

C & I LEASING PLC

RC No.: 161070

**GROUP FINANCIAL STATEMENTS
31 JANUARY 2010**

C & I LEASING PLC

BALANCE SHEET AS AT 31 JANUARY 2010

	Note	Group		Company	
		2010 N'000	2009 N'000	2010 N'000	2009 N'000
ASSETS					
Cash and short term funds	2	2,302,120	383,288	1,948,175	244,456
Investment in subsidiaries	3	-	81,459	612,652	533,291
Long term investments	4	46,688	25,198	46,688	25,198
Loans and advances	5	123,850	135,315	481,958	158,363
Finance lease receivables	6	4,176,098	4,416,412	2,640,899	2,789,294
Lease rental due	7	147,352	72,873	147,305	72,873
Other assets	8	4,150,960	3,140,501	2,465,082	1,518,997
Operating leased assets	9	1,352,210	1,555,097	1,284,238	1,524,618
Fixed assets	10	653,670	632,618	451,882	443,783
Total assets		12,952,948	10,442,761	10,078,879	7,310,873
LIABILITIES					
Bank overdraft	11	682,721	2,037,837	495,469	1,019,725
Current liabilities	12	6,750,197	5,758,741	4,687,177	3,942,473
Medium term liabilities	13	904,779	147,863	-	-
Convertible bond	14	2,258,085	-	2,278,305	-
Taxation	15	248,435	149,181	230,679	121,791
		10,844,217	8,093,622	7,691,630	5,083,989
CAPITAL AND RESERVES					
Share capital	16	808,505	808,505	808,505	808,505
Share premium	17	679,526	679,526	679,526	679,526
Statutory reserve	18	294,817	244,200	288,940	238,323
Capital reserve		1,215	1,215	-	-
General reserve	19	205,229	419,056	610,278	500,530
Shareholders' fund		1,989,292	2,152,502	2,387,249	2,226,884
Non-controlling interest	20	119,439	196,637	-	-
		12,952,948	10,442,761	10,078,879	7,310,873

These financial statements were approved by the Board of Directors on 19 August, 2010 and signed on its behalf by :

_____	}	
Emeka Ndu	}	
	}	Directors
_____	}	
AVM (Rtd) A. D. Bello, GCON, CFR	}	

The accounting policies on pages 2 to 5 and the notes on pages 9 to 22 form an integral part of these financial statements.

C & I LEASING PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2010

	Note	Group		Company	
		2010 N'000	2009 N'000	2010 N'000	2009 N'000
Gross income	21	8,287,858	6,774,402	5,178,687	4,676,395
Direct costs		<u>(6,363,428)</u>	<u>(4,925,589)</u>	<u>(3,984,055)</u>	<u>(3,323,319)</u>
Gross profit		1,924,430	1,848,813	1,194,632	1,353,076
Provision for doubtful accounts	22	(161,752)	(103,230)	(47,681)	(36,340)
Operating expenses		<u>(1,651,511)</u>	<u>(1,336,995)</u>	<u>(809,502)</u>	<u>(881,495)</u>
Profit before exceptional item and taxation	24	111,167	408,588	337,449	435,241
Exceptional item	25	114,145	-	114,145	-
Taxation	15	<u>(118,127)</u>	<u>(74,359)</u>	<u>(116,592)</u>	<u>(67,535)</u>
Profit after taxation		107,185	334,229	335,002	367,706
Non-controlling interest	20	<u>35,221</u>	<u>(28,502)</u>	<u>-</u>	<u>-</u>
Profit after taxation and minority interest		<u>142,406</u>	<u>305,727</u>	<u>335,002</u>	<u>367,706</u>
Appropriation:					
Transfer to statutory reserve	18	50,617	61,288	50,617	65,286
Transfer to general reserve	19	<u>91,789</u>	<u>244,439</u>	<u>284,385</u>	<u>302,420</u>
		<u>142,406</u>	<u>305,727</u>	<u>335,002</u>	<u>367,706</u>
Basic earnings per share[kobo]		<u>9</u>	<u>19</u>	<u>21</u>	<u>23</u>

The accounting policies on pages 2 to 5 and the notes on pages 9 to 22 form an integral part of these financial statements.

C & I LEASING PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2010

	Note	Group		Company	
		2010 N'000	2009 N'000	2010 N'000	2009 N'000
Cash flows from operating activities					
Income received		8,274,734	6,704,849	5,158,684	4,606,841
Exceptional item		114,145	-	114,145	-
Cash payment to employees and suppliers		(3,795,880)	(2,533,605)	(880,483)	(816,551)
Operating lease expense		(2,534,360)	(2,095,466)	(2,534,360)	(2,095,467)
Vat Output		(96,975)	(90,026)	(82,832)	(90,026)
Tax paid	15	<u>(18,873)</u>	<u>(5,166)</u>	<u>(7,704)</u>	<u>(5,166)</u>
Operating profit before changes in operating assets/liabilities		1,942,791	1,980,586	1,767,450	1,599,631
Changes in operating assets/liabilities					
Loans and advances		(12,879)	19,611	(347,939)	(18,834)
Finance lease receivable		183,042	(1,723,356)	153,621	(1,336,009)
Lease rental due		(75,434)	17,416	(75,387)	17,417
Other assets		(1,111,130)	(1,604,060)	(995,183)	(299,284)
Current liabilities		991,456	2,634,015	744,704	1,443,116
Medium term liabilities		<u>756,916</u>	<u>(914,808)</u>	<u>-</u>	<u>(303,152)</u>
Net cash provided by operating activities	26	<u>2,674,762</u>	<u>409,404</u>	<u>1,247,266</u>	<u>1,102,885</u>
Cash flows from investing activities					
Investments		81,459	119,540	(79,361)	(112,306)
Proceeds from sale of leased assets		94,080	91,117	89,429	91,117
Proceeds from sale of fixed assets		2,396	900	2,396	900
Purchase of leased assets	9	(439,596)	(889,255)	(383,661)	(868,736)
Purchase of fixed assets	10	<u>(120,700)</u>	<u>(278,345)</u>	<u>(42,465)</u>	<u>(40,570)</u>
Net cash used in investing activities		<u>(382,361)</u>	<u>(956,043)</u>	<u>(413,662)</u>	<u>(929,595)</u>
Cash flows from financing activities					
Dividend paid	19	(174,637)	(87,321)	(174,637)	(87,321)
Interest on loans and overdraft		(1,101,901)	(975,282)	(709,297)	(662,862)
Proceeds from share issue		-	145,012	-	145,012
Proceeds from Convertible bond		<u>2,258,085</u>	<u>-</u>	<u>2,278,305</u>	<u>-</u>
Net cash used in financing activities		<u>981,547</u>	<u>(917,591)</u>	<u>1,394,371</u>	<u>(605,171)</u>
Net decrease in cash and cash equivalents					
Cash and cash equivalents, at 1 February		<u>(1,654,549)</u>	<u>(190,319)</u>	<u>(775,269)</u>	<u>(343,388)</u>
Cash and cash equivalents at 31 January	27	<u><u>1,619,399</u></u>	<u><u>(1,654,549)</u></u>	<u><u>1,452,706</u></u>	<u><u>(775,269)</u></u>

