitment to the role (including time commitment). The Chairman acts on the results of the performance evaluation.

10 Information and Support

Executive Management on the instructions of the Board has the responsibility of ensuring that the Board gets adequate and timely information on the Bank's business and operations to enable the Board carry out its responsibilities and make well informed decisions. Management ensures that this information is of high quality in terms of accuracy, clarity, appropriateness, comprehensiveness and relevancy. The Board may seek clarification or amplification from Management or Consultants and advisers where necessary.

11 Independent Professional Advice

Directors have access to independent professional advice at the expense of the Bank when necessary for the discharge of particular responsibilities and performance of their duties in relation to the Bank's affairs. The services of the Company Secretary is also available to the Board at all times to provide advice to the Board on all corporate governance matters.

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 in accordance with statutory requirements and applicable accounting standards. The Board also ensures timely publication of the financial statements to enhance accurate and continuous disclosure of information to all shareholders, stakeholders, regulatory bodies and the general public.

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

Management provides the Board with regular financial updates to enable the Board give an informed and comprehensive assessment of the Bank's position.

The respective responsibilities of the Directors, Audit Committee and the External Auditors in connection with the financial statements are set out in the Statement of Directors' Responsibilities, the Report of the Audit Committee and the Report of the External Auditors on pages 22, 24 and 25 of the annual report.

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 protect investors' interests. The Company has a Risk Management Policy, which lays down a vigorous and active process for identification and mitigation of risks.

Following from the above, the Board, with the support of the Board Audit and Risk Management Committee had reviewed the adequacy of resources, qualifications and experience of members of staff of the accounting and reporting department within the reviewed period.

Whistle-Blowing Policy

The Bank has adopted the Whistle Blower policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Bank's interest. Employees of the Bank also have access to the Audit Committee in this regard.

The purpose of the whistle-blowing policy is to ensure that there is a process whereby genuine concerns about the Bank are reported for investigation without any fear of dismissal or retaliation.

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 link between the Company, the Board, shareholders, Government and the regulatory authorities. The Company Secretary sets the agenda for board meetings in consultation with the Managing Director and Chairman and is also responsible for organising board meetings and ensure that minutes of meetings are properly captured in board discussions and resolutions.

The Company Secretary guides the Board in the discharge of its regulatory responsibilities. The Board has unlimited access to the services of the Company Secretary and has the responsibility of appointing and removing the Company Secretary.

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

14 Shareholder participation

Shareholders influence the corporate governance practice of the Bank through exercising influence on fundamental matters such as the composition of the Board, amendments to the Bank's roles, and approving transactions. This is achieved primarily through voting at and/or attending general meetings. The principle that shareholders should be given the opportunity to participate effectively and vote at general meetings is adopted by the Bank as a key component of a good corporate governance framework.

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 general meetings being the highest making body of the Bank. The Annual General Meeting is conducted in a transparent and fair manner and it is an opportunity for shareholders to express their views on all matters relating to the Bank.

16 Declaration of Interests

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interest. The Companies and Allied Matters Act, 2004, and the SEC's Code require directors to disclose any conflict of interest. If a director believes that he or she may have a conflict of interest or material personal interest in a matter, the director is required to disclose the matter in accordance with the requirements of SEC's Code and follow the procedures set out to deal with such circumstances.

17 Compliance Statement

In the opinion of the Board of Directors, the Company complied with the Code of Corporate Governance issued by the Securities & Exchange Commission ("SEC Code") and the post listing requirements of the Nigerian Stock Exchange in the period under review.

The Companies and Allied Matters Act, Cap C20 LFN 2004 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Bank at the end of each financial year and its profit or loss. The responsibilities include ensuring that the Bank:

- Keeps proper accounting records that disclose with accuracy, the financial position of the Bank and comply with the requirement of the Companies and Allied Matters Act;
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

RESORT SAVINGS & LOANS PLC

**CORPORATE GOVERNANCE REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013**

- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the International Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act.

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 and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.



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 2013**

The Companies and Allied Matters Act, Cap C20 LFN 2004 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Bank at the end of each financial year and its profit or loss. The responsibilities include ensuring that the Bank:

- Keeps proper accounting records that disclose with accuracy, the financial position of the Bank and comply with the requirement of the Companies and Allied Matters Act;
- 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 estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the International Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act.

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 and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.



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



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

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 2013

We the undersigned hereby certify the following with regards to our financial reports for the year ended 31 December 2013 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 statements were made;
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Bank as of, and for the year presented in the report.
- 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 officers by others within those entities particularly during the year in which the periodic reports are being prepared;
 - 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 of that date;
- 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, process, summarise and report financial data and have identified for the Bank's auditors any material weakness in internal controls, and
 - ii) any fraud, whether or not material, that involves management or other employees who have significant role in the Bank's internal controls;
- f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weakness.


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


Chief Finance Officer
FRC/2013/ICAN/00000001648

RESORT SAVINGS & LOANS PLC

**REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2013**

In compliance with the provisions of section 359 (3) to (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the committee reviewed the Audited Financial Statements of the Bank for the year ended 31 December 2013 and report as follows:

- 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/00000002850

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 |

**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 2013, set out on pages 26 to 74, which have been prepared on the basis of the significant accounting policies set out on pages 33 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 misstatements, 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 respects, the financial position of Resort Savings & Loans Plc as at 31 December 2013, 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, No.6, 2011.

