C & I LEASING PLC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2020

C & I LEASING PLC

FOR THE HALF YEAR ENDED 30 JUNE 2020

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		Group		Company	
	Notes	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Assets					
Cash and balances with banks	10.	**4,655,883**	2,034,641	**3,570,428**	493,692
Loans and receivables	11.	**671,702**	575,293	**649,326**	562,352
Trade & other receivables	12.	**15,564,945**	15,803,050	**13,310,854**	13,544,390
Due from related companies	12.1	**0**	-	**5,488,618**	13,070,771
Finance lease receivables	13.	**3,147,922**	3,064,833	**3,029,252**	2,993,635
Available for sale assets	14.	**2,418**	26,053	**2,418**	26,053
Investment in subsidiaries	15.	**-**	-	**759,467**	758,967
Investment in Joint Venture	16	**1,547,971**	1,901,725	**1,547,971**	1,901,725
Other assets	17.	**1,238,106**	1,186,067	**1,066,967**	1,100,666
Operating lease assets	19.	**30,282,602**	29,884,372	**13,848,083**	5,368,507
Property, plant and equipment	20.	**1,520,033**	1,575,942	**1,221,232**	1,232,194
Intangible assets	21.	**17,473**	26,798	**-**	3,758
Deferred income tax assets	25.2	**854,607**	854,607	**854,607**	854,607
Total assets		**59,503,662**	56,933,381	**45,349,223**	41,911,317
Liabilities					
Balances due to banks	22.	**832,930**	1,354,012	**802,524**	1,303,525
Commercial notes	23.	**14,458,081**	13,695,532	**14,458,081**	13,666,137
Trade & other payables	24.	**7,543,186**	7,088,647	**5,077,071**	5,502,672
Current income tax liability	25.1	**126,714**	25,935	**154,316**	85,553
Borrowings	26.	**21,632,149**	21,383,842	**16,047,729**	14,944,171
Retirement benefit obligations	27.	**64,108**	10,772	**64,108**	10,772
Deferred income tax liability		**92,297**	109,130	**-**	-
Total liabilities		**44,749,466**	43,667,869	**36,603,830**	35,512,831
Equity					
Share capital	28.2	**390,823**	202,126	**390,823**	202,126
Deposit for shares	29.	**1,975,000**	1,975,000	**1,975,000**	1,975,000
Share premium		**3,361,609**	1,285,905	**3,361,609**	1,285,905
Statutory reserve	30.	**1,318,469**	1,703,519	**884,867**	889,679
Statutory credit reserve	31.	**858,253**	373,682	**858,253**	373,682
Retained earnings	32.	**3,419,538**	3,972,171	**553,417**	950,442
Foreign currency translation reserve	33.	**2,463,682**	2,668,340	**-**	-
AFS fair value reserve	34.	**4,933**	5,161	**4,933**	5,161
Revaluation reserve	35.	**716,490**	716,490	**716,490**	716,490
		14,508,798	12,902,394	**8,745,393**	6,398,486
Non-controlling interest	36.	**245,398**	363,118	**-**	-
Total equity		**14,754,196**	13,265,512	**8,745,393**	6,398,486
Total liabilities and equity		**59,503,662**	56,933,381	**45,349,223**	41,911,317

These consolidated financial statements on pages 3 to 64 were approved by the Board of Directors on **23rd July, 2020** and signed on its behalf by :

Emeka Ndu
Group Vice Chairman
FRC/2013/ICAN/00000003955

Andrew Otike-Odibi
Managing Director
FRC/2013/ICAN/00000003945

Alex Mbakogu
Group CFO
FRC/2015/ICAN/00000011740

The accompanying notes are an integral part of these consolidated financial statements.

C & I LEASING PLC

CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2020

		Group				Company			
	Notes	6 Months to June 2020 N'000	3 Months to June 2020 N'000	6 Months to June 2019 N'000	3 Months to June 2019 N'000	6 Months to June 2020 N'000	3 Months to June 2020 N'000	6 Months to June 2019 N'000	3 Months to June 2019 N'000
Gross earnings		15,295,283	6,635,657	16,255,713	8,440,966	11,460,920	4,951,430	12,466,543	6,379,511
Continuing Operations									
Lease rental income	39.	9,429,400	4,077,570	11,477,492	5,970,037	5,827,627	2,495,260	7,919,147	4,098,131
Direct leasing expenses	46.	(4,978,182)	(2,455,532)	(5,496,354)	(2,947,676)	(3,018,293)	(1,119,710)	(5,043,088)	(2,812,905)
Net lease rental income		4,451,217	1,622,038	5,981,138	3,022,360	2,809,334	1,375,549	2,876,059	1,285,226
Outsourcing income	41.	5,013,095	2,371,976	3,957,852	1,906,298	5,013,095	2,371,976	3,957,852	1,906,298
Outsourcing expenses	41.	(4,323,994)	(1,991,590)	(3,559,919)	(1,711,196)	(4,323,994)	(1,991,590)	(3,559,919)	(1,711,196)
Net outsourcing income		689,101	380,386	397,933	195,102	689,101	380,386	397,933	195,102
Tracking income	42.	95,520	37,002	115,775	62,653	95,520	37,002	115,775	62,653
Tracking expenses	42.	(33,465)	(15,051)	(43,802)	(23,894)	(33,465)	(15,051)	(43,802)	(23,894)
Net Tracking income		62,054	21,950	71,973	38,759	62,054	21,950	71,973	38,759
Interest income	43.	14,523	(22,000)	9,630	(2,381)	14,229	8,629	9,587	8,889
Other operating income	44.	444,265	(28,817)	403,329	338,600	211,969	(161,364)	172,547	137,781
Share of gain from joint venture	45	298,481	199,928	291,635	165,760	298,481	199,928	291,635	165,760
Finance cost	40.	(2,932,917)	(1,201,924)	(2,537,907)	(1,321,063)	(2,129,649)	(807,282)	(1,660,797)	(870,674)
Net operating income		3,026,724	971,560	4,617,731	2,437,136	1,955,519	1,017,797	2,158,937	960,842
Impairment (charge)/credit	38.	(22,486)	(21,628)	(30,229)	(19,802)	(3,145)	(2,286)	-	-
Depreciation expense	47.	(1,241,673)	(117,169)	(1,912,251)	(979,302)	(787,943)	(401,745)	(504,554)	(252,315)
Personnel expenses	48.	(687,136)	(333,642)	(760,044)	(384,850)	(607,667)	(290,900)	(699,309)	(350,924)
Other operating expenses	50.	(696,802)	(341,918)	(1,006,048)	(579,052)	(589,290)	(301,537)	(702,827)	(334,326)
Profit before income tax		378,628	157,204	909,159	474,131	(32,524)	21,330	252,248	23,278
Income tax		(110,589)	(62,099)	(42,309)	(5,741)	(57,473)	(8,983)	(42,309)	(5,741)
Profit after taxation		268,039	95,105	866,851	468,390	(89,997)	12,347	209,939	17,537
Profit attributable to:									
Owners of the parent		278,935	112,251	849,016	455,437	(89,997)	12,347	209,939	17,537
Non-controlling interests		(10,896)	(17,146)	17,835	12,953				
		268,039	95,105	866,851	468,390	(89,997)	12,347	209,939	17,537
owners of the parent:									
Transfer to statutory reserve	30.	83,681	33,675	254,705	136,631	-	3,704	62,982	5,261
Transfer to retained earnings	32.	195,255	78,576	594,311	318,806	(89,997)	8,643	146,957	12,276
		278,935	112,251	849,016	455,437	(89,997)	12,347	209,939	17,537
Basic earnings per share [kobo]	55	35.69	14.36	108.62	58.27	(11.51)	1.58	26.86	2.24

The accompanying notes are an integral part of these consolidated financial statements.

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2020

		Group		Company	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Cash flows generated from operating activities	51	5,939,842	**5,155,758**	3,674,391	**1,863,774**
Lease rental income		**9,429,400**	**11,477,492**	**5,827,627**	**7,919,147**
Outsourcing income		**5,013,095**	**3,957,852**	**5,013,095**	**3,957,852**
Interest income received		**14,523**	**9,630**	**14,229**	**9,587**
Tracking and tagging income		**95,520**	**115,775**	**95,520**	**115,775**
Other income received		**222,864**	**181,562**	**109,973**	**8,339**
Investment income received		**67**	**202**	**67**	**202**
Retirement benefit obligation paid		**(321,289)**	**(321,289)**	**(321,289)**	**(321,289)**
Cash payment to employees and suppliers		**(15,064,337)**	**(15,916,125)**	**(12,566,489)**	**(15,239,909)**
Income tax paid		**-**	**(44,298)**	**-**	**(39,507)**
Net cash provided by operating activities		5,329,684	4,616,558	1,847,123	(1,726,029)
Cash flows from investing activities					
Investment in joint venture		**501,131**	-	**501,131**	-
Proceeds from sale of finance lease assets		**70,355**	26,128	**70,355**	26,128
Purchase of operating lease assets	19.	**(2,220,155)**	(1,138,900)	**(943,130)**	(69,672)
Purchase of property, plant and equipment	20.	**(33,198)**	(198,709)	**(12,143)**	(18,938)
Acquisition of intangible assets	21.	**4,887**	(564)	**-**	-
Net cash provided by investing activities		**(1,676,980)**	(1,312,045)	**(383,788)**	(62,481)
Cash flows from financing activities					
Dividend paid		**-**	-	**-**	-
Interest on finance lease facilities and loans		**(2,932,917)**	(2,537,907)	**(2,129,649)**	(1,660,797)
Proceeds from borrowings		**248,307**	(1,004,774)	**1,103,558**	2,943,464
Proceed from right issue:					
Share capital		**188,698**	**-**	**188,697**	**-**
Share premium		**2,075,704**	-	**2,075,704**	-
Net cash provided by financing activities		**(420,208)**	(3,542,681)	**1,238,310**	1,282,667
Increase/(decrease) in cash and cash equivalents		**3,232,495**	**(238,168)**	**2,701,646**	**(505,843)**
Cash and cash equivalents at the beginning of the year		**590,458**	828,626	**66,258**	572,101
Cash and cash equivalents at the end of the year	37.	**3,822,953**	590,458	**2,767,904**	**66,258**

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2020

Group

	Share capital N'000	Share premium N'000	Deposit for shares N'000	Statutory Reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation reserve N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Non-controlling interest N'000	Total equity N'000
At 1 January 2020	202,126	1,285,905	1,975,000	1,703,519	373,682	3,972,171	2,668,340	5,161	716,490	363,118	13,265,511
Changes in equity for the period ended 30 June 2020											
Profit for the period	-	-	-	-	-	278,935	-	-	-	(10,896)	268,039
Other comprehensive income											
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	(228)	-	-	(228)
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gain on foreign operations translation	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended 30 June 2020	-	-	-	-	-	278,935	-	(228)	-	(10,896)	267,811
Transactions with owners											
Transfer between reserves	-	-	-	83,681	-	(83,681)	-	-	-	-	-
Prior year Adjustment				(468,730)	484,571	(747,888)	(648,238)	-		(106,824)	(1,487,108)
Right Issue	188,697	2,075,704				-					2,264,401
Exchange difference on conversion of deposit for shares	-	-	-	-	-	-	443,580	-	-	-	443,580
	188,697	2,075,704	-	(385,050)	484,571	(831,569)	(204,658)	-	-	(106,824)	1,220,873
At 30 June 2020	**390,823**	**3,361,609**	**1,975,000**	**1,318,469**	**858,253**	**3,419,538**	**2,463,682**	**4,933**	**716,490**	**245,398**	**14,754,196**
At 31 December 2019	**202,126**	**1,285,905**	**1,975,000**	**1,703,519**	**373,682**	**3,972,171**	**2,668,340**	**5,161**	**716,490**	**363,118**	**13,265,511**

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2020

Company

	Share Capital N'000	Share Premium N'000	Deposit for shares N'000	Statutory Reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation reserve N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Total equity N'000
At 1 January 2020	202,126	1,285,905	1,975,000	889,679	373,682	950,442	-	5,161	716,490	6,398,485
Changes in equity for the period ended 30 June 2020										
Profit for the period	-	-	-	-	-	(89,997)	-	-	-	(89,997)
Other comprehensive income										
Fair value changes on available for sale	-	-	-	-	-	-		(228)	-	(228)
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-		-	-	-
Total comprehensive income for the period ended 30 June 2020	-	-	-	-	-	(89,997)	-	(228)	-	(90,225)
Transactions with owners										
Transfer betwenn reserves	-	-	-	-	-	-		-	-	-
Prior year Adjustment				(4,812)	484,571	(307,028)				172,731
Right Issue	188,697	2,075,704	-	-	-	-		-	-	2,264,401
Total transaction with owners	188,697	2,075,704	-	(4,812)	484,571	(307,028)		-	-	2,437,133
At 30 June 2020	**390,823**	**3,361,609**	**1,975,000**	**884,867**	**858,253**	**553,417**	**-**	**4,933**	**716,490**	**8,745,393**
At 31 December 2019	**202,126**	**1,285,905**	**1,975,000**	**889,679**	**373,682**	**950,442**	**-**	**5,161**	**716,490**	**6,398,485**

1. The reporting entity

These consolidated financial statements comprise the consolidated financial statements of C & I Leasing Plc (referred to as "the company") and its subsidiaries (referred to as "the group"). The Company was incorporated on 28 December 1990 and commenced business in June 1991. The Company was licensed by the Central Bank of Nigeria (CBN) as a finance company and is owned by a number of institutional and individual investors. The company's shares were listed on the Nigerian Stock Exchange (NSE) in December 1997. The Company is regulated by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), the NIgerian Stock Exchange (NSE) and in addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at year end, the Company has three subsidiary companies namely:

- Leasafric Ghana Limited
- EPIC International FZE, United Arab Emirates
- C & I Leasing FZE

The Registered office address of the company is at C & I Leasing Drive, Off Bisola Durosinmi Etti Drive, Lekki Phase 1, Lagos, Nigeria.