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

1. The Company

1.1 Legal form

C & I Leasing Plc, a finance company licensed by the Central Bank of Nigeria, was incorporated on 28 December, 1990. The company which is wholly owned by a number of institutional investors and individuals [Local and Foreign] commenced business in June 1991. The company's shares were listed on the Nigerian Stock Exchange in December 1997.

1.2 Principal activities

The company's principal activities include the provision of leasing and ancillary services to companies, especially in the oil and gas and telecom sectors. Assets leased include cars, trucks, cranes and marine vessels. In addition, the company provides outsourcing services to various companies.

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
2. Cash and short term funds				
Cash in hand	225	5,418	225	5,418
Bank balances	<u>2,301,895</u>	<u>377,870</u>	<u>1,947,950</u>	<u>239,038</u>
	<u>2,302,120</u>	<u>383,288</u>	<u>1,948,175</u>	<u>244,456</u>

3. Investment in subsidiaries

	Holding %	Group		Company	
		2010 N'000	2009 N'000	2010 N'000	2009 N'000
Leaseafric Ghana Limited	59	-	-	220,985	220,985
C & I Motors Limited	100	-	-	200,000	200,000
C I Trans Global	76.7	-	81,459	191,667	81,459
WAP Limited [Note 3.1]	100	-	-	-	30,847
		<u>-</u>	<u>81,459</u>	<u>612,652</u>	<u>533,291</u>

- .1 The activities of WAP Limited were collapsed into the holding company during the year, while Citrans Global commenced operations during the year.

4. Long term investments

	2010 N'000	Group		Company	
		2010 N'000	2009 N'000	2010 N'000	2009 N'000
Ordinary shares [Market value 2010 : N46,688,824 - 2009 N25,198,335].					
Summary	Market Value				
Diamond Bank Plc [GDR]	10,920	23,925	23,925	23,925	23,925
Guaranty Trust Bank Plc [GDR]	23,582	25,796	25,796	25,796	25,796
First Bank of Nigeria Plc	9,200	16,500	16,500	16,500	16,500
Fidelity Bank Plc	<u>2,986</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
	<u>46,688</u>	<u>78,221</u>	<u>78,221</u>	<u>78,221</u>	<u>78,221</u>
Provision for diminution in value of securities [Note 22]		<u>(31,533)</u>	<u>(53,023)</u>	<u>(31,533)</u>	<u>(53,023)</u>
		<u>46,688</u>	<u>25,198</u>	<u>46,688</u>	<u>25,198</u>

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
5. Loans and advances				
<i>5[a] Analysis of Loans and Advances by Security</i>				
Otherwise secured	209,125	196,246	567,466	219,527
Provision for doubtful accounts [Note 22]	<u>(85,275)</u>	<u>(60,931)</u>	<u>(85,508)</u>	<u>(61,164)</u>
	<u>123,850</u>	<u>135,315</u>	<u>481,958</u>	<u>158,363</u>
<i>5[b] Analysis of Loans and Advances by Performance</i>				
Performing	106,146	134,247	467,869	157,528
Non-performing:				
Substandard	-	-	-	-
Doubtful	37,534	4,820	37,534	4,820
Lost	<u>65,445</u>	<u>57,179</u>	<u>62,063</u>	<u>57,179</u>
	<u>209,125</u>	<u>196,246</u>	<u>567,466</u>	<u>219,527</u>
<i>5[c] Maturity profile of loans and advances</i>				
The maturity of loans and advances is as follows:				
1 - 3 months	106,146	-	467,869	-
3 - 6 months	-	-	-	-
6 - 12 months	<u>102,979</u>	<u>196,246</u>	<u>99,597</u>	<u>219,527</u>
	<u>209,125</u>	<u>196,246</u>	<u>567,466</u>	<u>219,527</u>
6. Finance lease receivables				
Gross investment	4,875,301	5,290,352	3,061,671	3,447,301
Unearned lease interest	<u>(394,096)</u>	<u>(626,105)</u>	<u>(394,096)</u>	<u>(626,105)</u>
	4,481,205	4,664,247	2,667,575	2,821,196
Provision for doubtful accounts [Note 22]	<u>(305,107)</u>	<u>(247,835)</u>	<u>(26,676)</u>	<u>(31,902)</u>
	<u>4,176,098</u>	<u>4,416,412</u>	<u>2,640,899</u>	<u>2,789,294</u>
<i>6[a] Maturity Profile :</i>				
Under one month	22,730	56,663	22,730	56,663
1 - 3 months	47,052	120,494	47,052	120,494
3 - 6 months	118,555	196,792	118,555	196,792
6 - 12 months	1,048,830	1,108,014	332,898	392,082
Over 12 months	<u>3,182,284</u>	<u>3,182,284</u>	<u>1,184,319</u>	<u>2,055,165</u>
	<u>4,481,205</u>	<u>4,664,247</u>	<u>2,667,575</u>	<u>2,821,196</u>