Report on Other Legal Requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the Bank, and
- iii) Our examination of loans and advances was carried out in accordance with the Prudential Guidelines for PMB issued by the Central Bank of Nigeria (CBN). In accordance with the circular issued by Central Bank of Nigeria (CBN), details of insider 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.

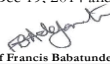

N. S. Aluko, FCA
PRC/2013/ICAN/0000003431
FOR: GRANT THORNTON
(CHARTERED ACCOUNTANTS)
LAGOS, NIGERIA.



19 December 2014

Chartered Accountants
Grant Thornton Nigeria
3rd & 4th Floors
294 Herbert Macaulay Way
Sabo - Yaba
P.O. Box 5996
Surulere, Lagos
Nigeria
T +2341 7744970
T +2348057849477
www.grantthornton.com.ng

RESORT SAVINGS & LOANS PLC			
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31 DECEMBER 2013			
	Note	31-Dec-13 N'000	31-Dec-12 N'000
Interest Income	5	1,036,037	855,753
Interest Expense	6	(303,901)	(109,219)
Net Interest Income		732,136	746,534
Fee and Commission Income	7	564,038	437,391
Fee and Commission Expense	8	(84,670)	(64,926)
Net Fee and Commission Income		479,368	372,465
Investment Income	9	13,669	12,942
Other Income	10	593,687	245,358
		607,356	258,300
Net Income		1,818,860	1,377,299
Personnel Expenses	11	(341,952)	(351,999)
Other Operating Expenses	12	(1,067,251)	(784,674)
Allowance and Impairment Loss	13	(1,957,215)	(2,171)
Profit/(Loss) before Income Tax		(1,547,559)	238,455
Income Tax Expense	22	(18,765)	(74,974)
Profit/(Loss) for the Year		(1,566,324)	163,480
Other comprehensive income, net of income tax			
Total Comprehensive Income for the Year		(1,566,324)	163,480
Earnings Per Share (expressed in kobo per share)			
Basic		(13.82)	1.44
The notes on pages 30 to 74 are an integral part of these financial statements.			
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RESORT SAVINGS & LOANS PLC				
STATEMENT OF FINANCIAL POSITION				
AS OF 31 DECEMBER 2013				
		Note	31-Dec-13 N'000	31-Dec-12 N'000
Assets				
Cash and Cash Equivalents		14	1,306,161	369,044
Loans and Advances		15	4,041,867	3,199,078
Investment Securities		16	848,110	372,746
Investment Properties		17	-	1,555,471
Non-Current Assets Held for Sale		18	1,639,183	-
Other Assets		19	444,275	238,438
Intangible Assets		20	838	1,102
Property, Plant and Equipment		21	217,969	169,060
Total Assets			8,498,403	5,904,939
Liabilities and Equity				
Liabilities				
Deposits from Customers		22	3,414,103	1,676,529
Income Tax Liabilities		23	56,687	129,948
Other Liabilities		24	392,473	448,920
Long-Term Borrowings		25	983,697	640,186
Total Liabilities			4,846,961	2,895,583
Equity				
Ordinary Share Capital		26	5,664,866	5,664,866
Retained Earnings			(4,319,588)	(2,753,263)
Statutory Reserve			97,754	97,754
Non-distributable Regulatory Risk Reserve			2,208,409	-
Total Equity			3,651,442	3,009,357
Total Liabilities and Equity			8,498,403	5,904,940
The notes on pages 30 to 74 are an integral part of these financial statements.				
The Financial Statements on pages 26 to 74 were approved by the Board of Directors on Dec 19, 2014 and signed on its behalf by:				
				
Chief Francis Babatunde Adefarati		Mr. Abimbola Olayinka		
Chairman		Managing Director /CEO		
FRC/2013/ODN/00000003629		FRC/2013/ICAN/00000001650		
				