The principal activities of the Group are provision of equipment leasing, logistics solution in the form of car and marine vessel rentals, fleet management and automobile distribution through its main operating entity and its subsidiaries.

These consolidated financial statements cover the period ended 30 June 2020 with comparative for the year ended 31 December 2019.

The consolidated financial statements for the period ended 30 June 2020 were approved for issue by the Board of Directors on 23 July 2020.

2. Basis of preparation

2.1 Statement of compliance with IFRSs

These consolidated financial statements which have been prepared for the half year ended 30 June 2020 in accordance with International Financial Reporting Council as issued by the International Accounting Standard Board (IASB) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011. Additional information required by local regulators has been included where appropriate.

2.2 Basis of measurement

The consolidated financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial instruments and land and buildings measured at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the Group’s accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Group’s financial statements present the financial position and results fairly.

2.3 Going concern assessment

This financial statement has been prepared on going concern basis. The group has neither intention nor need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group and there are no going concern threats to the operations of the group.

2.4 Functional and presentation currency

This consolidated financial statements are presented in Naira, which is the Group’s presentational currency. The consolidated financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the consolidated financial statements, the consolidated results and financial position are expressed in Naira, which is the functional currency of the Company, and the presentational currency for the financial statements.

2.5 Basis of consolidation

These consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 June, 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using the same accounting policies.

All inter-group balances, transactions, dividends, unrealised gains on tranasctions within the Group are eliminated on consolidation. Unrealised losses resulting from inter-group transactions are eliminated, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

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

2.6.1 Amendments to IFRS 10, IFRS 12 and IAS 28 - ' Investment entities: Applying the consolidation exception'

Effective for annual periods beginning on or after 1 January 2016.
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption (in IFRS 10.4) from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

2.6.2 Amendments to IAS 27 "Equity method in separate financial statements"

Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016), Published by IASB on 12 August 2015.

The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

2.6.3 Amendments to IFRS 10 and IAS 28 - "Sale or contribution of assets between an investor and its associate or joint venture"

This amendment is effective for annual periods beginning on or after 1 January 2016.
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

2.6.4 Amendments to IAS 1 "Disclosure Initiative"

This amendment is effective for annual periods beginning on or after 1 January 2016. It is not expected that this amendment would be relevant to the Group. The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements;
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income.

2.6.5 Annual improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IAS 19 Employee Benefits
- IAS 34 Interim Financial Reporting

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

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

2.7.1 IFRS 9, 'Financial instruments'

Effective for annual periods beginning on or after 1 January 2018, issued on 24 July 2015. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities. The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 not later than the accounting period beginning on or after 1 January 2018. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

2.7.2 IFRS 14 "Regulatory deferral accounts"

Effective for annual periods beginning on or after 1 January 2016.

The standard allows an entity to continue applying most of its existing accounting policies for regulatory deferral account balances upon adoption of IFRS. This standard provides first-time adopters of IFRS with relief from derecognising rate regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB.

2.7.3 IFRS 15 “Revenue from contracts with customers"

Effective for annual periods beginning on or after 1 January 2018.
IFRS 15 Revenue from Contracts with Customers replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

2.7.4 IFRS 16 “Leases"

Effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15.

The scope of the new standard includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Key features:

- The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases u
- Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately.
- The new standard includes two recognition exemptions for lessees – leases of ’low-value’ assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).
- Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events.
- Lessor accounting is substantially the same as today’s lessor accounting, using IAS 17’s dual classification approach.

2.7.5 Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”

Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2015.
Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

2.7.6 IFRS 7, ‘Financial instruments disclosure’ Presentation’, on asset and liability offsetting

The ammendments to IFRS 7 clarified that additional disclosure of maximum exposure to credit risk is only required where the exposure is not reflected in the carrying amount. It requires disclosure of the financial effect of collateral held as security for financial assets, and removed the requirement to specifically disclose financial assets, where the terms have been renegotiated.

2.7.7 Amendments to IFRS 11 “Joint Arrangements” Accounting for Acquisitions of Interests

Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2011.

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

2.7.8 Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture”

Effective for annual periods beginning on or after 1 January 2016.

IAS 41 Agriculture currently requires all biological assets related to agricultural activity to be measured at fair value less costs to sell. This is based on the principle that the biological transformation that these assets undergo during their lifespan is best reflected by fair value measurement. However, there is a subset of biological assets, known as bearer plants, which are used solely to grow produce over several periods. At the end of their productive lives they are usually scrapped. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates.

The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16 Property, Plant and Equipment, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. This amendment will not have impact on the Group.

Annual improvements 2010-2012 Cycle
- IFRS 2 – Share-based Payment
- IFRS 3 – Business Combinations
- IFRS 8 – Operating Segments
- IAS 16 – Property, plant and equipment
- IAS 38 - Intangible Assets
- IAS 24 – Related Parties

Annual improvements 2011-2013 Cycle
- IFRS 3 – Business Combinations
- IFRS 13 - Fair value measurement
- IAS 40 - Investment properties

3. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise stated.

3.1 Investments in subsidiaries

The consolidated financial statements incorporates the financial statements of the Company and all its subsidiaries where it is determined that there is a capacity to control.

Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

Control is usally present when an entity has:
- Power over more than one-half of the voting rights of the other entity;
- Power to govern the financial and operating policies of the other entity;
- Power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- Power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceased. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

In its separate financial statements, the Company accounts for its investment in subsidiaries at cost.

3.2 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost in the separate financial statements, however in its consolidated financial statements; it is recognized at cost and adjusted for in the Group's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Group's share of losses of an associate exceeds its interest in the associate, the group discontinues recognizing its share of further losses.

3.3 Investments in joint ventures

A joint venture is an entity over which the Group has joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The investment in a joint venture is initially recognized at cost and adjusted for in the Group's share of the changes in the net assets of the joint venture after the date of acquisition, and for any impairment in value. If the Group's share of losses of a joint venture exceeds its interest in the joint venture, the company discontinues recognizing its share of further losses.

3.4 Investments in special purpose entities (SPEs)

SPEs are entities that are created to accomplish a narrow and well-defined objective. The financial statements of the SPE is included in the consolidated financial statements where on the substance of the relationship with the Group and the SPE's risk and reward, the Group concludes that it controls the SPE.

3.5 Intangible assets

3.5.1 Intangible assets acquired separately

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses.

Amortization is charged to income statement on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in income statement. Intangible assets with an indefinite useful life are tested for impairment annually.

Amortization years and methods are reviewed annually and adjusted if appro

3.5.2 Intangible assets generated internally

Expenditures on research or on the research phase of an internal project are recognized as an expense when incurred. The intangible assets arising from the development phase of an internal project are recognized if, and only if, the following conditions apply:

• It is technically feasible to complete the asset for use by the group
• The group has the intention of completing the asset for either use or resale
• The group has the ability to either use or sell the asset
• It is possible to estimate how the asset will generate income
• The group has adequate financial, technical and other resources to develop and use the asset
• The expenditure incurred to develop the asset is measurable.

If no intangible asset can be recognised based on the above, then development costs are recognised in profit or loss in the year in which they are incurred.

3.6 Property, plant and equipment

3.6.1 Initial recognition

All items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any, except for land and buildings to be reported at their revalued amount net of accummulated depreciation and/or accummulated impairment losses. Acquisition costs includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its costs is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria is satisfied.

3.6.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

3.6.3 Depreciation

Depreciation starts when an asset is ready for use and ends when derecognised or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated. Depreciation is calculated on a straight-line basis to write-off assets over their estimated useful lives. Land and assets under construction (work in progress) are not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	2%
Furniture and fittings	20%
Plant and machinery	20%
Motor vehicles/Autos and trucks	25%
Office equipment	20%
Marine equipment	5%
Leased assets	20%
Cranes	10%

The assets' residual values and useful lives are reviewed at the end of each reporting year and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

3.6.4 Derecognition

An item of property,plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement as operating income.

When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

3.6.5 Reclassifications

When the use of a property changes from owner-occupier to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in income statement.

3.7 Investment properties

Property held for long-term rental yields that is not occupied by the companies in the Group is classified as investment property. Investment property comprises freehold land and building and is recognised at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the income statement.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the companies in the Group. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognized in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the income statement. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the income statement.

3.8 Discontinued operations and non-current assets held for sale

Discontinued operations and non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Discontinued operations and non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This is the case, when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and the sale is considered to be highly probable.

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Furthermore, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one-year from the date that it is classified as held for sale.

3.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where appropriate, labour and production overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.10 Impairment of non-financial assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed. An impairment loss in respect of goodwill is not reversed.

3.11 Financial instruments

3.11.1 Financial assets

i. Classification

The Group classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

3.11.1.1 Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception.

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets designated as at fair value through profit or loss at inception are those that are:
Held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. The Group's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

3.11.1.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale.

3.11.1.3 Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

• those that the Group upon initial recognition designates as at fair value through profit or loss;
• those that the Group designates as available for sale; and
• Those that meet the definition of loans and receivables.

Interests on held-to-maturity investments are included in the income statement and are reported as 'Interest income'. In the case of an impairment, it is being reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/(losses) on investment securities'.

3.11.1.4 Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite year of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

ii. Recognition and measurement

Regular-way purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset.
Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are
Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables and held-to- maturity financial assets are carried at amortised cost using the effective interest method, except when there is insufficient information at transition date, when it is carried at book values.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the income statement as net realised gains on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established; both are included in the investment income line.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The quoted market price used for financial assets held by the Group is the current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the date of the statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity like options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry.

iii. Reclassifications

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories, if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

iv. Derecognition

The Group derecognises a financial asset only when the conctractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial financial asset, the Group continues to recognise the financail asset and also recognises a collateralised borrowing for the proceeds received.

3.11.2 Financial liabilities

The Group's financial liabilities as at statement of financial position date include 'Borrowings' (excluding VAT and employee related payables). These financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are included in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

3.11.2.1 Interest bearing borrowings

Borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised costs using the effective interest method; any difference between proceeds and the redemption value is recognised in the income statement over the year of the borrowing using the effective interest method.

3.11.3 Impairment of financial assets

3.11.3.1 Financial assets carried at amortised c

The Group assesses at each end of the reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

• Significant financial difficulty of the issuer or debtor;
• A breach of contract, such as a default or delinquency in payments;
• It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
• The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
• adverse changes in the payment status of issuers or debtors in the Group; or
• national or local economic conditions that correlate with defaults on the assets in the Group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an impairment account, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent year, 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 improved credit rating), the previously recognized impairment loss is reversed by adjusting the impairment account. The amount of the reversal is recognised in the income statement.