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
<i>6[b]</i> Analysis by performance				
Performing	2,648,009	4,660,520	2,648,009	2,817,469
Non Performing	1,833,196	3,727	19,567	3,727
	<u>4,481,205</u>	<u>4,664,247</u>	<u>2,667,576</u>	<u>2,821,196</u>
<i>6[c]</i> This is analysed into current and long term portions as follows:				
Current	1,357,919	1,481,963	319,378	766,031
Long term	3,123,286	3,182,284	2,348,198	2,055,165
	<u>4,481,205</u>	<u>4,664,247</u>	<u>2,667,576</u>	<u>2,821,196</u>
7. Lease rental due				
Lease rental due	164,600	89,166	164,553	89,166
Provision for doubtful accounts [Note 22]	(17,248)	(16,293)	(17,248)	(16,293)
	<u>147,352</u>	<u>72,873</u>	<u>147,305</u>	<u>72,873</u>
8. Other assets				
Stock	1,221,760	499,145	-	-
Goods-in-transit [Note 8.1]	34,598	506,435	-	-
Prepayments	158,985	50,293	-	-
Out-sourcing receivables [Note 8.2]	943,365	1,045,862	943,365	1,045,864
Sundry debtors	1,118,261	1,054,109	796,153	488,476
C & I Leasing Staff Trust Scheme [Note 8.3]	790,005	-	790,005	-
	4,266,974	3,155,844	2,529,523	1,534,340
Provision for doubtful accounts [Note 22]	(116,014)	(15,343)	(64,441)	(15,343)
	<u>4,150,960</u>	<u>3,140,501</u>	<u>2,465,082</u>	<u>1,518,997</u>

8.1 Goods-in-transit

This represents Suzuki Motor vehicles and spare parts ordered from Marubeni Corporation before year ended 31 January 2010. These items have been received into stock as at February 2010.

8.2 Out-sourcing receivables

This represents receivable for services provided to corporate organisations in respect of logistics and rental of household and industrial equipment in the year.

8.3 C & I Leasing Staff Trust Scheme

This represents expected proceed from the issue of a zero coupon convertible loan stock of 166,316,842 units subscribed and allotted to C & I Leasing Staff Trust Scheme which has not been paid as at the end of year.

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

9. Operating leased assets

Group	Autos and Trucks N'000	Office Equipment N'000	Marine Equipment N'000	Cranes N'000	Total N'000
Cost					
At 1 February	1,353,654	21,516	1,079,378	586,315	3,040,863
Additions	385,621	-	45,591	8,383	439,596
Disposals	(115,543)	-	-	(116,773)	(232,316)
At 31 January	<u>1,623,733</u>	<u>21,516</u>	<u>1,124,969</u>	<u>477,925</u>	<u>3,248,143</u>
Depreciation					
At 1 February	516,597	21,333	639,713	308,123	1,485,766
Charge for the year	321,334	53	197,319	52,471	571,176
Disposals	(85,379)	-	-	(75,631)	(161,010)
At 31 January	<u>752,552</u>	<u>21,386</u>	<u>837,032</u>	<u>284,963</u>	<u>1,895,933</u>
Net book value					
At 31 January 2010	<u>871,181</u>	<u>130</u>	<u>287,938</u>	<u>192,961</u>	<u>1,352,210</u>
At 31 January 2009	<u>837,057</u>	<u>183</u>	<u>439,665</u>	<u>278,192</u>	<u>1,555,097</u>
Company					
	Autos and Trucks N'000	Office Equipment N'000	Marine Equipment N'000	Cranes N'000	Total N'000
Cost					
At 1 February	1,308,287	21,516	1,079,377	594,958	3,004,138
Additions	329,686	-	45,591	8,383	383,661
Disposals	(102,488)	-	-	(116,773)	(219,261)
At 31 January	<u>1,535,486</u>	<u>21,516</u>	<u>1,124,968</u>	<u>486,568</u>	<u>3,168,538</u>
Depreciation					
At 1 February	501,708	21,333	639,713	316,766	1,479,520
Charge for the year	306,752	53	197,319	52,471	556,594
Disposals	(76,184)	-	-	(75,631)	(151,815)
At 31 January	<u>732,276</u>	<u>21,386</u>	<u>837,032</u>	<u>293,606</u>	<u>1,884,300</u>
Net book value					
At 31 January 2010	<u>803,210</u>	<u>130</u>	<u>287,937</u>	<u>192,961</u>	<u>1,284,238</u>
At 31 January 2009	<u>806,579</u>	<u>183</u>	<u>439,664</u>	<u>278,192</u>	<u>1,524,618</u>

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

10. Fixed assets [own]

Group	Autos and Trucks N'000	Furniture & Fittings N'000	Office Equipment N'000	Plant and Machinery N'000	Land and Buildings N'000	Construction in Progress N'000	Total N'000
Cost							
At 1 February	140,024	44,729	122,182	68,806	434,220	48,422	858,383
Additions	57,773	16,211	33,112	3,314	10,290	-	120,700
Reclassifications	-	-	-	-	20,118	(20,118)	-
Disposal	(19,850)	-	-	-	-	-	(19,850)
At 31 January	177,947	60,940	155,294	72,120	464,628	28,304	959,233
Depreciation							
At 1 February	54,638	15,921	80,273	37,340	37,593	-	225,765
Charge for the year	28,296	10,470	15,651	6,324	26,861	-	87,602
Disposal	(7,804)	-	-	-	-	-	(7,804)
At 31 January	75,130	26,391	95,924	43,664	64,454	-	305,563
Net book value							
At 31 January, 2010	102,817	34,549	59,370	28,456	400,174	28,304	653,670
At 31 January, 2009	85,386	28,808	41,909	31,466	396,627	48,422	632,618