Mr. Olayemi Rabiu				
Chief Finance Officer				
FRC/2013/ICAN/00000001648				

RESORT SAVINGS & LOANS PLC							
STATEMENT OF CHANGES IN EQUITY							
FOR THE YEAR ENDED 31 DECEMBER 2013							
			Equity Share	Statutory Reserve	Regulatory Risk Reserve	Retained Earnings	Total
			N'000	N'000	N'000	N'000	N'000
Year Ended 31 December 2012							
	Balance at 1 January 2012		5,664,866	97,754	-	(2,916,743)	2,845,877
	Profit for the year					163,480	163,480
	Transfer for the year				-		
	Balance at 31 December 2012		5,664,866	97,754	-	(2,753,263)	3,009,357
Year Ended 31 December 2013							
	Balance at 1 January 2013		5,664,866	97,754	-	(2,753,263)	3,009,357
	Loss for the year					(1,566,324)	(1,566,324)
	Transfer for the year				2,208,409		2,208,409
	Balance at 31 December 2013		5,664,866	97,754	2,208,409	(4,319,588)	3,651,442
	The notes on pages 30 to 74 are an integral part of these financial statements.						
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RESORT SAVINGS & LOANS PLC			
STATEMENT OF CASH FLOWS			
FOR THE YEAR ENDED 31 DECEMBER 2013			
		31-Dec	31-Dec
		2013	2012
		N'000	N'000
Cash flows operating activities			
Profit/(Loss) before Income Tax	(1,547,559)	238,455	
Adjustments for:			
Allowance and Impairment Loss	1,957,215	2,171	
Depreciation of Property, Plant and Equipment	81,812	96,407	
Amortization of Intangible Assets	264	6,210	
Net Interest Income	(732,136)	(746,534)	
	(330,422)	(421,079)	
Changes in Investment Securities	(475,364)	(53,703)	
Change in Value of Investment Properties	(83,711)	(438,415)	
Changes in Loans and Advances	(2,800,005)	(608,782)	
Changes in other Assets	(205,837)	246,899	
Changes in Deposits from Customers	1,737,574	255,839	
Change in other Liabilities	(56,447)	149,562	
Changes in Long-Term Borrowings	343,511	55,145	
Interest Received	1,036,037	855,753	
Interest Paid	(303,901)	(109,219)	
Income Tax Paid	(92,026)	(17,788)	
Net Cash (used in) from Operating Activities	1,067,839	(67,999)	
Cash Flows from Investing Activities			
Acquisition of Property and Equipment	(130,721)	(28,444)	
Acquisition of Intangible Assets	-	(2,705)	
Net Cash used in Investing Activities	(130,721)	(31,149)	
Net increase/(decrease) in Cash and Cash Equivalents	937,117	(99,148)	
Cash and Cash Equivalents at 1 January 2013	369,044	468,192	
Cash and Cash Equivalents at December 31	1,306,161	369,044	
The notes on pages 30 to 74 are an integral part of these financial statements.			
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RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1 Reporting Entity									
Resort Savings & Loans Plc (the "Bank") is a company incorporated in Nigeria under the Companies and Allied Matters Act, CAP C20 LFN 2004, with its corporate office at 5th Floor, St. Nicholas House, 6 Catholic Mission Street, Lagos, Nigeria. The financial statements is as of and for the year ended 31 December 2013.									
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 International Accounting Standards Board ("IASB").									
The Financial Statements were authorized for issue by the Board of Directors of Resort Savings and Loans Plc on 2 July 2014.									
(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 financial position:									
- 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 information presented in Nigeria Naira has been rounded to the nearest thousand.									
(d) Use of Estimates and judgements									
The preparation of the financial statements in conformity with IFRSs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.									
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.									

[illegible]

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

- A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

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 period beginning on or after 1 January 2014.

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 accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of

- 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 exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to carrying amount of the financial asset or liability. When calculating the effective interest rate, the bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are integral parts of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

RESORT SAVINGS & LOANS PLC

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

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 measurement of the effective interest rate.

Other fees and commission income, including project management fee and processing fees are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised on a straight-line basis over the commitment period.

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 Administrators (PFA) and has no legal or constructive obligations to pay further contributions. Obligations for contribution plans are recognised as personnel expenses in profit or loss in the periods during which related expenses are rendered. Contributions to a defined contribution plan that are due for more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value.

For defined contribution plans, the bank pays contributions to an administered pension plans on a rule basis, however, additional voluntary contributions are allowed. The bank has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel expense when they are due.

RESORT SAVINGS & LOANS PLC NOTES TO THE FINANCIAL STATEMENTS CONT'D FOR THE YEAR ENDED 31 DECEMBER 2013									
(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 leave and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.									
Provisions for leave pay and bonuses are recognised as a liability in the financial									
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 the extent that they relate to items recognised directly in equity or in other comprehensive income.									
(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 income because it excludes items of income or expense that are taxable or deductible. The bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of the previous years.									
(ii) Deferred Tax									
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.									
The measurement of deferred tax reflects the tax consequences that would follow the manner in which the bank expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.									

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

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 and are recognised when cash is advanced to borrowers. When the Bank chooses to designate the loans and advances as measured at fair value through profit or loss, the face value changes are recognised immediately in profit or loss.

Allowance for impairment of Loan is made in accordance with the 2011 Revised Guidelines for Primary Mortgage Banks in Nigeria issued by the Central Bank of Nigeria (CBN) for each account that is not performing as follows:

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 net realizable value of the loan security
2 years and over	Lost	100%

RESORT SAVINGS & LOANS PLC			
NOTES TO THE FINANCIAL STATEMENTS CONT'D			
FOR THE YEAR ENDED 31 DECEMBER 2013			
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 recognize losses in respect of risks inherent in the credit portfolio.			
Interest in Suspense			
Interest on non-performing loans is recognised to interest in suspense account. Interest suspended is recognised in profit or loss account on cash basis.			
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, incremental direct transaction cost, and subsequently accounted for depending on their reclassification as either held to maturity, fair value through profit or loss, or available for sale.			
(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 category of the financial assets. Available-for-sale investments comprise equity securities and debt securities. Unquoted equity securities whose fair value cannot reliably be measured are carried at cost. All other available-for-sale investments are carried at fair value.			
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RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Bank becomes entitled to the dividend. Foreign exchange gains or losses on available- for-sale debt security investments are recognised in profit or loss. Impairment losses are recognised in profit or loss.

Other fair value changes, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When investment is sold, the gain or loss accumulated in equity is reclassified to profit or loss.