3.11.3.2 Assets classified as available for sale

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a year of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

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 equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent year 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 the income statement.

3.11.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.12 Trade and other receivables

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit year is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

3.13 Cash and cash equivalents

Cash equivalents comprises of short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

For the purpose of preparing the statement of cashflows, cash and cash equivalents are reported net of balances due to banks.

3.14 Leases

Leases are divided into finance leases and operating leases.
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.14.1 The Group is the lessor

3.14.1.1 Operating leases

When assets are subject to an operating lease, the assets continue to be recognised as property, plant and equipment based on the nature of the asset.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Any balloon payments and rent free years are taken into account when determining the straight-line charge.

3.14.1.2 Finance leases

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The diffrence between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recogncised over the term of the lease using the net investment method (before tax), which reflects a constant yearic rate of return.

3.14.2 The Group is the lessee

3.14.2.1 Finance leases

Assets held under finance leases are recognised as assets of the Group at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments.
The related liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between interest expenses and capital redemption of the liability, Interest is recognised immediately in profit or loss, unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Contingent rentals are recognised as expenses in the years in which they ar

3.14.2.2 Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except if another systematic basis is more representative of the time pattern in which economic benefits will flow to the Group.

Contingent rentals arising under operating leases are recognised in the year in which they are incurred.

3.15 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due with one year or less. If not, they are presented as non-current liabilities.

Other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment year is not considered to be material.

3.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the year in which they are incurred.

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

3.17 Retirement benefits

3.17.1 Defined contribution plan

The Group runs a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

Under the defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employees contribution of 8% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes the remainder to make a total contribution of 18% of the total emoluments as required by the Pension Reform Act 2004. The Company's contribution to the pension's scheme is charged to the profit or loss account.

3.17.2 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a define contribution plan. The Group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior years; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligation and that are denominated in the currency in which the benefit are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected credit unit method.

The Group recognizes all actuarial gains or losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fair value of the plan asset, any change in the present value of defined benefit obligation, any related actuarial gains or losses and past services cost that had not previously been recognised.

3.17.3 Terminal benefits

Terminal benefits are recognized as an expense when the group is demonstrably committed without realistic possible withdrawal, to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefit for voluntary redundancies is recognized as expenses if the group has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.17.4 Short term employee benefits

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.18 Taxation

3.18.1 Current income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management yearically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

3.18.2 Deferred income tax

Deferred income tax is recognised in full using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss), it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.
Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss on disposal.

3.19 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

3.19.1 Warranty

A provision for warranty is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated possibilities.

3.19.2 Restructuring

A provision for restructuring is recognized when the Group has approved a formal detail restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

3.19.3 Onerous contract

Provision for onerous contracts is recognized when the expected benefit to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

3.20 Equity instruments

Equity instruments issued by the group are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any group purchases the group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Group's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Group's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

3.21 Compound instruments

At the issue date, the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognised in equity, net of income tax effects, and is not subsequently remeasured.

3.22 Share based payments

Employee share options are measured at fair value at grant date. The fair value is expensed on a straight line basis over the vesting year, based on an estimate of the number of options that will eventually vest.

At the end of each reporting year, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

3.23 Revenue recognition

This relates to the provision of service or sale of goods to customers, exclusive of value added tax and less any discounts. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, recovery of the consideration is possible, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

3.23.1 Income from operating leases

Lease income from operating leases is recognised in income statement on a straight-line basis over the lease term on a systematic basis which is representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred by the company in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. When an operating lease is terminated before the lease year has expired, any payment required by the lessee by way of penalty is recognised in income statement in the year in which termination takes place.

3.23.2 Income from finance leases

The recognition of income from finance lease is based on a pattern reflecting a constant yearic rate of return on C & I Leasing's net investment in the finance lease. C & I Leasing Plc therefore allocates finance income over the lease term on a systematic and rational basis reflecting this pattern. Lease payments relating to the year, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

3.23.3 Personnel outsourcing income

The group is involved with outsourcing contracts in which human capital of varying skills are outsourced to various organisations. The group pays the remuneration of such personnel on a monthly basis and invoice the clients costs incurred plus a margin. As costs and income associated with this service can be estimated reliably and service completed.

3.23.4 Service charge income

This represents charges for other services rendered to finance lease customers. The services are rendered yearically on a monthly basis and income is recognised when all the followings are satisfied:

i. The amount of revenue can be measured reliably;
ii. It is probable that the economic benefits associated with the transaction will flow to the group;
iii. The stage of completion of the transaction at the end of the reporting year can be measured reliably; and
iv. The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

3.23.5 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

3.23.6 Rental income

Rental income is recognized on an accrued basis.

3.23.7 Realised gains and losses

The realised gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortised costs as appropriate.

3.24 Foreign currency translation

3.24.1 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the entities within the Group. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting 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 that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the year in which they arise except for:

• Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs; where those interest costs qualify for capitalization to assets under construction;

• Exchange differences on transactions entered into to hedge foreign currency risks;

• Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.24.2 Foreign operations

The functional currency of the parent Company and the presentation currency of the financial statements is Nigerian Naira. The assets and liabilities of the Group's foreign operations are translated to Naira using exchange rates at the year end. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rate on transaction date is used. Goodwill acquired in business combinations of foreign operations are treated as assets and liabilities of that operation and translated at the closing rate.

Exchange differences are recognised in other comprehensive income and accumulated in a separate category of equity.

4. Segment reporting

The Group's operating segments are organized by the nature of the operations and further by geographic location into geographical regions; local and foreign to highlight the contributions of foreign operations to the Group. Due to the nature of the Group, C&I Leasing's Executive Committee regularly reviews operating activity on a number of bases, including by geographical region, customer Group and business activity by geographical region.

A segment is a distinguishable component of the Group that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's operating segments were determined in a manner consistent with the internal reporting provided to the Executive Committee, which represents the chief operating decision-maker, as this is the information CODM uses in order to make decisions about allocating resources and assessing performance.

All transactions between business segments are conducted on an arm's length basis, with intrasegment revenue and costs being eliminated in Head office. Income and expenses directly associated with each segment are included in determining business segment performance.

5. Critical accounting estimates and judgment

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the year of the change, if the change affects that year only, or in the year of change and future year, if the change affects both.

The estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities within the next financial statements are discussed below:

5.1 Impairment of available-for-sale equity financial assets

The Group determines that available-for-sale equity financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and yearically reviewed by qualified personnel independent of those that sourced them.

To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.
Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5.2 Determination of impairment of non-financial assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists.

5.3 Depreciable life of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of items of property, plant and equipment and will have an impact on the carrying value of these items.

6. Financial instruments and fair values

As explained in Note 3.11, financial instruments have been classified into categories that determine their basis of measurement and, for items measured at fair value, such changes in fair value are recognised in the statement of comprehensive income either through the income statement or other comprehensive income. For items measured at amortised cost, changes in value are recognised in the income statement of the statement of comprehensive income. Therefore the financial instruments carried in the statement of financial position are shown based on their classifications in the table below:

6.1 Classes of financial instrument

Group	Financial assets				Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Investment in Joint Venture N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 30 June 2020							
Assets							
Cash and balances with banks	4,655,883	-	-	-	-	-	4,655,883
Loans and receivables	-	671,702			-	-	671,702
Finance lease receivat	-	3,147,922	-	-	-	-	3,147,922
Available for sale asse	-	-	2,418	-	-	-	2,418
Trade receivables	-	15,564,945	-	-	-	-	15,564,945
Investment in Joint Ve	-	-	-	1,547,971	-	-	1,547,971
Other assets	-	1,238,106	-	-	-	-	1,238,106
	4,655,883	**20,622,675**	**2,418**	**1,547,971**	**-**	**-**	**26,828,947**
Liabilities							
Balances due to banks	-	-	-	-	832,930	-	832,930
Borrowings	-	-	-	-	-	36,090,230	36,090,230
Trade payables	-	-	-	-	-	7,543,186	7,543,186
	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**832,930**	**43,633,416**	**44,466,346**

	Financial assets				Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Investment in Joint Venture N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 31 December 2019							
Assets							
Cash and balances with banks	2,034,641	-	-	-	-	-	2,034,641
Loans and receivables	-	575,293					575,293
Finance lease receivat	-	3,064,833	-	-	-	-	3,064,833
Available for sale asse	-	-	26,053	-	-	-	26,053
Trade receivables	-	15,803,050	-	-	-	-	15,803,050
Investment in Joint Ve	-	-	-	1,901,725	-	-	1,901,725
Other assets	-	1,186,067	-	-	-	-	1,186,067
	2,034,641	**20,629,243**	**26,053**	**1,901,725**	**-**	**-**	**24,591,662**
Liabilities							
Balances due to banks	-	-	-	-	1,354,012	-	1,354,012
Borrowings	-	-	-	-	-	35,079,374	35,079,374
Trade payables	-	-	-	-	-	7,088,647	7,088,647
Other liabilities	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**1,354,012**	**42,168,021**	**43,522,032**

Company	Financial assets				Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Investment in Joint Venture N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 30 June 2020							
Assets							
Cash and balances with banks	3,570,428	-	-	-	-	-	3,570,428
Loans and receivables	-	649,326	-	-	-	-	649,326
Finance lease receivat	-	3,029,252	-	-	-	-	3,029,252
Available for sale asse	-	-	2,418	-	-	-	2,418
Investment in Joint Ve	-	-	-	1,547,971	-	-	1,547,971
Other assets	-	1,066,967	-	-	-	-	1,066,967
	3,570,428	**4,745,545**	**2,418**	**1,547,971**	**-**	**-**	**9,866,362**
Liabilities							
Balances due to banks	-	-	-	-	802,524	-	802,524
Borrowings	-	-	-	-	-	30,505,810	30,505,810
Trade payables	-	-	-	-	-	5,077,071	5,077,071
	-	**-**	**-**	**-**	**802,524**	**35,582,881**	**36,385,405**

	Financial assets				Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Investment in Joint Venture N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 31 December 2019							
Assets							
Cash and balances with banks	493,692	-	-	-	-	-	493,692
Loans and receivables	-	562,352	-	-	-	-	562,352
Finance lease receivat	-	2,993,635	-	-	-	-	2,993,635
Available for sale asse	-	-	26,053	-	-	-	26,053
Investment in Joint Ve	-	-	-	1,901,725	-	-	1,901,725
Other assets	-	1,100,666	-	-	-	-	1,100,666
	493,692	**4,656,654**	**26,053**	**1,901,725**	**-**	**-**	**7,078,124**
Liabilities							
Balances due to banks	-	-	-	-	1,303,525	-	1,303,525
Borrowings	-	-	-	-	-	28,610,308	28,610,308
Trade payables	-	-	-	-	-	5,502,672	5,502,672
	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**1,303,525**	**34,112,980**	**35,416,505**

6.2 Fair valuation methods and assumptions

Cash and cash equivalents, trade receivables, trade payable and short term borrowings are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains recognised in a separate component of equity at the end of the reporting year.

The fair value of financial assets and liabilities at amortized cost.

6.3 Fair value measurements recognised in the statement of financial position

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: for equity securities not listed on an active market and for which observable market data exist that the Group can use in order to estimate the fair value.

6.3 Fair value measurements recognised in the statement of financial position (cont'd.)

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group maintains quoted investments in the companies listed in Note 14 and were valued at N26,053,276.90 (December 2018: N26,053,276.90.00) which are categorised as **level 1,** because the securities are listed, however, there are no financial instruments in the level 2 and 3 categories for the year.

7. Capital management

In management of the Group capital, the Group's approach is driven by its strategy and organizational requirements, taking into account the regulatory and commercial environment in which it operates. It is the Group's policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times.

Through its corporate governance processes, the Group maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Group's strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors.

The Group's capital is divided into two tiers:

- Tier 1 capital: core equity tier 1 capital including ordinary shares, statutory reserve, share premium and retained earnings, intangible assets, and
- Tier 2 capital: qualifying convertible loan capital, preference shares, collective impairment allowances, non-controlling interest and unrealised gains arising on the fair valuation of equity instruments held as available for sale.