Company	Autos and Trucks N'000	Furniture & Fittings N'000	Office Equipment N'000	Plant and Machinery N'000	Land & Building N'000	Construction in Progress N'000	Total N'000
Cost							
At 1 February	58,904	18,906	100,897	18,519	353,544	28,304	579,074
Additions	33,832	772	2,891	3,200	1,770	-	42,465
Disposal	(7,800)	-	-	-	-	-	(7,800)
At 31 January	84,936	19,678	103,788	21,719	355,314	28,304	613,739
Depreciation							
At 1 February	32,602	9,518	66,683	9,917	16,571	-	135,291
Charge for the year	5,962	3,007	10,758	3,168	7,097	-	29,991
Disposal	(3,425)	-	-	-	-	-	(3,425)
At 31 January	35,139	12,525	77,441	13,085	23,668	-	161,857
Net book value							
At 31 January, 2010	49,797	7,153	26,347	8,634	331,646	28,304	451,882
At 31 January, 2009	26,302	9,388	34,214	8,602	336,973	28,304	443,783

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

11. Bank overdraft	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Zenith Bank Plc	492,742	556,192	492,742	556,393
Diamond Bank Plc	184,280	715,638	-	295,503
Guaranty Trust Bank Plc	2,327	96,574	2,327	96,373
EIB Limited,Ghana	-	76,063	-	-
Intercontinental Bank Plc	6	-	6	-
Standard Chartered Bank Plc	159	-	159	-
First Bank Plc	2,972	-	-	-
FCMB Plc	235	-	235	-
ECO Bank Limited,Ghana	-	521,914	-	-
Fidelity Bank Plc	-	71,456	-	71,456
	682,721	2,037,837	495,469	1,019,725

This represent bank overdrafts obtained from banks in Nigeria and Ghana at commercial terms between 19% to 21%

12 Current liabilities	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Short term borrowings [Note 12.1]	5,306,182	4,144,256	3,913,185	3,283,454
Security deposits	378,504	519,882	211,854	343,806
National Information Technology Development levy [Note 12.2]	10,961	6,444	10,961	6,444
Staff pension [Note 12.4]	66,146	56,633	66,146	56,633
Accounts payable and accruals	988,404	1,031,526	485,031	252,136
	6,750,197	5,758,741	4,687,177	3,942,473

12.1 Short-term borrowings

Refinanced lease facilities	2,507,717	3,011,620	2,067,379	2,150,818
Secured lease notes	1,243,578	317,725	290,919	317,725
Commercial notes	1,554,887	814,911	1,554,887	814,911
	5,306,182	4,144,256	3,913,185	3,283,454

Refinanced lease facilities represent the outstanding balance of loan obtained from Fidelity Bank Plc,Diamond Bank Plc and Stanbic IBTC Plc for N1.03billion,N791million and N256million at an interest rates of 17%,20% and 22% respectively.The repayment periods are for four years for Fidelity Bank and twelve equal monthly instalment for each tranche that is drawn down in Diamond Bank Plc while Stanbic IBTC Plc is for four years.Collateral securities for these loans are on the legal ownership of leased items and counter indemnity of C & I leasing Plc in favour of the banks.

12.2 National Information Technology Development levy

The Information Technology Development Levy represents 1% of profit before tax in accordance with Section 12[2a] of the National Information Technology Development Agency [NITDA] Act which came into force on 24 April 2007.

12.3 Maturity profile of short term borrowing

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Under one month	1,059,215	1,451,185	1,059,215	590,383
1 - 3 months	853,291	1,011,716	853,291	1,011,716
3 - 6 months	791,461	409,166	791,461	409,166
6 - 12 months	1,091,885	1,272,189	286,826	1,272,189
12 months and above	1,510,330	-	922,392	-
	5,306,182	4,144,256	3,913,185	3,283,454

12.4 Staff Pension

At 1 February	56,633	21,003	56,633	21,003
Provision in the year	216,834	159,493	216,834	159,493
Payment during the year	(207,321)	(123,863)	(207,321)	(123,863)
At 31 January	66,146	56,633	66,146	56,633

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
13. Medium term liabilities				
Due to Aueros [Note 13.1]	153,578	147,863	-	-
Borrowings [Note 13.2]	751,201	-	-	-
At 31 January	904,779	147,863	-	-

13.1 Due to Aueros

This represents preference shares in Leasafric Ghana held by Aueros West African Fund Llc [AWAF] which by a share transfer agreement dated 30th December 2009 was transferred to C & I Leasing Plc. However, this transaction has not been approved by both Bank of Ghana and the Central Bank of Nigeria, and also not effected in C & I Leasing Plc books.

13.2 Borrowings

Borrowings are secured over leased assets of the group.

14 Convertible bond

On 2 April 2009, the Board of Directors approved the issue of a variable coupon 2009/2014 redeemable convertible loan stock at N4.75 at par of US\$10 million and N790 million to Aureos African Fund and C & I Leasing Staff Trust Scheme respectively. The proceeds of the USD10million was received on 12th January 2010 and converted to Naira using an exchange rate of N148.83 to the USD, while that of C & I Leasing Staff Trust Scheme which remained unpaid as at year end was included as part of other assets [Note 8.3]. The bond is not interest bearing but participates in dividend in accordance with dividend declared by the company.

15. Taxation

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Income tax	102,786	63,560	101,251	56,736
Education tax	15,341	10,799	15,341	10,799
As per profit and loss account	118,127	74,359	116,592	67,535
At the beginning of the year	149,181	79,988	121,791	59,422
Payments during the year	(18,873)	(5,166)	(7,704)	(5,166)
As per balance sheet	248,435	149,181	230,679	121,791

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

15.1 Deferred taxation

The deferred tax computation for the year resulted in an asset of N773,408,980 [31 January 2009 - N955,975,671] which was not recognised in these financial statements as there was no reasonable expectation of it's realisation.