(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 positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or as available

Held-to-maturity investments are carried at amortised cost using the effective interest method, less any impairment losses. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available for sale, and would prevent the Bank from reclassifying investment securities as held to maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstance would not trigger a reclassification.

Sales or reclassification that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;

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 reasonably anticipated.

(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 2013

When the Bank has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located; and

- 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, plant and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

(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. On-going repairs and maintenance are expensed as incurred.

(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 date that the assets are completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives. Depreciation is recognised in profit or loss. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

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

- Building					50 years
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- Motor Vehicles				3-5 years
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- Motor Vehicles				3-5 years
- Office Equipment				3-5 years

- Office Equipment				3-5 years
- Computer Hardware				2-5 years

- Computer Hardware				2-3 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 2013

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 arising from the bank's computer software program development is recognised only if all of the following conditions are

- | | | | | |
|---|--|--|--|--|
| - 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 asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

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 assets is assumed to be zero.

(ii)	Purchased Computer Software		

(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 amortisation period is as follows:

- | | |
|----------------------|-----------|
| - 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 recoverable amount.

RESORT SAVINGS & LOANS PLC						
NOTES TO THE FINANCIAL STATEMENTS CONT'D						
FOR THE YEAR ENDED 31 DECEMBER 2013						
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 attributable to the issue.						
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 contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instruments are measured on a trade-date basis.						
Financial liabilities and equity instruments, issued by the bank, are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the bank after deducting all of its liabilities.						
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 is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.						
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 subsequent reporting dates at fair value.						
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 participants at the measurement date. The fair values of quoted investments and unit trusts in active markets are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial						
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RESORT SAVINGS & LOANS PLC NOTES TO THE FINANCIAL STATEMENTS CONT'D FOR THE YEAR ENDED 31 DECEMBER 2013									
(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 prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable. - Level 3: Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.									
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 not active, a valuation technique 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 when they have been transferred and the bank has also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell or re-pledge the assets to a third party, are classified as pledged assets.									
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 the financial asset. Financial assets are classified into the following categories:									
- financial assets at fair value through profit or loss; - loans and receivables; - held-to-maturity and - available-for-sale financial assets.									
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RESORT SAVINGS & LOANS PLC									
NOTES TO THE FINANCIAL STATEMENTS' CONT'D									
FOR THE YEAR ENDED 31 DECEMBER 2013									
- 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 asset is classified in this category if acquired principally for the purpose of generating a profit from short-term fluctuation in price or a security is included in a portfolio in which a pattern of short-term profit taking exists or if so designated by management at inception as held at fair value through profit or loss.									
Financial assets designated at fair value through profit or loss at inception are those that									
- Held to match liabilities that are linked to changes in fair value of these assets. The - Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the bank's key management personnel.									
- Loans and Receivables									
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the bank provides money, goods or services directly to a customer with no intention of trading the receivable. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of									
- 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 liquidity or changes in interest rates, exchange rates or equity prices. Subsequent to initial recognition, financial assets classified as available -for- sale are measured at fair value on the statement of financial position.									

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RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reverse shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(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. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from comprehensive income and recognised in profit or loss.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through profit or loss, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. However, if in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

m)	Provisions	

bank has a present obligation as a result of a past event, and it is probable that the bank will be required to settle that obligation. Provisions are measured at the director's estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material.

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 the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect of any item included in the same class of obligations may be small.

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

[illegible]

Foreign Currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates, which is the

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items of historical cost in a foreign currency are not retranslated.

4 Financial Risk Management

(a)	Introduction
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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 value proposition.

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 transactions.

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

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

(b)	Significant risks
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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 that pertain to the business of the Company. In order to manage this risk, the Company is an active participant in industry and preferred bodies, such as the Chartered Institute of Stockbrokers, Nigerian Stock Exchange, and Securities and Exchange Commission and engages in discussions with policy makers and regulators.

Regulatory Capital Risk

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

The Central Bank of Nigeria (CBN) sets and monitors capital requirements for the bank to protect its customer deposit and counterparties. The bank is required to maintain a prescribed minimum level of risk adjusted capital of N5 billion (Five Billion Naira only) calculated in accordance with such requirements as Central Bank of Nigeria (CBN) may from time to time prescribe.

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 benefits for other stakeholders; 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 2013				
The table below summarises the minimum required capital and the regulatory capital held.				
		2013	2012	
Regulatory minimum capital requirement (N'000)		100,000	100,000	
Actual qualifying capital (N'000)		3,651,442	3,009,357	
Actual Capital Ratio (times)		37	30	
Based on the revised guidelines for Primary Mortgage Banks (PMB) in Nigeria issued by Central Bank of Nigeria (CBN), the new minimum capital requirement shall be N5,000,000,000 (Five Billion Naira Only) for National PMB and N2,500,000,000 (Two Billion and Five Hundred Million Naira Only) for State PMB.				
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 parties to the contract.				
All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 December 2013, the directors are not aware of any significant obligation not provided for.				
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 legislation or due to the impact of new taxation legislation on existing products.				
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 2013

- 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, planning or client service matters. Tax law includes all responsibilities which the bank may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:

- [illegible]

The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

Accounting Risk

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

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

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 well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the bank.