The Central Bank of Nigeria prescribed a minimum limit of 12.5% of total qualifying capital/total risk-weighted assets as a measure of capital adequacy of finance companies in Nigeria. Furthermore, a finance company is expected to maintain a ratio of not less than 1:10 between its capital funds and net credits.Total qualifying capital consists of tier 1 and 2 capital less investments in unconsolidated subsidiaries and associates. The total risk-weighted assets reflects only credit and counterparty risk.

The Group achieved capital adequacy ratio is 22% at the end of the period, compared to 21% recorded for the year ended 31 December 2018 respectively.

The table below summarises the composition of regulatory capital and the ratios of the Group for the years presented below. During those two years, the individual entities with the Group and the Group complied with all the externally imposed capital requirements to which they are subject.

		Group		Company	
		30 June 2020	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Tier 1 capital					
Share capital		390,823	202,126	390,823	202,126
Deposite for shares		1,975,000	1,975,000	1,975,000	1,975,000
Share premium		3,361,609	1,285,905	3,361,609	1,285,905
Statutory reserve		1,318,469	1,703,519	884,867	889,679
Statutory credit reserve		858,253	373,682	858,253	373,682
Retained earnings		3,419,538	3,972,171	553,417	950,442
Exchange transalation Reserves		-	-	-	-
Non-Controlling Interest		245,398	363,118	-	-
Sub-Total		11,569,090	9,875,521	8,023,970	5,676,834
Less: Intangible assets		(17,473)	(26,798)	-	(3,758)
Under Provision/Deferred assets		-	-		-
Required loan loss reserve		(858,253)	(373,682)	(858,253)	(373,682)
Deferred income tax assets		(854,607)	(854,607)	(854,607)	(854,607)
Total qualifying for tier 1 capital		9,838,758	8,620,434	6,311,110	4,444,788
Tier 2 capital					
Exchange translation reserve		2,463,682	2,668,340	-	
Fair value reserve		4,933	5,161	4,933	5,161
Revaluation reserve		716,490	716,490	716,490	716,490
Total		3,185,106	3,389,991	721,423	721,651
Total qualifying for tier 2 capital (Maximum of 33.3% of TIER 1 Capital		3,185,106	2,870,604	721,423	721,651
Total regulatory capital		13,023,863	11,491,038	7,032,533	5,166,439
Risk - weighted assets					
	%				
Cash in hand	0%	17,597	14,740	17,375	14,740
Cash and Balances with banks	20%	4,638,286	478,952	3,553,053	478,952
Loans and receivables	100%	671,702	575,293	649,326	562,352
Trade Receivables	100%	15,564,945	15,803,050	13,310,854	13,544,390
Due to related companies	100%	-	-	5,488,618	13,070,771
Finance Lease Receivables	100%	3,147,922	3,064,833	3,029,252	2,666,715
Available for sale assets	100%	2,418	26,053	2,418	4,416
Investment in subsidiaries	100%	-	-	759,467	758,967
Investment in joint venture	100%	1,547,971	1,901,725	1,547,971	1,901,725
other assets	100%	1,238,106	1,186,067	1,066,967	1,100,666
Operating lease assets	100%	30,282,602	29,884,372	13,848,083	5,368,507
Property, plant and equipment	100%	1,520,033	1,575,942	1,221,232	1,232,194
Deferred income tax assets	100%	-	-	-	
Total risk weighted assets		58,631,582	54,511,027	44,494,615	40,704,395
Risk-weighted capital adequacy ratio (CAR)		22%	21%	16%	13%

8. Risk management framework

The primary objective of C & I Leasing group's risk management framework is to protect the group's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the executive management committees.
This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

C & I Leasing Plc's principal significant risks are assessed and mitigated under three broad headings:

Strategic risks – This specifically focused on the economic environment, the products offered and market. The strategic risks arised from a group's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inablity to adapt to changes in its business environment.
Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.
Financial risks – Risk associated with the financial operation of the group, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the group's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

8.1 Strategic risks

Capital management policies, objectives and approach.
The following capital management objectives, policies and approach to managing the risks which affect the capital position are adopted by C&I Leasing Plc.

To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

To retain financial flexibility by maintaining strong liquidity.

To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.

To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.
C&I Leasing's operations are subject to regulatory requirements of Central Bank Nigeria (CBN) and Securities Exchange Commission (SEC), Nigerian Stock Exchange (NSE) in addition, annual returns must be submitted to Corporate Affairs Commission (CAC) on a regular basis.

8.2 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the group's operations.
The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

— - requirements for appropriate segregation of duties, including independent authorisation of transactions.
— - requirements for the reconciliation and monitoring of transactions.
— - compliance with regulatory and other legal requirements.
— - documentataion of controls and procedures.
— - training and professional development.
— - ethical and business standards.

8.3 Financial risks

The group's operations exposes it to a number of financial risks. Adequate risk management procedures have been established to protect the group against the potential adverse effects of these financial risks. There has been no material change in these financial risks since the prior year.The following are the risks the group is exposed to due to financial instruments:
Credit risks
Liquidity risks
Market risks

8.3.1 Credit risks

Credit risks arise from a customer delays or outright default of lease rentals; inability to fully meet contractual obligations by customers. Exposure to this risk results from financial transactions with customers.
The group has policies in place to mitigate its credit risks.

The group’s risk management policy sets out the assessment and determination of what constitutes credit risk for the group. Compliance with the policy is monitored and exposures and breaches are reported to the group's management. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The carrying amount of the group's financial instruments represents the maximum exposure to credit risk.

Exposure to risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	Group	
	30 June 2020	**December 2019**
	N'000	N'000
Financial assets		
Cash and balances with banks	**4,655,883**	2,034,641
Loans and receivables	**671,702**	575,293
Finance lease receivables	**3,147,922**	3,064,833
Available for sale assets	**2,418**	26,053
Trade receivables	**15,564,945**	15,803,050
Other assets	**1,238,106**	1,186,067
	25,280,976	22,689,937

	Company	
	30 June 2020	**December 2019**
	N'000	N'000
Financial assets		
Cash and balances with banks	**3,570,428**	493,692
Loans and receivables	**649,326**	562,352
Finance lease receivables	**3,029,252**	2,993,635
Available for sale assets	**2,418**	26,053
Trade receivables	**13,310,854**	13,544,390
Other assets	**1,066,967**	1,100,666
	21,629,245	18,720,788

8.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.
The Group maintains sufficient amount of cash for its operations. Management reviews cashflow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. The Operations Committee has primary responsibility for compliance with regulations and company policy and maintaining a liquidity crisis contingency plan.

A substantial portion of the Group's assets are funded by borrowings from financial institutions. These borrowings, which are widely diversified by type and maturity, represent a stable source of funds.

8.3.2 Liquidity risks

Below is the contractual maturities of financial liabilities in Nigerian Naira presented in the consolidated financial statements.

	Group		
	Current N'000	Non-current N'000	Total N'000
30 June 2020			
Balance due to banks	832,930	-	832,930
Borrowings	3,954,437	13,738,204	17,692,641
Trade payables	7,543,186	-	7,543,186
	-	-	-
	12,330,553	13,738,204	26,068,757
31 December 2019			
Balance due to banks	1,354,012		1,354,012
Borrowings	4,909,379	16,474,463	21,383,842
Trade and other payables	7,088,647		7,088,647
	13,352,038	16,474,463	29,826,501

	Company		
	Current N'000	Non-current N'000	Total N'000
30 June 2020			
Balance due to banks	802,524	-	802,524
Borrowings	3,845,676	12,202,053	16,047,729
Trade and other payables	5,077,071	-	5,077,071
	9,725,271	12,202,053	21,927,324
31 December 2019			
Balance due to banks	1,303,525	-	1,303,525
Borrowings	2,803,758	12,140,413	14,944,171
Trade and other payables	5,502,672	-	5,502,672
	9,609,955	12,140,413	21,750,368

The Group's focus on the maturity analysis of its financial liabilities is as stated above, the Group classifies its financial liabilities into those due within one year (current) and those due after one year (non-current).

The contractual cashflows disclosed in the maturity analysis are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount stated in the financial statements which is based on the discounted cash flows using the effective interest rate.
The financial liabilities affected by discounting are the long term borrowings (including the current portion), all other financial liabilities stated are assumed to approximate their carrying values due to their short term nature and are therefore not discounted.

8.3.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

8.3.4 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of its foreign subsidiary as well as foreign borrowings (usually denominated in US Dollars)
The Group’s principal transactions are carried out in Naira and its financial assets are primarily denominated in Nigerian Naira, except for its subsidiaries- Leasafric Ghana Limited and EPIC International FZE, U.A.E.; whose transactions are denominated in Ghanian Cedi and United Arab Emirates' Dirhams respectively. The exposure to foreign exchange risk as a result of these subsidiaries in this period as a result of translation has been recognised in the statement of other comprehensive income .

The Group foreign currency risk exposure arises also from long term borrowings from Aureos Africa LLC denominated in United States Dollar. The borrowings have the option of being convertible at the end of the tenor, and as such the impact of fluctuations in these commitments on the financial statements as a whole are considered minimal and reasonable as a result of the stable market.

8.3.5 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used by the group. Interest bearing assets comprise cash and cash equivalents and loans to subsidiaries which are considered short term liquid assets. The group's interest rate liability risk arises primarily from borrowings issued at variable interest rates which exposes the group to cash flow interest rate risk. It is the group's policy to settle trade payables within the credit limit terms allowed, thereby not incurring interest on overdue balances. Borrowings are sourced from both local and foreign financial markets, covering short and long term funding.

The Group manages interest rate risk on borrowings by ensuring access to diverse sources of funding, reducing risks of refinancing by establishing and managing in accordance with target maturity profiles.

8.3.6 Market price risk

Investments by the Group in available for sale financial assets expose the Group to market (equity) price risk. The impact of this risk on the financial statements is considered positive because of the continous increase and stability in value of equities in the past few years. Furthermore, there was a positive impact on the income statement because of the portion of investment disposed off during the period - equity shares in Guaranty Trust Bank (Gross Domestic Receipt), however all other gains due to increase in market prices were recorded in the fair value reserve through the other comprehensive income.

9. Statement of prudential adjustment

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for financial institutions in Nigeria stipulates that financial institutions would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted.
However, Other Financial Institutions would be required to comply with the following:

a. Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Prudential provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the retained earnings account to a "statutory credit reserve".

- Prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the income statement. The cumulative balance in the statutory credit reserve is thereafter reversed to the retained earnings account.

(b) The non-distributable reserve should be classified under equity as part of the core capital.

b.

		Group		Company	
		30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
10.	**Cash and balances with banks**				
	Cash in hand	**17,597**	14,740	**17,375**	14,740
	Current balances with banks	**4,638,286**	2,019,901	**3,553,053**	478,952
	Placement with bank		-		-
		4,655,883	2,034,641	**3,570,428**	493,692
11.	**Loans and receivables**				
	Lease rental due	**640,454**	558,331	**640,454**	558,331
	Loans and advances	**46,149**	30,502	**23,773**	17,562
		-	**-**	**-**	-
		686,603	588,833	**664,226**	575,893
	Impairment allowance (Note 11.4)	**(14,901)**	(13,540)	**(14,901)**	(13,540)
		671,702	575,293	**649,326**	562,353
11.1	**Analysis of loans and receivables by security**				
	Secured	**-**	-	**-**	-
	Otherwise secured	**686,603**	588,833	**664,226**	575,893
		686,603	588,833	**664,226**	575,893
11.2	**Loans and receivables are further analysed as follows:**				
	Less than one year	**400,471**	343,445	**387,419**	335,897
	More than one year and less than five	**286,132**	245,388	**276,807**	239,995
	More than five years	**-**	-	**-**	-
		686,603	588,833	**664,226**	575,893
11.3	**Impairment allowance on loans and receivables**				
	Lease rental due (Note 11.5)	**13,137**	**11,683**	**13,137**	**11,683**
	Loans and advances (Note 11.6)	**1,764**	**1,857**	**1,764**	**1,857**
		14,901	13,540	**14,901**	13,540
11.4	**Movement in impairment allowance - Lease rental due**				
	At the beginning of the year	**11,683**	38,118	**11,683**	38,118
	Charge for the year	**-**	(3,905)	**-**	(3,905)
	Re-measurement	**3,218**	(22,530)	**3,218**	(22,530)
	At the end of the year	**14,901**	11,683	**14,901**	11,683