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
16. Share capital				
Authorised share capital :				
3,000,000,000 ordinary shares of 50k each	1,500,000	1,500,000	1,500,000	1,500,000
Issued and fully paid :				
1,617,010,000 [2009: 1,617,010,000] ordinary shares of 50k each				
At 1 February, 2009	808,505	800,297	808,505	800,297
Issued in the year [Note 16.1]	-	8,208	-	8,208
At 31 January, 2010	808,505	808,505	808,505	808,505

16.1 On 2 June 2008, the Board of Directors approved the conversion of the loan of N235,740,007 [US\$2 million] from Aureos Capital to equity. Following this, 16,416,435 ordinary shares of 50k each were issued to Aureos Capital at a price of N14.36 per share.

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
17. Share premium				
At 1 February	679,526	542,722	679,526	542,722
Arising from new issue [Note 16.1]	-	136,804	-	136,804
At 31 January	679,526	679,526	679,526	679,526
18. Statutory reserve				
At 1 February	244,200	182,912	238,323	173,037
Transfer from profit and loss account	50,617	61,288	50,617	65,286
At 31 January	294,817	244,200	288,940	238,323

Statutory reserve has been computed at 15% of profit before tax for the year for eligible companies.

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
19. General reserve				
At 1 February	419,056	295,307	500,530	285,431
Dividend paid during the year	(174,637)	(87,321)	(174,637)	(87,321)
Exchange equalisation reserve [Note 19.1]	(172,956)	(33,369)	-	-
Non-controlling interest [Note 20]	41,977	-	-	-
Transfer from profit and loss account	91,789	244,439	284,385	302,420
At 31 January	205,229	419,056	610,278	500,530
19.1 Exchange equalisation reserve				
At 1 February	33,369	-	-	-
Arising in the year	139,587	33,369	-	-
At 31 January	172,956	33,369	-	-

C & I LEASING PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2010

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
20. Non-controlling interest				
At 1 February	196,637	168,135	-	-
Opening balance adjustment	(41,977)	-	-	-
Profit and loss account	(35,221)	28,502	-	-
At 31 January	119,439	196,637	-	-

21. Gross income				
Lease rental income	7,772,159	6,322,917	4,919,833	4,340,115
Interest on loans and advances	10,221	117,660	10,221	117,660
Other income	505,478	333,825	248,633	218,620
	8,287,858	6,774,402	5,178,687	4,676,395

	Loans and advances		Lease rental due		Other assets N'000	Investment N'000	Total 2010 N'000	Total 2009 N'000
	Finance lease N'000	N'000	N'000	N'000				
Group								
Balance, beginning of the year	247,835	60,931	16,293	15,343	53,023	393,425	290,195	
Provision for the year:								
General provision	28,519	3,167	1,221	51,573	-	84,480	11,395	
Specific provision	60,655	21,177	16,027	49,098	-	146,957	180,038	
Release of prior year provision	(31,902)	-	(16,293)	-	(21,490)	(69,685)	(88,203)	
Per profit and loss account	57,272	24,344	955	100,671	(21,490)	161,752	103,230	
Balance, end of the year	305,107	85,275	17,248	116,014	31,533	555,177	393,425	
Company								
Balance, beginning of the year	31,902	61,164	16,293	15,343	53,023	177,726	141,386	
Provision for the year:								
General provision	26,676	3,167	1,221	-	-	31,064	11,628	
Specific provision	-	21,177	16,027	49,098	-	86,302	93,687	
Release of prior year provision	(31,902)	-	(16,293)	-	(21,490)	(69,685)	(68,975)	
Per profit and loss account	(5,226)	24,344	955	49,098	(21,490)	47,681	36,340	
Balance, end of the year	26,676	85,508	17,248	64,441	31,533	225,407	177,726	

23. Dividend

In respect of the current year, the Directors proposed that a dividend of 2 [2009 : 12] kobo per ordinary share be paid to the shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Dividend to shareholders is now accounted for on the date of declaration as they do not meet the criteria of present obligation in Statement of Accounting Standard [SAS 23]. The proposed dividend is subject to a withholding tax at the appropriate tax and is payable to all shareholders whose names appear on the Register of Members at closure date. The estimated dividend to be paid is N42,131,647 [2009 : N194,041,200].

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
24. Profit on ordinary activities before exceptional item and taxation				
This is stated after charging/ (crediting):				
Interest expenses on bank loans	1,101,901	975,282	709,297	662,862
Depreciation - Leased assets	571,176	513,495	556,594	513,495
- Owned assets	87,602	88,079	29,991	26,413
Auditors' remuneration	24,268	18,542	13,255	11,000
Provision for doubtful accounts	161,752	103,230	47,681	36,340
Pension charges	26,460	19,997	26,460	19,997
Exchange gain	(21,704)	(33,778)	(8,615)	(33,778)
Profit on disposal of leased assets	(22,774)	(69,553)	(21,982)	(69,553)
Loss on disposal of fixed assets	9,650	-	1,979	-

25. Exceptional item

This represents the sum of N114million which was paid to C & I Leasing Plc by MBI Services in 2008 and waived which is now recognised as exceptional item in these financial statements. The Management confirmed that MBI Services Limited is neither a subsidiary nor a related party.