(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 perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

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

Strategic Risk	
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Strategic Risk is the risk of an unexpected negative change in the bank value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

Company Risk identifies and assesses both those risks qualitatively as part of a quarterly evaluation. On the basis of this evaluation, company risk creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the bank and regularly informs directors and management.

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

(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 external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

(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 risk and market price risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

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 framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

[illegible]

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 2013					
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 kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term imbalances.					
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 issuer's credit standing on these instruments.					
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 been approved by the bank's Audit Committee and the bank's board.					
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 instruments.					
The bank is a registered mortgage banker and is required to hold minimum liquid capital. The Central Bank of Nigeria (CBN) is the regulatory authority that regularly reviews compliance with these minimum capital requirements.					
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RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Sensitivities

Management applies a number of sensitivity tests to the earnings of the bank to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following "reasonably possible" changes in each of the factors to which the bank is exposed. Management has set the upside and downside movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation date. These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound and interval which may be expected to contain 50% of the changes in the coming year. Management believes this represents in some sense what is "reasonably possible", though it is important to note that this opinion is based on past experience and the tested range is not sensitive to all the relevant information in the market at the reporting date.

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 shape of the yield curve due to several constraints although this may be reviewed in the following year.

* The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjusted for. This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year.

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

	31-Dec-13 N'000	31-Dec-12 N'000
5 Interest Income		
Cash and Cash Equivalent	34,098	18,270
Loans and Advances to Customers	985,159	830,251
Treasury Bills and Investment Securities	1	159
Others	16,778	7,073
Total Interest Income	1,036,037	855,753
6 Interest Expense		
Deposits from Customers	219,096	94,351
Others	84,805	14,868
Total Interest Expense	303,901	109,219
Interest expenses were primarily incurred from various customers deposit accounts which attracts different interest rates based on the amount, tenure and deposit type.		
Net Interest Income	732,136	746,534
7 Fee and Commission Income		
Credit Related Fees	533,740	385,979
Commission on Turnover	12,885	12,500
Asset Management Fee	14,383	36,256
Other	3,029	2,656
Total Fee and Commission Income	564,038	437,391
Fees and commission income were earned from credit related fees, commission on turnover, and asset management fees. Other income comprises professional fees, draft commission, returned cheque commission, commitment fees, extension fees, redacos commission and standing order charges.		

RESORT SAVINGS & LOANS PLC			
NOTES TO THE FINANCIAL STATEMENTS CONT'D			
FOR THE YEAR ENDED 31 DECEMBER 2013			
	31-Dec-13	31-Dec-12	
	N'000	N'000	
8 Fee and Commission Expense			
Credit Related Expenses	73,119	42,196	
Asset Management Expenses	11,481	20,564	
Other	71	2,165	
Total Fee and Commission Expense	84,670	64,926	
Fee and Commission expenses were incurred on credit products, NHF processing expenses and project management expenses.			
Net Fee and Commission Income	479,368	372,465	
9 Investment Income			
Dividend Income	70	3	
Rental Income	13,599	12,939	
	13,669	12,942	
Investment income were rentals mainly derived from investment properties.			
10 Other Income			
Penalty Charges	435	545	
Search Fees	3,079	1,671	
Cheque Book Charges	1,354	1,259	
Savings Passbook/Slips Charges	1,065	1,780	
Other Income	32,791	23,833	
Account Closure Charges	41	33	
Cashier Surplus	30	42	
Miscellaneous Income	0	13	
Insurance Claims	-	18	
Commission Received	1,356	2,188	
SMS Income Account	2,786	1,982	
E-Business NET Income Account	4	-	
Debit Card Income Account (Rsl)	11,035	6,056	
Provision for loan losses no longer required	539,712	205,938	
	593,687	245,358	

RESORT SAVINGS & LOANS PLC							
NOTES TO THE FINANCIAL STATEMENTS CONT'D							
FOR THE YEAR ENDED 31 DECEMBER 2013							
						31-Dec-13	31-Dec-12
						N'000	N'000
11 Personnel Expenses							
Salaries and Wages						332,871	315,098
Gratuity and Productivity Incentive						-	31,185
Pension Contribution						9,081	5,716
						341,952	351,999
Average number of personnel employed (including directors):							
Directors						1	1
Management						14	15
Others						241	229
						256	245
Key management includes the Bank's managing director, the general manager and assistant general manager, managers and or heads of units, departments and or branches.							
12 Other Operating Expenses							
Depreciation							
- Building						20,128	18,963
- Office Equipment						16,449	16,717
- IT Equipment						16,836	24,432
- Furniture and Fittings						10,367	10,465
- Motor Vehicle						18,033	25,832
						81,812	96,407
The bank's depreciation policy is consistent with prior year and the applicable rates have been applied on property, plant and equipment. Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the assets are completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives. Depreciation is recognised in profit or loss.							
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RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

FOR THE YEAR ENDED 31 DECEMBER 2013				31-Dec-13 N'000	31-Dec-12 N'000
Amortisation					
- Computer Software				264	6,210
				264	6,210
Auditors' Remuneration					
- Current Year				5,500	5,500
- Fees for Other Services				-	-
				5,500	5,500
Professional Fees				20,413	22,097
Other Expenses				922,632	640,849
Other expenses are mainly comprised of rent and rates, advert and promotions, business development, transport cost, motor running, bank/financial charges, statutory charges, printing and stationeries, fuel and lubricants.					
Directors' Emoluments					
Non-Executive Directors' Emolument				27,364	4,770
Executive Director's Emolument				9,266	8,841
				36,630	13,611
Total Other Operating Expenses				1,067,251	784,674
13 Allowance and Impairment Loss					
Investment Securities				17,670	-
Loans and Advances to Customers				1,939,546	2,171
				1,957,215	2,171
Impairment loss has been provided based on the recoverability of the asset being less than the carrying value of the bank's assets. Allowance for impairment of Loan is made in accordance with the 2011 Revised Guidelines for Primary Mortgage Banks in Nigeria issued by the Central Bank of Nigeria (CBN).					