		Group		Company	
		30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
11.5	**Analysis of impairment allowance - Loans and advances**				
	Specific impairment	-	-	-	-
	Collective impairment	1,764	1,857	1,764	1,857
		1,764	1,857	1,764	1,857
11.5.1	**Movement in impairment allowance - Loans and advances**				
	At the beginning of the year	2,423	2,423	1,857	2,423
	Charge for the year	-		-	(566)
	Re-measurement	-		-	-
	Written off in the year	(659)	-	(93)	-
	At the end of the year	1,764	2,423	1,764	1,857
12.	**Trade and other receivables**				
	Financial assets				
	Operating lease service receivables	7,509,660	8,247,745	5,487,239	6,221,605
	Account receivables	1,564,768	965,857	1,441,059	863,047
	Other debit balances	287,957	390,788	188,282	287,543
	Consumables	1,970,280	2,104,089	1,961,994	2,093,346
	Insurance receivables	226,494	240,299	226,494	226,494
	Withholding tax receivables	4,522,457	4,377,364	4,522,457	4,375,446
		16,081,616	16,326,142	13,827,525	14,067,482
	Impairment allowance	(516,671)	(523,093)	(516,671)	(523,093)
		15,564,945	15,803,050	13,310,854	13,544,390
12.1	**Amount due from related companies**				
	Leasafric Ghana Limited	-	-	(207,300)	(198,148)
	C & I Leasing FZE			88,168	(125,801)
	EPIC International FZE United Arab Emirate	-	-	5,662,827	13,445,458
		-	-	5,543,695	13,121,508
	Impairment allowance	-	-	(55,077)	(50,737)
		-	-	5,488,618	13,070,771
13.	**Finance lease receivables**				
	Gross finance lease receivable	7,448,701	7,657,443	7,309,072	7,554,380
	Unearned lease interest/maintenance	(4,285,639)	(4,577,553)	(4,264,680)	(4,545,688)
	Net investment in finance lease	3,163,062	3,079,891	3,044,392	3,008,692
	Impairment allowance (Note 13.4)	(15,140)	(15,057)	(15,140)	(15,058)
		3,147,922	3,064,834	3,029,252	2,993,635
13.1	**The net investment in finance lease may be analysed as follows:**				
	Less than one year	2,366,389	2,304,166	2,349,129	2,321,582
	More than one year and less than five	796,673	775,724	695,263	687,110
	More than five years	-	-	-	-
		3,163,062	3,079,891	3,044,392	3,008,692
13.2	**Analysis into current portion and non-current portion**				
	Current portion	2,366,389	2,304,166	2,349,129	2,321,582
	Non-current portion	796,673	775,724	695,263	687,110
		3,163,062	3,079,891	3,044,392	3,008,692
13.3.1	**Movement in impairment allowance - Finance lease**				
	At the beginning of the year	15,057	15,057	15,057	15,057
	Re-measurement at 1 January, 2020	82	-	82	-
		15,139	15,057	15,139	15,057
	Provision no longer required				-
	Charge for the period		-	-	-
	Written-off in the year				-
	At the end of the year	15,139	15,057	15,139	15,057

		Group		Company	
		30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
14.	**Movement in investmen securities at fair value through other comprehensive income**				
	At the beginning (Gross)	52,425	52,425	52,425	52,425
	Disposal	(23,925)	-	**(23,925)**	**-**
	Impairment allowance (Note 13.1)		(26,371)		(26,371)
	At the end	**28,500**	**26,054**	**28,500**	**26,054**
14.1	**Equity instruments at fair value through other comprehensive income (Gross)**				
	Diamond Bank Plc (GDR)	**-**	23,925	**-**	23,925
	First Bank of Nigeria Plc	**16,500**	16,500	**16,500**	16,500
	Fidelity Bank Plc	**12,000**	12,000	**12,000**	12,000
		28,500	52,425	28,500	52,425
15.	**Investment in subsidiaries**				
	Leasafric Ghana Limited	**-**	-	754,736	754,736
	EPIC International FZE, United Arab Emirates	**-**		4,231	4,231
	C&I Leasing FZE, Nigeria			500	-
		-	-	**759,467**	758,967

15.1 Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

Subsidiary	Principal activity	Country of incorporation	Percentage held	Statutory year end
Leasafric Ghana Limited (Note 15.1.1)	Leasing	Ghana	70.89%	31 December
EPIC International FZE, United Arab Emirates (U.A.E.) (Note 15.1.2)	Trading in ships and boats	United Arab Emirates	100%	31 December
C & I Leasing FZE (Note 15.13)	Leasing	Nigeria	99%	31 December

15.1.1 Leasafric Ghana Limited

Leasafric Ghana Limited is a company incorporated in Ghana under the Companies Code, 1963 (Act 179) of Ghana as a Ghanian company authorised by the Bank of Ghana to provide leasing business. Leasafric Ghana was incorporated in Ghana. The requisite approval for C&I Leasing Plc investment in Leasafric Ghana was obtained from Central Bank of Nigeria.

15.1.2 EPIC International FZE, U.A.E.

EPIC International FZE, Ras Al khaimah United Arab Emirates (U.A.E.) was incorporated on 15 June 2011 as a Free Zone Establishment (FZE) under a Commercial License #5006480 issued by the Ras Al Khaimah Free Trade Zone, Ras Al Khaimah, U.A.E. The Company is registered under UAE Federal Law No.(8) of 1984 and 1988 as amended. The licensed activities of the Company is trading in ships and boats, its parts, components and automobile.

15.1.3 C & I Leasing FZE

C & I Leasing FZE was incorporated on 18 December, 2017 as a Free Zone Establishment (FZE) under the companies licensed by the Dangoe Industries Free Zone Development Company under Act 63 of 1992 by the Nigeria Export Processing Zones Authority (NEPZA) as a service rendering enterprise.

15.2 Condensed results of consolidated entities

The consolidated results of the consolidated entities of C & I Leasing Plc are shown in Note 15.2.1.
The C&I Leasing Group in the condensed results includes the results of the underlisted entities:
C&I Leasing Plc
Leasafric Ghana Limited
EPIC International FZE, U.A.E.

C & I LEASING PLC

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15.2.1 Condensed results of consolidated entities

30 June 2020

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C & I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Condensed income statement							
Gross earnings	**11,460,920**	**2,044,854**	**855,278**	**934,230**	**15,295,283**	**-**	**15,295,283**
Operating income	1,955,519	291,636	594,985	184,584	3,026,724	-	3,026,724
Impairment charge	(3,145)	(19,341)	-	-	(22,486)	-	(22,486)
Depreciation expense	(787,943)	(80,822)	(372,908)	-	(1,241,673)	-	(1,241,673)
Other operating expenses	(589,290)	(105,594)	(1,918)	-	(696,802)		(696,802)
Personnel expenses	(607,667)	(79,469)	-	-	(687,136)	-	(687,136)
Administrative expenses	-	-	-	-	-	-	-
Profit/(loss) before tax	(32,524)	6,410	220,158	184,584	378,628	-	378,628
Income tax	(57,473)	(53,116)	-	-	(110,589)	-	(110,589)
Profit/(loss) after tax	**(89,997)**	**(46,706)**	**220,158**	**184,584**	**268,039**	**-**	**268,039**

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2020

30 June 2020

Condensed statement of financial position	**C&I Leasing Plc**	**Leasafric Ghana Limited**	**EPIC International FZE, U.A.E**	**C & I Leasing FZE**	**Total**	**Elimination adjustments**	**Group**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets							
Cash and balances with banks	**3,570,428**	**1,081,459**	**3,996**	**-**	**4,655,883**	**-**	4,655,883
Loans and receivables	**649,326**	**22,377**	**-**	**-**	**671,702**	**-**	671,702
Trade receivables and receivables	**13,310,854**	**1,104,451**	**-**	**1,149,640**	**15,564,945**	**-**	15,564,945
Due from related companies	**5,488,618**	**331,074**	**(7,160,106)**	**6,312**	**(1,334,102)**	**1,334,102**	0
Finance lease receivables	**3,029,252**	**118,670**	**-**	**-**	**3,147,922**	**-**	3,147,922
Available for sale financial assets	**2,418**	**-**	**-**	-	**2,418**	**-**	2,418
Investment in subsidiaries	**759,467**	**-**	**-**	-	**759,467**	**(759,467)**	-
Investment in Joint Venture	**1,547,971**	**-**	**-**	-	**1,547,971**		1,547,971.3
Other assets	**1,066,967**	**121,219**	**-**	**49,920**	**1,238,106**	**-**	1,238,106
Inventory	**-**	**-**	**-**	**-**	**-**	**-**	-
Operating lease assets	**13,848,083**	**2,690,127**	**13,744,392**	**-**	**30,282,602**	**-**	30,282,602
Property, plant and equipment	**1,221,232**	**298,801**	**-**	**-**	**1,520,033**	**-**	1,520,033
Intangible assets	**-**	**17,473**	**0**	-	**17,473**	**-**	17,473
Current income tax assets		**-**	-	-	-		-
Deferred income tax assets	**854,607**	**-**	**-**	-	**854,607**	**-**	854,607
Total assets	**45,349,223**	**5,785,650**	**6,588,282**	**1,205,872**	**58,929,026**	**574,635**	**59,503,662**
Liabilities and equity							
Balances due to banks	802,524	30,406	-		832,930	-	832,930
Commercial notes	14,458,081	-	-		14,458,081	-	14,458,081
Borrowings	16,047,729	3,777,141	1,807,279		21,632,149	-	21,632,149
Trade payables	5,077,071	957,130	677,005		7,543,186	-	7,543,186
Other liabilities	-	-	-		-	-	-
Retirement benefit obligations	64,108	-	-		64,108	-	64,108
Current income tax liability	154,316	(27,602)	-		126,714	-	126,714
Deferred income tax liability	-	92,297	-		92,297	-	92,297
Deposit for share	1,975,000	-	-		1,975,000	-	1,975,000
Equity and reserves	6,770,393	956,278	4,103,997		12,204,561	574,635	12,779,196
Total liabilities and equity	**45,349,223**	**5,785,650**	**6,588,282**		**58,929,026**	**574,635**	**59,503,662**

15.2.1 Condensed results of consolidated entities (Cont'd)

30 June 2019

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
Condensed income statement						
Gross earnings	**12,466,543**	**2,098,777**	**1,690,393**	**15,295,283**	**-**	**15,295,283**
Operating income	2,158,937	1,712,197	1,199,863	5,070,997		5,070,997
Impairment charge	-	(30,229)	-	(30,229)		(30,229)
Depreciation expenses	(504,554)	(807,590)	(600,107)	(1,912,251)		(1,912,251)
Other operating expenses	(702,827)	(453,266)	-	(1,156,093)		(1,156,093)
Personel expenses	(699,309)	(60,736)	-	(760,044)		(760,044)
Distribution	-		-	-		-
Administrative expenses	-	(283,931)	(19,290)	(303,220)		(303,220)
Profit/(Loss) before tax	252,248	76,446	580,466	909,159	-	909,159
Income tax expense	(42,309)	-	-	(42,309)	-	(42,309)
Profit/(Loss) after tax	**209,939**	**76,446**	**580,466**	**866,851**	**-**	**866,851**