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
26. Reconciliation of profit after tax to net cashflow provided by operating activities:				
Profit after taxation	107,185	334,229	335,002	367,706
Adjustments :				
Depreciation	658,778	601,574	586,585	539,908
Provision for doubtful accounts	161,752	103,230	47,681	36,340
Interest on overdrafts	1,101,901	975,282	709,297	662,862
Exchange Equalisation reserve	(172,955)	(33,369)	-	-
Increase in tax payable	99,254	69,193	108,887	62,369
Profit on disposal of assets	(22,774)	(69,553)	(21,982)	(69,553)
Loss on disposal of fixed assets	9,650	-	1,979	-
Changes in assets and liabilities:				
(Increase)/Decrease in loans and advances	(12,879)	19,611	(347,939)	(18,834)
(Increase)/Decrease in lease rental due	(75,434)	17,416	(75,387)	17,416
Decrease/(Increase) in finance lease receivable	183,042	(1,723,356)	153,621	(1,336,009)
(Increase) in other assets	(1,111,130)	(1,604,060)	(995,183)	(299,284)
Increase in current liabilities	991,456	2,634,015	744,704	1,443,116
Increase/(Decrease) in medium term liabilities	756,916	(914,808)	-	(303,152)
Net cash provided by operating activities	2,674,762	409,404	1,247,266	1,102,885

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
27 Cash and cash equivalents				
Cash and short term funds [Note 2]	2,302,120	383,288	1,948,175	244,456
Bank loans and overdrafts	(682,721)	(2,037,837)	(495,469)	(1,019,725)
	1,619,399	(1,654,549)	1,452,706	(775,269)

28 Information regarding Directors and employees

i. Directors

(a) Directors' emoluments

Fees	3,540	6,388	3,540	3,075
Other emoluments	27,078	22,314	20,496	20,496
	30,618	28,702	24,036	23,571

Fees and emoluments disclosed above excluding pension contributions include amounts paid to :

The Chairman	500	500	500	500
The highest paid Director	9,575	9,575	9,575	9,575

(b) The number of Directors [including the Chairman and the highest paid Director] who received fees and other emoluments [excluding pension contributions] in the following ranges were :

	Number	Number	Number	Number
N240,001 - N400,000	8	8	8	8
N400,001 - N1,550,000	2	2	1	1
N1,550,001 - N5,000,000	2	2	1	1
	12	12	10	10

ii. Employees

The average number of persons [excluding Directors] employed by the Company during the year ended 31 January 2010 was 577 [31 January 2009: 395].

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Staff costs for the above persons :				
Wages and salaries	547,172	525,276	413,554	469,238
Other personnel cost	15,215	41,454	20,036	32,455
Pension contribution	26,460	19,997	26,460	19,997
	588,847	586,727	460,050	521,690

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

28. Information regarding Directors and employees (cont'd)

Number of employees in receipt of emoluments, [excluding pensions] within the following ranges were:

N	-	N	Group		Company	
			2010 Number	2009 Number	2010 Number	2009 Number
70,001	-	80,000	230	97	214	96
80,001	-	90,000	103	23	94	16
90,001	-	100,000	37	63	29	57
100,001	-	110,000	10	14	9	13
110,001	-	120,000	17	15	17	15
120,001	-	130,000	13	23	6	19
140,001	-	150,000	43	10	43	10
150,001	-	190,000	24	12	21	9
190,001	-	200,000	4	38	2	36
200,001	-	220,000	30	27	23	20
220,001	-	230,000	2	2	1	1
230,001	-	250,000	14	5	12	5
250,001	-	370,000	70	54	52	42
370,001	-	420,000	25	27	20	23
430,001	-	580,000	18	18	16	16
580,001	-	700,000	10	7	5	2
700,001	-	750,000	1	7	-	7
840,001	-	850,000	12	8	8	4
1,000,001	-	1,100,000	1	-	1	-
1,100,001	-	1,150,000	1	1	-	-
1,200,001	-	1,400,000	3	3	2	2
1,500,000	-	1,550,000	-	-	-	-
1,650,000	-	2,050,000	2	2	2	2
			670	456	577	395
			Number	Number	Number	Number
Average number of persons employed in the financial year were as follows:						
Managerial			19	14	11	12
Senior Staff			198	197	142	145
Junior Staff			453	245	424	238
			670	456	577	395

29 Contingent liabilities

- .1 The Company's land and buildings was used as part of collateral security in respect of import finance loan totalling N952,658,950 that was granted by a commercial bank to C & I Motors Limited a subsidiary of the company. The company also guaranteed a credit facility of N221 million to its subsidiary CITRANS GLOBAL Limited obtained from a bank in Nigeria with a balance of N211 million at year end.
- .2 Due to its loss making position, Leasafric Ghana has not been able to honour the cumulative fixed coupon due to Aureos West Africa Fund [AWAF] in respect of the Fund "A" Ordinary shares in the company which was cancelled in July 2007. However, the liability is still outstanding. The total amount as at the balance sheet is a cedi equivalent of USD 99,138 or N14.5 million and is payable only when sufficient profit is made.
- .3 The Company had no pending litigation at year end.

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

30 Comparative figures

Certain comparative figures in these financial statements have been restated to give a more meaningful comparison.

31 Segment information by geographical distribution.

Below is the profit and loss account and net interest margin by geographic segment for the year ended

Profit and loss account	2010		2009	
	Nigeria N'000	Ghana N'000	Total N'000	N'000
Gross income	7,832,360	455,498	8,287,858	6,774,402
Loan loss expense			-	-
Direct costs	<u>(6,126,614)</u>	<u>(236,814)</u>	<u>(6,363,428)</u>	<u>(4,925,589)</u>
Gross profit	1,705,746	218,684	1,924,430	1,848,813
Operating expenses and provisions	<u>(1,524,883)</u>	<u>(288,380)</u>	<u>(1,813,263)</u>	<u>(1,440,225)</u>
Profit/[Loss] before exceptional item and taxation	<u>180,863</u>	<u>(69,696)</u>	<u>111,167</u>	<u>408,588</u>
Total assets employed	11,375,161	1,577,787	12,952,948	10,442,761
Gross profit margin	<u>22%</u>	<u>48%</u>	<u>23%</u>	<u>27%</u>

32 Segment information by Company and Subsidiaries.

The following table set out the group's Profit and loss information, Net assets margin and selected Balance sheet items by company and subsidiaries business segment for the year ended 31 January 2010.