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

					31-Dec-13	31-Dec-12
					N'000	N'000
14	Cash and Cash Equivalent					
	Cash on Hand				28,232	17,681
	Cash and Balances with other Banks				459,972	225,173
	Money Market Placements				817,957	126,190
	Cash and Cash Equivalents				1,306,161	369,044
	Allowance for Doubtful Bank Balances				-	-
	Cash and cash equivalents in the statement of cash flows				1,306,161	369,044
	Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.					
15	Loans and Advances					
	Analysis of Loans and Advances by Nature					
	Mortgage loans				1,091,708	1,002,767
	Commercial Real Estate Financing				3,914,041	4,095,783
	Others				77,490	120,536
	Gross Loans				5,083,239	5,219,085
	Collective impairment (note 15b)				(106,809)	(19,575)
	Specific impairment (note 15b)				(934,562)	(2,000,432)
					(1,041,371)	(2,020,007)
	Net Loans				4,041,867	3,199,078
15(a)	Loans and Advances to Customers at Amortised Cost 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
				5,083,239	(1,041,371)	4,041,867

RESORT SAVINGS & LOANS PLC					
NOTES TO THE FINANCIAL STATEMENTS CONT'D					
FOR THE YEAR ENDED 31 DECEMBER 2013					
31 December 2012			Gross Amount	Impairment Allowance	Carrying Amount
Mortgage loans			1,002,767	(63,151)	939,616
Commercial Real Estate Financing			4,095,783	(1,911,602)	2,184,181
Others			120,536	(45,254)	75,282
			5,219,085	(2,020,007)	3,199,078
				31-Dec-13	31-Dec-12
				N'000	N'000
15(b) Impairment allowance on loans and advances					
Collective Impairment					
Balance at beginning of year				19,575	17,404
Impairment Loss for the year:					
Charge for the year				87,235	2,171
Write-offs/Recovery				-	-
Balance at end of year				106,809	19,575
Specific Impairment					
Balance at beginning of year				2,000,432	3,000,873
Impairment Loss for the year:					
Charge for the year				-	-
Write-offs/Recovery				(1,065,870)	(1,000,441)
Balance at end of year				934,562	2,000,432
15(c) Analysis of Loans and Advances by Security:					
Secured against real estate				4,073,830	4,182,323
Otherwise secured				1,009,868	1,036,763
Gross loans				5,083,698	5,219,086
15(d) The Regulatory Body CBN/NDIC stipulates that provisions for loans recognised in the profit or loss account shall be determined based on the requirements of IFRS. The IFRS provisions should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserve should be treated as follows:					
Prudential Provisions is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve.					
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RESORT SAVINGS & LOANS PLC					

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the nondistributable reserve previously recognized.

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RESORT SAVINGS & LOANS PLC					
NOTES TO THE FINANCIAL STATEMENTS CONT'D					
FOR THE YEAR ENDED 31 DECEMBER 2013					
31 December 2012		Gross Loans N'000	Principal Allowance N'000	Interest in Suspense N'000	Total Allowance N'000
	Watch list	563,418	5,634	2,115	7,749
	Substandard	496,845	111,892	15,539	127,431
	Doubtful	461,565	230,782	20,707	251,489
	Very doubtful	420,629	150,945	40,115	191,060
	Lost	1,319,138	1,319,138	103,564	1,422,702
		3,261,594	1,818,392	182,040	2,000,432
	Performing	1,957,492	19,575	-	19,575
		5,219,086	1,837,967	182,040	2,020,007
15(f) Analysis of Loans and Advances by Maturity:					
				31-Dec-13 N'000	31-Dec-12 N'000
	Under 1 month			163,190	167,536
	1 – 3 months			303,067	311,138
	3 – 6 months			1,060,381	1,088,620
	6 – 12 months			1,154,146	1,184,882
	Over 12 months			2,402,915	2,466,909
				5,083,698	5,219,085
15(g) Classification of Loans and Advances by Performance (Prudential Guideline)					
31 December 2013		Mortgage Financing N'000	Commercial Real Estate Financing N'000	Others Loans N'000	Total December 2013 N'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
	Doubful	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
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RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

FOR THE YEAR ENDED 31 DECEMBER 2012						
31 December 2012			Mortgage Financing	Commercial Real Estate Financing	Others Loans	Total December 2012
			N'000	N'000	N'000	N'000
Performing			760,498	1,129,624	67,369	1,957,492
Watchlist			135,073	428,346	-	563,418
Substandard			54,952	414,714	27,178	496,845
Doubtful			12,535	438,735	10,295	461,565
Very Doubtful			-	420,629	-	420,629
Lost			39,710	1,263,735	15,694	1,319,138
			1,002,767	4,095,783	120,536	5,219,086