15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2019

Condensed statement of financial position	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
Assets						
Cash and balances due from banks	**934,245**	**347,860**	**200,337**	1,482,442	-	1,482,442
Loans and receivables	**542,446**	**18,104**	**-**	560,550	-	560,550
Trade receivables & other receivable	**9,556,594**	**305,474**	**-**	9,862,068	-	9,862,068
Due from related companies	**13,490,083**	**187,055**	**(3,112,402)**	10,564,735	(10,564,735)	-
Finance lease receivables	**2,837,801**	**1,256,824**	**-**	4,094,625	-	4,094,625
Available for sale financial assets	**26,053**	**-**	**-**	26,053	-	26,053
Investment in subsidiaries	**758,967**	**-**	**-**	758,967	(758,967)	-
Investment in Joint Venture	**1,046,841**	**-**	**-**	1,046,841	-	1,046,841
Other assets	**5,157,079**	**314,051**	**-**	5,471,130	-	5,471,130
Inventories	**1,768,476**	**14,686**	**-**	1,783,162	-	1,783,162
Operating lease assets	**5,355,807**	**3,376,335**	**21,499,141**	30,231,283	-	30,231,283
Property, plant and equipment	**1,232,873**	**499,229**	**-**	1,732,102	-	1,732,102
Intangible assets	**3,758**	**34,435**	**0**	38,193	-	38,193
Current income tax assets	**-**	**-**	**-**	-	-	-
Deferred income tax assets	**854,607**	**-**	**-**	854,607	-	854,607
Total assets	**43,565,628**	**6,354,055**	**18,587,075**	**68,506,758**	**(11,323,702)**	**57,183,055**
Liabilities and equity						
Balance due to banks	867,987	87,728	-	955,715		955,715
Commercial notes	13,318,659	28,642	-	13,347,302	-	13,347,302
Trade and other payables	7,894,675	697,176	12,544,614	21,136,465	(12,180,548)	8,955,917
Current income tax liability	88,360	54,145	-	142,505	-	142,505
Borrowings	14,995,693	3,386,436	2,438,225	20,820,354	-	20,820,354
Retirement benefit obligations	63,164	-	-	63,164	-	63,164
Deferred income tax liability	-	130,012	-	130,012	-	130,012
Deposit for share	1,975,000	-	-	1,975,000	-	1,975,000
Equity and reserves	4,362,089	1,969,915	3,604,237	9,936,241	856,845	10,793,086
Total liabilities and equity	**43,565,628**	**6,354,055**	**18,587,075**	**68,506,758**	**(11,323,702)**	**57,183,055**

-

		Group		Company	
		30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
16	Investment in Joint Venture				
	Sifax Logistics & Marine Service Ltd	**1,547,971**	1,046,841	**1,547,971**	1,046,841
		1,547,971	1,046,841	**1,547,971**	1,046,841
	Sifax C&I Marine Limited				
	At 1 January	**1,046,841**	507,794	**1,046,841**	507,794
	Audit adjustment	**202,650**		**202,650**	
	Share of profit in joint venture	**298,481**	539,046	**298,481**	539,046
	At 30 June	**1,547,971**	1,046,841	**1,547,971**	1,046,841
17.	**Other assets**				
	Financial assets:				
	Non-financial assets:				
	Prepayments	**1,238,106**	**1,186,067**	**1,066,967**	**1,100,666**
	Net other assets balance	**1,238,106**	**1,186,067**	**1,066,967**	**1,100,666**

18.

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19. Operating lease assets

Group	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2020	12,739,927	36,856	32,595,104	833,472	364,793	46,570,152
Additions	409,256	-	1,425,774	385,125	-	2,220,155
Adjustment	9,200	-	-	(203,223)	-	(194,023)
Disposals in the period	(184,632)	-	-	-	(54,780)	(239,412)
Exchange difference	-	-	-	-	-	-
At 30 June 2020	12,973,751	36,856	34,020,878	1,015,374	310,013	48,356,871
Accumulated depreciation						
At 1 January 2020	8,630,829	30,328	7,717,315	-	307,309	16,685,781
Charge for the period	300,046	1,385	895,797	-	9,595	1,206,822
Adjustment	181,054	-	134,865	-	-	315,919
Disposals in the period	(79,535)	-	-	-	(54,717)	(134,252)
Exchange difference	-	-	-	-	-	-
At 30 June 2020	9,032,393	31,712	8,747,977	-	262,187	18,074,270
Carrying amount						
At 30 June 2020	**3,941,357**	**5,143**	**25,272,901**	**1,015,374**	**47,826**	**30,282,602**

	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2019	12,191,959	34,125	28,480,506	8,683,395	374,875	49,764,860
Additions	455,780	2,731	4,114,598	740,904	-	5,314,013
Reclassification	92,188	-	-	(8,590,827)	(10,082)	(8,508,721)
Disposals in the period	-	-	-	-	-	-
Write-off	-	-	-	-		-
Acquisition of JV assets	-	-	-	-		-
Exchange difference	-	-	-	-	-	-
At 31 December 2019	12,739,927	36,856	32,595,104	833,472	364,793	46,570,152
Accumulated depreciation						
At 1 January 2019	8,003,704	27,464	5,460,419	-	298,056	13,789,643
Charge for the year	460,666	2,864	2,233,298	-	19,189	2,716,016
Transfer to own assets	166,459	-	23,598	-	(9,936)	180,121
Disposals in the year	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-
At 31 December 2019	8,630,829	30,328	7,717,315	-	307,309	16,685,781
Carrying amount						
At 31 December 2019	**4,109,098**	**6,528**	**24,877,789**	**833,472**	**57,484**	**29,884,371**

19. Operating lease assets

Company	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2020	5,496,454	36,856	7,411,147	0	310,013	13,254,470
Additions	409,256	-	148,749	385,125	-	943,130
Transfer from subsidiary-Epic	-	-	11,027,084	-	-	11,027,084
Audit adjustment	9,200	-	55,708	-	-	64,908
Disposals in the period	(79,535)	-	-	-	-	(79,535)
At 30 June 2020	5,835,375	36,856	18,642,688	385,125	310,013	25,210,057
Accumulated depreciation						
At 1 January 2020	4,436,503	27,464	3,166,540	-	252,589	7,883,096
Charge for the period	230,868	1,385	522,888	-	9,595	764,736
Transfer from subsidiary-Epic	-		2,794,500	-	-	2,794,500
Audit adjustment	(3,690)	2,864	-	-	-	(826)
Disposals in the period	(79,535)	-	-	-	-	(79,535)
At 30 June 2020	4,584,146	31,713	6,483,929	-	262,184	11,361,971
Carrying amount						
At 30 June 2020	**1,251,230**	**5,143**	**12,158,759**	**385,125**	**47,829**	**13,848,086**

	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2019	5,074,189	34,125	7,307,540	8,590,827	310,013	21,316,693
Additions	455,780	2,731	103,607	-	-	562,118
Adjustment	157,011	-	-	-	-	157,011
Reclassification	-	-	-	(8,590,827)	-	(8,590,827)
Disposal in the year	(190,525)	-	-	-	-	(190,525)
At 31 December 2019	5,496,454	36,856	7,411,147	0	310,013	13,254,470
Accumulated depreciation						
At 1 January 2019	4,158,325	27,464	2,664,052	-	233,400	7,083,241
Charge for the year	460,666	2,864	478,891	-	19,189	961,609
Adjustment	8,037	-	23,598	-	-	31,635
Disposals in the year	(190,525)	-	-	-	-	(190,525)
At 31 December 2019	4,436,503	30,328	3,166,540	-	252,589	7,885,960
Carrying amount						
At 31 December 2019	**1,059,951**	**6,528**	**4,244,607**	**0**	**57,424**	**5,368,510**

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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20. Property, plant and equipment

Group

	Autos and trucks	Furniture and fittings	Office equipment	Plant and machinery	Buildings	Land	Construction in progress	Marine equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Valuation/Cost									
At 1 January 2020	1,062,341	96,246	392,162	61,509	471,509	783,289	77,239	11,133	2,955,429
Additions	-	2,258	30,229	-	477	-	233	-	33,198
Revaluation surplus	-	-	-	-		-	-	-	-
Transfer/Reclassifications	-	-	-	57,733		-	-	-	57,733
Disposal in the period	(37,395)	-	-	-		-	-	-	(37,395)
Exchange difference						1,478	-		1,478
At 30 June 2020	1,024,946	98,504	422,392	119,242	471,986	784,767	77,472	11,133	3,010,442
Accumulated depreciation									
At 1 January 2020	762,103	78,096	314,748	44,741	175,345	-	-	4,454	1,379,487
Charge for the period	2,463	2,731	14,470	3,257	5,023	-	-	1,113	29,057
Adjustment	42,827	1,457	16,787	57,666	525		-	-	119,262
Disposal in the period	(37,395)	-	-	-		-	-	-	(37,395)
Exchange difference	-	-	-	-		-	-	-	-
At 30 June 2020	769,998	82,283	346,004	105,664	180,893	-	-	5,568	1,490,410
Carrying amount									
At 30 June 2020	**254,949**	**16,221**	**76,387**	**13,578**	**291,093**	**784,767**	**77,472**	**5,566**	**1,520,032**
Valuation/Cost									
At 1 January 2019	1,084,218	89,981	360,164	81,448	543,317	731,086	77,239	-	2,967,453
Reclassification	-	-	(2,294)	-	-	(2,997)	-	-	(5,291)
Additions	-	6,543	34,292	2,329	-	55,200	-	11,133	109,497
Revaluation surplus	-		-	-	-	-	-	-	-
Disposal in the year	(21,877)	-	-	(22,267)	(71,808)	-	-	-	(115,952)
Write off	-	-	-	-	-		-		-
Exchange difference	-	(278)	-	-	-	-	-	-	(278)
At 31 December 2019	1,062,341	96,246	392,162	61,509	471,509	783,289	77,239	11,133	2,955,429
Accumulated depreciation									
At 1 January 2019	727,044	72,641	297,274	40,759	165,333	-	-	-	1,303,051
Discontued operations	-	-	-	-	-	-	-	-	-
Charge for the year	46,659	5,455	20,423	6,209	10,012	-	-	4,454	93,212
Disposal in the year	(11,600)	-	-	(2,227)	-	-	-	-	(13,827)
Exchange difference	-	-	(2,949)	-	-	-	-	-	(2,949)
At 31 December 2019	762,103	78,096	314,748	44,741	175,345	-	-	4,454	1,379,487
Carrying amount									
At 31 December 2019	**300,238**	**18,150**	**77,415**	**16,768**	**296,164**	**783,289**	**77,239**	**6,679**	**1,575,942**

20. Property, plant and equipment

Company	Autos and trucks	Furniture and fittings	Office equipment	Plant and machinery	Buildings	Land	Construction in progress	Marine equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Valuation/Cost									
At 1 January 2020	251,170	81,989	358,758	61,510	462,649	751,543	77,239	11,133	2,055,991
Additions	-	1,490	10,653	-	-	-	-	-	12,143
Revaluation surplus	-	-	-	-	-	-	-	-	-
Disposal	(18,600)	-	-	-	-	-	-	-	(18,600)
At 30 June 2020	232,570	83,479	369,411	61,510	462,649	751,543	77,239	11,133	2,049,534
Accumulated depreciation									
At 1 January 2020	246,242	67,880	291,621	44,741	168,860	-		4,454	823,799
Charge for the period	910	2,731	11,253	3,207	3,993	-		1,113	23,207
Audit adjustment		65	185	(11)	(351)				(112)
Disposal in the period	(18,600)	-	-	-	-	-			(18,600)
At 30 June 2020	228,552	70,676	303,059	47,936	172,502	-	-	5,568	828,293
Carrying amount									
At 30 June 2020	**4,019**	**12,802**	**66,352**	**13,573**	**290,146**	**751,543**	**77,239**	**5,566**	**1,221,241**
Valuation/Cost									
At 1 January 2019	262,770	75,446	324,466	81,447	531,552	696,343	77,239	-	2,049,263
Additions	-	6,543	34,292	2,329	-	55,200	-	11,133	109,497
Revaluation surplus	-	-	-	-	-	-	-		-
Reclassification	-	-	-	-	-	-	-	-	
Transfer from merger	-	-	-	-	-	-			-
Disposal	(11,600)	-	-	(22,266)	(68,903)	-	-	-	(102,769)
At 31 December 2019	251,170	81,989	358,758	61,510	462,649	751,543	77,239	11,133	2,055,991
Accumulated depreciation									
At 1 January 2019	253,122	62,486	271,198	40,759	160,873	-	-	-	788,438
Transfer from merger	-	-	-	-	-	-			
Charge for the year	4,720	5,395	20,423	6,209	7,987	-	-	4,454	49,188
Disposal in the year	(11,600)	-	-	(2,227)	-	-	-	-	(13,827)
At 31 December 2019	246,242	67,880	291,621	44,741	168,860	-	-	4,454	823,799
Carrying amount									
At 31 December 2019	**4,928**	**14,108**	**67,137**	**16,769**	**293,789**	**751,543**	**77,239**	**6,679**	**1,232,192**

		Group		Company	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		N'000	N'000	N'000	N'000
21.	**Intangible assets**				
	Computer software				
	Cost	203,154	221,524	163,267	163,267
	Adjustment	(4,887)		-	
	Additions	-	-	-	-
	Exchange different	-	(18,370)		-
		198,267	203,154	163,267	163,267
	Amortisation				
	At 1 January 2020	176,356	176,356	159,509	159,509
	Amortisation charge	5,794	-	-	-
	Adjustment	(1,356)		3,758	
	Exchange different		-		-
		180,795	176,356	163,267	159,509
	Net carrying amount				
	At 30 June	17,473	26,798	-	3,758

Amortisation charged for the year is included in the other operation expenses.