Profit and loss account	C & I		LeaseAfric N'000	CiTrans N'000	2010		2009	
	Leasing N'000	Motors N'000			Total N'000	N'000		
Gross Income	5,178,687	2,429,799	455,498	223,874	8,287,858	6,774,402		
Direct cost	<u>(3,984,055)</u>	<u>(2,017,484)</u>	<u>(236,814)</u>	<u>(125,075)</u>	<u>(6,363,428)</u>	<u>(4,925,589)</u>		
Gross profit	1,194,632	412,315	218,684	98,799	1,924,430	1,848,813		
Provision for doubtful debt	(47,681)	(12,101)	(97,616)	(4,354)	(161,752)	(120,746)		
Operating expenses	<u>(809,502)</u>	<u>(523,850)</u>	<u>(190,764)</u>	<u>(127,395)</u>	<u>(1,651,511)</u>	<u>(1,319,479)</u>		
Profit before taxation	<u>337,449</u>	<u>(123,636)</u>	<u>(69,696)</u>	<u>(32,950)</u>	<u>111,167</u>	<u>408,588</u>		
Share Capital [Number]	1,617,010	-	-	-	1,617,010	1,617,010		
Total assets employed	9,115,780	1,627,789	1,577,787	631,592	12,952,948	10,442,761		
Depreciation of leased / fixed assets	586,587	47,777	23,185	1,229	658,778	601,574		
ROCE [%]	<u>4</u>	<u>(8)</u>	<u>(4)</u>	<u>(5)</u>	<u>1</u>	<u>4</u>		

33 Related party transactions

Outstanding balances on transactions entered into with related parties at 31 January ,2010 on normal business terms are:

Name of related party	Nature of relationship	2010 N'000	2009 N'000
LeaseAfric Ghana	Subsidiary	21,887	12,500
C & I Motors	Subsidiary	350,445	78,589
Ctrans Global	Subsidiary	49,788	81,459
Diamond Bank Plc	Shareholder	-	(250,028)
Petra Services	Shareholder	<u>49,449</u>	<u>7,540</u>

.1 During the year, Diamond Bank Plc sold its holding in the company to International Energy Insurance.

C & I LEASING PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2010

34 Contraventions

The company contravened the following section of BOFIA during the year:

Section	Nature	Penalty N'000
27.2	Late submission of financial statements	<u>20</u>

35 Subsequent events review

There are no post balance sheet events which could have had material effect on the state of affairs of the company as at 31 January 2010 and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statements.

36 Basic earnings per share [EPS] is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue

	Group		Company	
	2010	2009	2010	2009
Net profit attributable to shareholders [N'000]	<u>142,406</u>	<u>305,727</u>	<u>335,002</u>	<u>367,706</u>
Number of ordinary shares in issue as at year end ['000]	<u>1,617,010</u>	<u>1,617,010</u>	<u>1,617,010</u>	<u>1,617,010</u>
Time weighted average number of ordinary shares in issue ['000]	<u>1,617,010</u>	<u>1,617,010</u>	<u>1,617,010</u>	<u>1,617,010</u>
Number of ordinary shares in dilution as at year end ['000]	<u>471,580</u>	<u>-</u>	<u>471,580</u>	<u>-</u>
Basic earnings per share [kobo]	<u>9</u>	<u>19</u>	<u>21</u>	<u>23</u>
Diluted earnings per share [kobo]	<u>7</u>	<u>19</u>	<u>16</u>	<u>23</u>

C & I LEASING PLC

VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 JANUARY 2010

	Group				Company			
	2010 N'000	%	2009 N'000	%	2010 N'000	%	2009 N'000	%
Gross income	8,287,858		6,774,402		5,178,687		4,676,395	
Purchase of goods and services - Local	(6,384,548)		(4,802,980)		(3,677,189)		(3,242,329)	
- Foreign	(391,744)		(400,522)		-		-	
VALUE ADDED	1,511,426	100	1,570,900	100	1,501,498	100	1,434,066	100
Payment to employees:								
- Salaries, wages and other benefits	588,847	39	586,727	37	460,050	31	521,690	35
To pay government:								
- Taxation	118,127	8	74,359	4	116,592	8	67,535	4
- Information technology development levy	3,268	-	2,513	-	3,268	-	2,513	-
Retained for future replacement of assets, expansion of business and payment of dividend to shareholders:								
- Depreciation	658,778	44	601,574	39	586,586	39	539,908	36
- Profit for the year including statutory reserve	142,406	9	305,727	19	335,002	22	367,706	25
	1,511,426	100	1,570,900	100	1,501,498	100	1,499,352	100

Value added is the additional wealth created by the efforts of the Company and its employees. This statement shows the allocation of that wealth between the employees, government, shareholders and that re-invested for the future creation of more wealth.

C & I LEASING PLC

FINANCIAL SUMMARY - GROUP

AT 31 JANUARY

	2010 N'000	2009 N'000	2008 N'000
ASSETS			
Cash and short-term funds	2,302,120	383,288	274,802
Investments in subsidiaries	-	81,459	200,000
Long term investments	46,688	25,198	78,221
Loans and advances	123,850	135,315	168,862
Lease rental due	147,352	72,873	49,201
Finance lease receivables	4,176,098	4,416,412	2,773,959
Other assets	4,150,960	3,140,501	1,533,897
Leased assets	1,352,210	1,555,097	1,202,066
Fixed assets	653,670	632,618	442,086
	12,952,948	10,442,761	6,723,094
LIABILITIES			
Overdraft	682,721	2,037,837	465,121
Current liabilities	6,750,197	5,758,741	3,272,589
Medium term liabilities	904,779	147,863	914,808
Convertible bond	2,258,085	-	-
Tax payable	248,435	149,181	79,988
	10,844,217	8,093,622	4,732,506
CAPITAL AND RESERVES			
Share capital	808,505	808,505	800,297
Share premium	679,526	679,526	542,722
Statutory reserves	294,817	244,200	182,912
Capital reserve	1,215	1,215	1,215
General Reserve	205,229	419,056	295,307
	1,989,292	2,152,502	1,822,453
Shareholders' Funds			
	1,989,292	2,152,502	1,822,453
Non controlling interest	119,439	196,637	168,135
	12,952,948	10,442,761	6,723,094
Gross income	8,287,858	6,774,402	2,658,334
Profit on ordinary activities before taxation	111,167	408,588	433,714
Profit on ordinary activities after taxation	107,185	334,229	375,363
Dividend	-	-	96,000
Per N0.50 share data (kobo)			
Basic earnings per share	9	19	23
Diluted earnings per share	7	19	0
Net assets	1.23	1.33	1.13