Loans and advances are measured at amortised cost using the effective interest method less a provision for impairment. At each reporting period, the Bank assesses whether there is objective evidence that the loan is impaired. The criteria used to determine if objective evidence of impairment loss exists include; significant financial difficulty of the obligor, delinquency in interest or principal payment and it or becomes probable that the borrower will enter bankruptcy or other financial reorganisation. If such evidence exists, the Bank recognises an impairment loss. The loss is the difference between the cost of the loan or advance and the present value of the estimated future cash flows discounted using the instrument's original effective interest rates and or determined provision using the Central Bank Nigeria (CBN) specified benchmark for loan loss provision for primary mortgage banks. The carrying amount of the loan are reduced by the amount, through the use of an allowance account. The impairment loss are reversed in subsequent period if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised.

As at 31 December 2013, N539,292,803.25 (2012: N581,731,358) included in mortgage financing are FMBN loans disbursed to NHF customers.

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

FOR THE YEAR ENDED 31 DECEMBER 2015						31-Dec-13 N'000	31-Dec-12 N'000
15	(h) Insider-Related Credits						
	Aggregate amount of insider related credits outstanding at year-end:					3,392,300	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 Central Bank of Nigeria Circular BSD/1/2004.							
16	Investment Securities						
	Available for Sale Investment Securities:						
	Equities Securities with readily determinable fair values					557,698	331,015
	Allowance for impairment.					(224,923)	(215,214)
						332,775	115,801
	Unquoted Equity Securitites at cost					515,335	251,945
	Treasury Bills					-	5,000
						848,110	372,746
The Bank's Securities classified as quoted are securities listed and traded on the Nigerian Stock Exchange and the fair value of the securities have been determined using valuation techniques. The Bank has used the market value approach to value these securities, based on weighted average price of stocks purchased during the period. The market values have been ascertained by reference to quoted stock prices ruling as at 31 December 2013.							
Also included in unquoted investment that have been designated at cost is the Banks equity investment in Resort Developers Limited. This investment (2013:N200 million; 2012: N200 million) represents equity holding in investee company that gives the Bank 100% voting right of the investee. The property development subsidiary is currently being managed by the Bank.							

RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

		31-Dec-13	31-Dec-12
		N'000	N'000
17 Investment Property			
Carrying amount January 01		-	1,117,056
Additions		-	438,415
Disposal		-	-
Change in Fair Value*		-	-
Allowance for impairment		-	-
		-	1,555,471
* On first time adoption, the Bank measured investment using the fair value model. As at 31 December 2013, the Bank, based on the directives from the Central Bank of Nigeria (CBN) has elected to measure investment property at cost. This change of policy, which is also in line with IFRS requirements with respect to a company's change of accounting policies as contained in IAS 8, led to the retrospective adjustment of the effect of the revaluation. Hence, the resultant increase in the carrying amount of investment properties by N3,189,241,492.15 and the increased profit for 2012 by N3,189,241,492.15, has been reversed.			
18 Non-Current Assets Held for Sale			
Carrying amount January 01 (note 17)		1,555,471	-
Additions		467,141	-
Disposal		(383,430)	-
		1,639,183	-
In compliance with the Central Bank of Nigeria (CBN) directive prohibiting all PMB from project management for real estate development, the board has designated the Investment Properties for sale.			

RESORT SAVINGS & LOANS PLC				
NOTES TO THE FINANCIAL STATEMENTS CONT'D				
FOR THE YEAR ENDED 31 DECEMBER 2013				
			31-Dec-13 N'000	31-Dec-12 N'000
19 Other Assets				
Interest Receivable			111,429	21,793
Prepayments			239,419	82,056
Other			93,426	134,590
			444,275	238,438
20 Intangible Assets				
Purchased Software Cost				
Balance at 1 January			38,467	35,763
Acquisitions			-	2,705
Balance at end of year			38,467	38,467
Accumulated Amortisation and Impairment Losses				
Balance at 1 January			37,365	31,155
Amortisation for the year			264	6,210
Impairment Loss				
Reclassification/ Adjustments				
Balance at end of year			37,629	37,365
Carrying Amounts			838	1,102
There were no capitalised borrowing costs related to acquisition of software during the year (2012: nil).				