The software is not internally generated.

		Group 30 June 2020	Group 31 December 2019	Company 30 June 2020	Company 31 December 2019
22.	**Balance due to banks**				
	Access Bank Plc	82	-	82	-
	Diamond Bank Plc	306,251	773,538	305,048	773,538
	Ecobank Plc	571	-	-	-
	First Security Discount House	-	82	-	82
	Stanbic IBTC Bank Plc	-	-	-	-
	Fidelity Bank Plc	-	497,653	-	497,653
	Citi Bank	31	-	31	-
	Zenith Bank Plc	-	20,263	-	20,263
	First Bank of Nigeria Limited	-	2,971	-	2,971
	Keystone Bank	497,362	-	497,362	-
	First City Monument Bank Plc	-	7,858	-	7,858
	United Bank of Africa	28,632	50,487	-	-
	Intercontinental Bank-Cidi	-	-	-	-
	Standard Chartered bank	-	1,159	-	1,159
		832,930	1,354,012	802,524	1,303,525
23.	**Commercial notes**				
	Institutional clients	2,765,230	2,619,386	2,772,405	2,620,546
	Individual clients	11,692,851	11,076,146	11,685,676	11,045,591
		14,458,081	13,695,532	14,458,081	13,666,137
23.1	**Analysis of commercial notes**				
	Current	14,458,081	13,695,532	14,458,081	13,666,137
	Non-current	-	-	-	-
		14,458,081	13,695,532	14,458,081	13,666,137
24.	**Trade and Other payables**				
	Financial liabilities:				
	Statutory deductions (WHT, PAYE)	1,708,463	1,065,636	1,364,819	808,300
	Accounts payable	4,435,375	4,501,681	2,745,489	3,453,551
	Payments received on account	713,225	737,514	713,225	737,514
	Deferred rental income	14,080	24,387	14,080	24,387
		6,871,143	6,329,219	4,837,613	5,023,752
	Non-financial liabilities:				
	Provision and accruals	672,043	759,428	239,459	478,920
	Total other liabilities	7,543,186	7,088,647	5,077,071	5,502,672

		Group		Company	
		30 June 2020	31 December 2019	**30 June 2020**	31 December 2019
		N'000	N'000	**N'000**	N'000
25.	**Taxation**				
25.1	**Current income tax liability**				
	At the beginning of the year	**25,935**	(22,136)	**85,554**	(38,970)
	Charge for the year	**110,589**	115,366	**57,473**	85,853
	Withholding tax credit utilised	**-**	(36,950)	**-**	(36,950)
	Payments during the year	**-**	(154,873)	-	(48,609)
	Adjustment/exchange difference	**(9,810)**	124,528	**11,289**	124,229
	At the end of the year	**126,714**	25,935	**154,316**	85,554
25.2	**Deferred income tax assets**				
	At the beginning of the year	**(854,607)**	(854,607)	**(854,607)**	(854,607)
	Merge operations				
	Charge in the year	**-**	-	**-**	-
	Prior year adjustment	**-**	-	**-**	**-**
	At the end of the year	**(854,607)**	(854,607)	**(854,607)**	(854,607)

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	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	N'000	N'000	N'000	N'000
26. Borrowings				
Term loans (Note 26.1)	10,891,906	7,000,136	9,246,994	4,787,583
Finance lease facilities (Note 26.2)	1,888,195	8,653,240	1,888,195	4,557,064
Redeemable bonds (Note 26.3)	4,912,539	5,730,466	4,912,539	5,599,525
	17,692,641	21,383,842	16,047,729	14,944,171

The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year (December 2016 : Nil).

	Group		Company	
26.1 Term loans				
First City Monument Bank Plc (Note 26.1.2)	774,143	2,186,004	774,143	2,186,004
Fidelity Bank	915	221,225	915	221,225
Growth and Development Ltd	862,222	-	862,222	-
B.V.Scheepswerf Damen Gorinchem, The Netherl	1,807,279	2,212,553	-	
Financial Derivative Company	2,018,786	1,451,251	2,018,786	1,451,251
Secured Leased Notes	695,783	-	695,783	
Bank of Industry	4,045,906	-	4,045,906	-
Lease notes investments	686,873	929,102	849,240	929,102
	10,891,906	7,000,136	9,246,994	4,787,583

	Group		Company	
26.1.1 Analysis of term loans				
Current	3,126,186	2,009,173	3,343,981	1,731,329
Non-current	7,765,720	4,990,963	5,903,013	3,056,254
	10,891,906	7,000,136	9,246,994	4,787,583

26.1.2 First City Monument Bank Plc

Facility represents US $1,875,000 term loan secured from First City Monument Bank Plc in 2020 for a period of 48 months to part finance acquisition of a vessel and balance on the N500 million IDF line for marine operation. The interest on the loan is 9% per annum Dollar interest rate

26.1.3 Bank of industry

Facility represents US $11,880,000 term loan secured from the Bank of Industry Limited on 8 February 2017, for a period of five years including six months moratorium period. The interest on the loan is 6.5% per annum. Loan is secured by bank guarantee from First City Monument Bank Plc.

26.1.4 B.V. Scheepswerf Damen Gorinchem, The Netherlands.

Facility represents US $22,185,680 term loan secured from B.V. Scheepswerf Damen Gorinchem, The Netherlands, for a period of five years. The interest on the loan is 4.8% per annum. The facility is required to enable the Company meets its financial obligations on acquisition of new vessels. The facility was obtained by EPIC International FZE, U.A.E. The loan stood at $5,838,171 as at 31 December, 2019.

26.1.5 Secured Leased Notes

Facility represents amount obtained from various individual and institutional investors under term loan agreement at interest of 9% per annum. The facility was obtained for construction of vessels for the Company. As security for the facility, the investors are given equity holdings in the vessels being constructed. The tenor for the facility ranges between 50 - 60 months.

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		Group		Company	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		N'000	N'000	N'000	N'000
26.2	**Finance lease facilities**				
	Access Bank Plc (Note 26.2.2)	892,324	1,494,287	892,324	1,494,287
	Stanbic IBTC Bank (Note 26.2.3)	382,081	1,269,770	382,081	435,284
	First Bank Nigeria Ltd (Note 26.2.4)	-	312	-	312
	Zenith Bank Plc	553,841	-	553,841	-
	First City Monument Bank Plc (24.1.2)	-	1,409,819	-	1,409,819
	Lotus Capital Limited		291,504		291,504
	United Bank for Africa		757,479		
	Union Bank Plc	59,949	-	59,949	-
	Barclays Bank Ghana (Note 26.2.5)	-	1,276,223	-	-
	Golden Cedar, Ghana (Note 25.2.9)	-	1,246,225	-	-
	FSDH Merchant Bank Ltd (Note 25.2.11)		856,508		856,508
	Others	-	51,115	-	69,350
		1,888,195	8,653,240	1,888,195	4,557,064
26.2.1	**Analysis of finance lease facility**				
	Current	595,138	2,727,402	393,038	948,578
	Non-current	1,293,058	5,925,838	1,495,157	3,608,486
		1,888,195	8,653,240	1,888,195	4,557,064

26.2.2 Access Bank Plc (formerly Diamond Bank Plc)

Facility represents N1.2 billion term loan secured from Access Bank Plc (former Diamond Bank Plc) for a period of 48 months and renew annually to finance lease contracts. The interest is 18% per annum. The loan is secured by the vehicles purchased with the loan.

26.2.3 Stanbic IBTC Bank Plc

Facility represents N700 million finance lease facility secured from Stanbic IBTC Bank Limited in February 2010 for a period of three years. The interest on the facility is 18% per annum. The facility was secured by legal ownership of assets finance under the lease contract.

26.2.4 First Bank Nigeria Limited

This facility represents N2 billion equipment lease facility secured from First Bank of Nigeria Limited on 10 February 2011 for a period of four years. The interest on the facility is 18% per annum. The facility was secured by corporate guarantee of C&I Leasing Plc.

26.2.5 Barclays Bank of Ghana

This facility represents the Ghana Cedi equivalent of USD 4,121,623 term loan secured from Stanbic Bank on 30 January 2014 for a period of 48 months and renew annually to finance lease contracts. The interest on the loan is the base rate plus 4.25%. The loan is secured by the vehicles purchased with the loan.

		Group		Company	
		30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
26.3	**Redeemable bonds**				
	Fixed rate secured bond	75,827	152,281	75,827	152,281
	Fixed rate 5 years senior secured bond	4,836,712	5,447,244	4,836,712	5,447,244
	Convertible bond	-	130,941	-	-
		4,912,539	5,730,466	4,912,539	5,599,525
26.3.1	**Analysis of redeemable bonds**				
	Current	233,114	172,804	108,656	123,851
	Non-current	4,679,426	5,557,662	4,803,883	5,475,674
		4,912,539	5,730,466	4,912,539	5,599,525

26.3.2 FSDH Merchant Bank Limited

The redeemable bonds represent N600 million notes issued by subscribers (as indicated above) on 30 November 2016 for a period of five years. Interest on the notes is payable at 18% per annum. The loan is repayable at six monthly intervals over a period of five (5) years. The loan is direct, unconditional and secured obligation of C&I Leasing Plc.

Redeemable bonds include financial instruments classified as liabilities measured at amortised cost.

26.3.3 Convertible bond

This represents 5 years USD375,000 each convertible bonds, in an aggregate principal amount of USD3,000,000.00 issued in 2014 by Leasafric Ghana Limited.

This represents 5 years USD375,000 each convertible bonds, in an aggregate principal amount of USD3,000,000.00 issued in 2014 by Leasafric Ghana Limited.

26.3.4 Fixed rate 5 years senior secured bond

This is a 5 years N7 billion series 1, 16.54% fixed rate senior secured bond due 2023, issued by C & I Leasing on the 11th of June, 2018, for subscription by investors, with an issue price of N1,000 at per. The maturity date being 11th of June 2023 (being the 5th year anniversary from the allotment date). Coupon is at a minimum of 300bps above equivalent FGN bond yield. The purpose is for business expansion, repayment and restructuring of existing facilities and commercial papers as well as working capital funding. The bonds are redeemable at per according to amortisation table, the bonds are irrevocable, direct, secured, senior, and unconditional obligations of C & I Leasing Plc and shall rank pari passu among themselves.

		Group		Company	
		30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
27.	**Retirement benefit obligations**				
	Defined contribution pension plan (Note 27.1)	64,108	10,772	64,108	10,772
		64,108	10,772	64,108	10,772
27.1	**Defined contribution pension plan**				
	At the beginning of the year	10,772	69,709	10,772	69,709
	Contribution during the year	330,202	722,394	330,202	722,394
	Remittance during the year	(321,289)	(781,331)	(321,289)	(781,331)
	At the end of the year	19,685	10,772	19,685	10,772

27.1.1 The Group and its employees make a joint contribution of 18% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	N'000	N'000	N'000	N'000
28. Share capital				
28.1 Authorised share capital				
each	**1,500,000**	1,500,000	**1,500,000**	1,500,000
28.2 Issued and fully paid				
each	**390,823**	202,126	**390,823**	202,126
29. Deposit for shares				
At the beginning of the year	**1,975,000**	1,958,673	**1,975,000**	1,958,673
Adjustment	**-**	16,327		16,327
Exhange difference		-		-
At the end of the period	**1,975,000**	1,975,000	**1,975,000**	1,975,000

This represents US$12,486,143.09 unsecured variable coupon convertible notes issued by Aureos Africa LLC on 11 January 2010 for a period of five years. The interest to be paid on notes is equivalent, in any year, to dividend declared by C&I Leasing and payable on the equivalent number of ordinary shares underlying the loan stock. The Company is in the process of converting the notes to its equity and has elected to include the notes in equity as deposit for shares.