Basic earnings and dividend per share are based on profit after taxation and the number of issued share capital at the end of 31 January every year.

C & I LEASING PLC

FINANCIAL SUMMARY - COMPANY AT 31 JANUARY

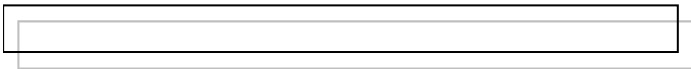
	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2006 N'000
ASSETS					
Cash and short-term funds	1,948,175	244,456	121,733	427,028	31,814
Investments in subsidiaries	612,652	533,291	420,985	-	-
Long term investments	46,688	25,198	78,221	300	20,300
Loans and advances	481,958	158,363	153,698	83,949	37,050
Lease rental due	147,305	72,873	49,201	285,478	-
Finance lease receivables	2,640,899	2,789,294	1,467,065	858,638	76,143
Other assets	2,465,082	1,518,997	1,216,169	707,485	786,651
Leased assets	1,284,238	1,524,618	1,192,105	1,189,754	1,060,498
Fixed assets	451,882	443,783	429,362	320,502	296,544
	10,078,879	7,310,873	5,128,539	3,873,134	2,309,000
LIABILITIES					
Overdraft	495,469	1,019,725	465,121	25,590	-
Current liabilities	4,687,177	3,942,473	2,499,357	1,388,616	1,753,772
Medium term liabilities	-	-	303,152	808,052	87,666
Convertible bond	2,278,305	-	-	-	-
Tax payable	230,679	121,791	59,422	15,276	(20,898)
	7,691,630	5,083,989	3,327,052	2,237,534	1,820,540
CAPITAL AND RESERVES					
Share capital	808,505	808,505	800,297	800,297	300,000
Share premium	679,526	679,526	542,722	542,722	-
Statutory reserves	288,940	238,323	173,037	114,076	93,958
General reserve	610,278	500,530	285,431	178,505	94,502
	2,387,249	2,226,884	1,801,487	1,635,600	488,460
	10,078,879	7,310,873	5,128,539	3,873,134	2,309,000
Gross income	5,178,687	4,676,395	2,482,169	1,613,569	1,345,448
Profit on ordinary activities before taxation	337,449	435,241	389,143	164,737	119,481
Profit on ordinary activities after taxation	335,002	367,706	341,887	134,122	99,310
Dividend	-	-	-	-	60,000
Per N0.50 share data (kobo)					
Basic earnings per share	21	23	0.08	0.20	0.19
Diluted earnings per share	16	23	0	0	0
Dividend	-	0.12	0.06	0.10	0.10
Net assets	1.48	1.38	1.02	0.81	0.75

Basic earnings and dividend per share are based on profit after taxation and the number of issued share capital at the end of 31 January every year.

Net assets per share are based on the number of ordinary share in issue as at 31 January every year.

C & I LEASING PLC

RC No : 161070



FOR MANAGEMENT USE ONLY

C & I LEASING PLC

COMPANY'S OPERATING EXPENSES

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
DIRECT COSTS				
Depreciation - leased assets	571,176	513,495	556,594	513,493
Insurance	190,725	54,856	183,803	51,497
Interest expenses	1,101,901	975,282	709,297	662,862
Operating lease expense	2,534,360	2,095,466	2,534,360	2,095,467
Cost of sales of vehicles	1,965,266	1,286,490	-	-
	6,363,428	4,925,589	3,984,055	3,323,319
Directors' remuneration	39,986	8,206	7,568	6,565
Salaries and wages	547,172	525,276	413,554	406,786
Medicals	9,695	16,571	9,695	16,374
Other personnel expenses	15,215	41,454	14,441	32,455
Staff bonuses	4,000	-	4,000	-
Pension costs	26,460	19,997	26,460	19,997
Staff training	1,695	17,751	1,595	16,859
Maintenance and renewals	103,476	67,256	56,288	52,251
Depreciation - owned assets	87,602	88,079	29,992	26,415
Rent	22,400	22,492	3,732	2,745
Travel and entertainment	66,388	49,055	44,763	42,745
Audit fee	24,268	18,548	13,255	11,000
Professional expenses	54,185	48,502	38,166	38,263
Telephone and communications	42,019	28,566	33,628	26,837
Bank charges	183,341	104,006	51,064	70,041
Advert and external relations	138,205	64,969	10,943	28,937
National information technology development levy	4,517	2,513	4,517	2,513
Printing and stationery	13,701	14,133	9,271	13,348
Office supplies expenses	198,295	140,216	12,786	17,374
Electricity and other expenses	7,518	2,778	1,668	2,347
Filing fee	-	10,000	-	10,000
Exchange loss	30,319	-	-	-
License	10	1,130	10	30
Stamp duty	-	3,750	-	3,750
Write off of investments	-	-	-	-
Levies and penalties	6,157	8755	5,946	8,575
Insurance	138	7665	-	1,921
Corporate gifts, donations and subscriptions	-	-	16,160	-
	24,749	25,327	809,502	881,495
	1,651,511	1,336,995	809,502	881,495