RESORT SAVINGS & LOANS PLC								
NOTES TO THE FINANCIAL STATEMENTS CONT'D								
FOR THE YEAR ENDED 31 DECEMBER 2013								
21	Property, Plant and Equipment							
		Land	Building	IT Equipment	Office Equipment	Motor Vehicles	Furniture & Fittings	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
	Cost							
	Balance at 1 January 2012	60,155	120,070	94,318	81,261	115,954	51,666	523,424
	Additions	-	-	11,635	5,612	8,775	2,422	28,444
	Disposals							
	Balance at 31 December 2012	60,155	120,070	105,953	86,873	124,729	54,088	551,868
	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	130,721
	Disposals					(3,450)		
	Balance at 31 December 2013	60,155	153,260	129,099	91,762	184,762	60,101	679,140
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21 Property, Plant and Equipment (Cont'd)							
	Land	Building	IT Equipment	Office Equipment	Motor Vehicles	Furniture & Fittings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Accumulated Depreciation and Impairment Losses							
Balance at 1 January 2012	-	37,743	71,564	54,483	85,191	37,421	286,402
Depreciation/Reversal for the period	-	18,963	24,432	16,717	25,832	10,465	96,407
Balance at 31 December 2012	-	56,706	95,995	71,199	111,022	47,886	382,809
Balance at 1 January 2013	-	56,706	95,995	71,199	111,022	47,886	382,809
Depreciation/Reversal for the period		20,128	16,836	16,449	18,033	10,367	81,812
Disposals					(3,450)		
Balance at 31 December 2013	-	76,834	112,831	87,648	125,605	58,253	461,171
Carrying Amounts							
Balance at 31 December, 2012	60,155	63,364	9,958	15,673	13,707	6,202	169,060
Balance at 31 December, 2013	60,155	76,426	16,268	4,114	59,157	1,849	217,969
There were no capitalised borrowing costs related to acquisition of property, plant and equipment during the year (2012: nil).							
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RESORT SAVINGS & LOANS PLC						
NOTES TO THE FINANCIAL STATEMENTS CONT'D						
FOR THE YEAR ENDED 31 DECEMBER 2013						
					31-Dec-13	31-Dec-12
					N'000	N'000
22	Deposits from Customers					
	Retail Customers:					
	Current Deposits				213,273	136,742
	Savings Deposits				460,795	219,653
	Term Deposits				1,751,030	748,648
	Corporate Customers:					
	Current Deposits				398,546	177,281
	Savings Deposits				7,077	12,837
	Term Deposits				583,383	381,367
					3,414,103	1,676,529
22(a)	The Maturity Profile of Deposit Liabilities is as follows:					
	Under 1 month				624,173	380,807
	1-3 months				367,160	427,178
	3-6 months				550,741	416,098
	6-12 months				917,901	215,315
	Over 12 months				1,211,629	237,132
					3,671,603	1,676,529
23	Income Tax Liabilities					
	Balance as 1 January				129,948	72,761
	Charge for the year				18,765	74,974
					148,713	147,735
	Under Provision in Prior year				-	-
	Paid During the year				(92,026)	(17,788)
	Balance as at 31 December				56,687	129,948
	Income Tax Expense					
	Company Income Tax				18,765	33,109
	Education Tax				-	7,589
	Information Technology Levy				-	34,277
					18,765	74,974
	Deferred Tax Charge/(Credit)				-	-
	Charge to Income Statement				18,765	74,974
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RESORT SAVINGS & LOANS PLC
NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2013

		31-Dec-13 N'000	31-Dec-12 N'000
23(a)	The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act. The charge for education tax is based on the provisions of the Education Tax Act. Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.		
23(b)	The Nigerian Information Technology Development Agency (NITDA) Act 2007 stipulates that, specified companies contribute 1% of their profit before taxation to the Nigerian Information Technology Development Agency. In line with the Act, the Mortgage Bank has provided for NITDA levy at the specified rate.		
	The deferred tax has been assessed in accordance with the International Financial Reporting Standard 12: On Income Taxes. The entity has a history of tax losses and temporary differences resulting in deferred tax asset. The deferred tax asset has not been recognised, as there are no assurance beyond any reasonable doubt that future taxable profit would be sufficient to allow the benefit of the loss to be realised.		
24	Other Liabilities		
	Creditors and Accruals	223,864	311,744
	Employee Retirement Benefits Obligation	4,241	2,169
	Provision for Gratuity and Productivity Incentive	15,221	40,221
	Others	149,147	94,785
		392,473	448,920
	The Bank operates defined benefit pension plan based on employee pensionable earnings and length of service and defined contribution plans based on employer and employee (15% of basic salary, housing and transport allowances) contributions.		

RESORT SAVINGS & LOANS PLC					
NOTES TO THE FINANCIAL STATEMENTS CONT'D					
FOR THE YEAR ENDED 31 DECEMBER 2013					
				31-Dec-13	31-Dec-12
				N'000	N'000
25 Long-Term Borrowings					
	Federal Mortgage Bank of Nigeria			983,697	640,186
				983,697	640,186
	This represents funds obtained from Federal Mortgage Bank and disbursed to beneficiaries of National Housing Fund (NHF). Interest rate is 4%, interest and principal are payable monthly.				
26 Share Capital					
	Authorised Share Capital				
	20,000,000,000 (2012:20,000,000,000)				
	Ordinary Shares of 50k each			10,000,000	10,000,000
	Issued Share Capital				
	11,329,732,404 (2012:11,329,732,404)				
	Ordinary Shares of 50k each			5,664,866	5,664,866
	At 31 December 2013 the bank's authorised share capital comprised 20,000,000,000 ordinary shares (2012: 20,000,000,000) while the issued share capital is 11,329,732,404 (2012:11,329,732,404). All issued shares are fully paid, holders of ordinary shares are entitled to receive dividends as declared from time to time.				
	The holders of ordinary shares are entitled to one vote per share at meeting of the Bank. All shares rank equally with regard to the Banks residual assets.				
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 other party in making financial or operational decisions.				
	The related party loans as of 31 December 2013 are as shown on page 73.				