	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	N'000	N'000	N'000	N'000
30. Statutory reserve				
At the beginning of the year	**1,703,520**	1,448,766	**889,678**	854,586
Prior year adjustment	**(468,731)**	(261,558)		(55,404)
Transfer from income statement	**83,681**	516,312	**(4,811)**	90,496
At the end of the period	**1,318,469**	1,703,520	**884,867**	889,678

Nigerian banking regulations requires the Group to make an annual appropriation to a statutory reserve. As stipulated in S. 16 (1) of the Banks and Other Financial Institutions Act CAP B3 LFN 2004 and Central Bank of Nigeria (CBN) guidelines, an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	N'000	N'000	N'000	N'000
31. Statutory credit reserve				
At the beginning of the year	**373,682**	160,622	**373,682**	19,526
Prior year adjustment	**484,571**	-	**484,571**	-
	-	-		-
Arising in the year		213,060		354,156
At the end of the period	**858,253**	373,682	**858,253**	373,682

The Group determines its loan loss provisions based on the requirements of IFRS. The difference between the loan loss provision as determined under IFRS and the provision as determined under Prudential Guidelines (as prescribed by the Central Bank) is recorded in this reserve. This reserve is non distributable.

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	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
32. Retained earnings				
At the beginning of the year	**3,572,560**	2,662,824	**950,442**	1,034,275
Dividend declared and paid		(30,319)		(30,319)
Transfer between reserves	**(83,681)**	-	**-**	-
Transfer from income statement	**278,935**	1,204,727	**(89,997)**	211,158
Prior year adjustment	**(348,277)**	(264,672)	**(307,028)**	(264,672)
Transfer to statutory credit reserve	**-**	-	**-**	-
At the end of the period	**3,419,538**	3,572,560	**553,417**	950,442
33. Foreign currency translation reserve				
At the beginning of the year	**2,668,340**	893,787	**-**	-
Prior year adjustment		2,080,226		
Arising in the year	**443,580**	(305,673)	**-**	-
At the end of the period	**3,111,921**	2,668,340	**-**	-

This represents net exchange difference arising from translation of reserve balances of foreign entity at closing rate.

	Group		Company	
34. AFS fair value reserve				
At the beginning of the year	**5,161**	5,161	**5,161**	5,161
Gain arising in the year	**(228)**	-	**(228)**	-
At the end of the period	**4,933**	5,161	**4,933**	5,161

Available for sale (AFS) fair value reserve represents gains or losses arising from marked to market valuation on available for sale assets.

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
35. Revaluation reserve				
At the beginning of the year	**716,490**	730,193	**716,490**	730,193
Prior year adjustment	**-**	(13,703)	**-**	(13,703)
At the end of the period	**716,490**	716,490	**716,490**	716,490

Revaluation reserve relates surplus arising from the revaluation of land and buildings included in property, plant and equipment.

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
36. Non controlling interest				
At the beginning of the year	**363,118**	350,302		
Share of profit from Leaseafric Ghana	**(10,896)**	26,933		
Prior year adjustment	**(106,824)**	(14,116)		
At the end of the period	**245,398**	363,118	**-**	-
37. Cash and cash equivalents				
Cash and balances with banks (Note 10)	**4,655,883**	2,034,641	**3,570,428**	493,692
Balance due to banks (Note 21)	**(832,930)**	(1,354,012)	**(802,524)**	(1,303,525)
	3,822,953	680,629	**2,767,904**	(809,833)

	Group		Company	
	6 Months to June 2020	6 Months to June 2019	6 Months to June 2020	6 Months to June 2019
	N'000	N'000	N'000	N'000
38. Impairment charge				
Debit balances written off				-
Finance lease receivables	**19,341**	**30,229**	**-**	**-**
Lease rental due	**-**	-	**-**	**-**
Other assets	**-**	-	**-**	**-**
Inventory	**-**	-	**-**	**-**
Per income statement	**19,341**	30,229	**-**	-

	Group				Company			
	6 Months to June 2020	3 Months to June 2020	6 Months to June 2019	3 Months to June 2019	6 Months to June 2020	3 Months to June 2020	6 Months to June 2019	3 Months to June 2019
	N'000		N'000		N'000		N'000	
39. Lease rental income								
Finance lease/operating lease	**9,429,400**	**4,077,570**	11,477,492	5,970,037	**5,827,627**	**2,495,260**	7,919,147	**4,098,131**
	9,429,400	**4,077,570**	11,477,492	5,970,037	**5,827,627**	**2,495,260**	7,919,147	4,098,131
40.Finance cost								
Finance lease interest	**1,269,988**	**613,475**	1,217,670	617,474	**466,719**	**218,832**	340,560	**166,218**
Commercial notes interest	**1,039,621**	**330,935**	748,792	413,558	**1,039,621**	**330,935**	748,792	**413,558**
Term loans interest	**623,308**	**257,514**	571,445	290,032	**623,308**	**257,514**	571,445	**290,898**
	2,932,917	**1,201,924**	2,537,907	1,321,063	**2,129,649**	**807,282**	1,660,797	870,674
41. Outsourcing income								
Outsourcing rental	**5,013,095**	**2,371,976**	3,957,852	1,906,298	**5,013,095**	**2,371,976**	3,957,852	1,906,298
Outsourcing service expense	**(4,323,994)**	**(1,991,590)**	(3,559,919)	(1,711,196)	**(4,323,994)**	**(1,991,590)**	(3,559,919)	(1,711,196)
	689,101	**380,386**	397,933	195,102	**689,101**	**380,386**	397,933	195,102

	Group				Company			
	6 Months to June 2020 N'000	3 Months to June 2020 N'000	6 Months to June 2019 N'000	3 Months to June 2019 N'000	6 Months to June 2020 N'000	3 Months to June 2020 N'000	6 Months to June 2019 N'000	3 Months to June 2019 N'000
42. Tracking and tagging income								
Tracking income	95,520	37,002	115,775	62,653	95,520	37,002	115,775	62,653
Tracking cost	(33,465)	(15,051)	(43,802)	(23,894)	(33,465)	(15,051)	(43,802)	(23,894)
	62,054	21,950	71,973	38,759	62,054	21,950	71,973	38,759
43. Interest income								
Interest on loans and advances	-	-	-	-	-	-	-	-
Interest on bank deposits	14,523	(22,000)	9,630	(2,381)	14,229	8,629	9,587	8,889
	14,523	(22,000)	9,630	(2,381)	14,229	8,629	9,587	8,889
44. Other income								
Gain on sale of operating lease assets (Note 46.1)	211,094	142,271	141,172	83,297	91,689	71,300	83,612	55,330
Gain on sale of property, plant and equipment (Note 46.2)	-		-		-		-	
Foreign exchange gain	-	-	70,793	70,793	-	-	70,793	70,793
Insurance claims received	2,821	828	4,513	3,333	2,821	828	4,513	3,333
Insurance income on finance leases	4,664	1,629	1,561	1,141	4,664	1,629	1,561	1,141
Investment income	67	-	202	202	67	-	202	202
Rent received	10,240	5,280	9,600	9,600	10,240	5,280	9,600	9,600
Others	215,378	(178,825)	175,487	170,233	102,487	(240,401)	2,265	(2,618)
	444,265	(28,817)	403,329	338,600	211,969	(161,364)	172,547	137,781
45 Income from Joint Venture-Sifax Logistics & Marine Service Ltd								
Gross Income	2,571,098	1,383,168	1,232,114	873,104	2,571,098	1,383,168	1,232,114	873,104
Gross expenses	(1,974,136)	(983,312)	(648,843)	(541,584)	(1,974,136)	(983,312)	(648,843)	(541,584)
	596,962	399,856	583,271	331,520	596,962	399,856	583,271	331,520
Proportion of the Group's ownership interest in the joint venture	50%	50%	50%	50%	50%	50%	50%	50%
Group's share of the profit in joint venture	298,481	199,928	291,635	165,760	298,481	199,928	291,635	165,760

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	Group				Company			
	6 Months to June 2020	3 Months to June 2020	6 Months to June 2019	3 Months to June 2019	6 Months to June 2020	3 Months to June 2020	6 Months to June 2019	3 Months to June 2019
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
46. Operating expenses								
Direct operating expenses	**4,782,911**	**2,507,421**	5,205,932	3,103,327	**2,823,022**	**1,152,972**	4,869,692	2,933,398
Finance lease assets maintenance	**56,870**	**(135,867)**	23,297	(306,747)	**56,870**	**(117,240)**	23,297	(213,419)
Finance lease assets insurance	**138,401**	**83,978**	267,125	151,096	**138,401**	**83,978**	150,099	92,926
	4,978,182	**2,455,532**	5,496,354	2,947,676	**3,018,293**	**1,119,710**	5,043,088	2,812,905
47. Depreciation expense								
Operating lease assets	**1,206,822**	**132,228**	1,795,818	920,465	**764,736**	**390,191**	481,865	241,023
Property, plant and equipment	**34,851**	**(15,059)**	116,433	58,837	**23,207**	**11,554**	22,689	11,292
	1,241,673	**117,169**	1,912,251	979,302	**787,943**	**401,745**	504,554	252,315
48. Personnel expense								
Salaries and allowances	**555,961**	**280,410**	639,473	329,335	**514,023**	**259,758**	591,817	297,660
Pension contribution expense	**29,737**	**13,957**	33,768	16,708	**25,725**	**11,936**	33,768	18,231
Training and medical	**101,439**	**39,275**	86,804	38,807	**67,919**	**19,206**	73,724	35,032
	687,136	**333,642**	760,044	384,850	**607,667**	**290,900**	699,309	350,924
50. Administrative expenses								
Auditors' remuneration	**17,112**	**9,829**	13,416	6,859	**10,877**	**6,677**	8,400	4,200
Directors' emoluments	**49,246**	**18,915**	39,791	16,195	**36,795**	**10,420**	33,681	13,158
Foreign exchange loss	**25,390**	**11,481**	26	(5)	**25,390**	**11,481**	-	(5)
Bank charges	**107,548**	**100,505**	160,674	62,601	**87,824**	**87,428**	131,133	50,821
Fuel and maintenance	**25,942**	**10,329**	257,394	221,211	**23,534**	**9,935**	54,499	22,164
Insurance	**28,891**	**5,760**	71,784	36,444	**28,891**	**5,760**	71,784	36,444
Advert and external relations	**12,383**	**(324)**	17,910	6,469	**11,689**	**1,948**	14,060	5,027
Travel and entertainment	**66,684**	**21,123**	92,562	51,133	**63,147**	**20,870**	85,657	47,794
Legal and professional expenses	**139,367**	**63,277**	143,948	83,866	**132,203**	**56,210**	131,209	75,057
Communications	**63,195**	**37,326**	64,517	31,328	**54,280**	**32,377**	54,063	25,629
Subscriptions	**41,148**	**12,780**	51,636	23,395	**34,456**	**9,507**	45,083	20,395
Inventory Losses/write off	**-**	**-**	-	-	**-**	**-**	-	-
Levies and penalties	**30**	**(6,161)**	641	(2,459)	**30**	**(1,585)**	545	(2,555)
Other administrative expenses	**119,866**	**57,078**	91,751	42,014	**80,175**	**50,509**	72,715	36,196
	696,802	**341,918**	1,006,048	579,052	**589,290**	**301,537**	702,827	334,326

		Group		Company	
51		**6 Months to June 2020 N'000**	**6 Months to June 2019** N'000	**6 Months to June 2020 N'000**	6 Months to June 2019 N'000
	Cash flows generated from operating activities				
	Profit after taxation	**268,039**	866,851	**(89,997)**	209,939
	Adjustment to reconcile profit after tax to net cash provided by operating activities:				
	Depreciation of property, plant and equipment	**34,851**	**116,433**	**23,207**	**22,689**
	Depreciation of operating lease assets	**1,206,822**	**1,795,818**	**764,736**	**481,865**
	Write off of operating lease assets		**-**		**-**
	Amortisation of intangible assets	**5,794**	**7,541**	**-**	**-**
	Impairment charge	**22,486**	**30,229**	**3,145**	**-**
	Interest on finance lease facilities and loans	**2,932,917**	**2,537,907**	**2,129,649**	**1,660,797**
	Non controlling interest increase in share capital	**-**	**-**	**-**	**-**
	Exchange (gain)/loss	**25,390**	**(70,767)**	**25,390**	**(70,793)**
	Increase/(decrease) in current income tax liability	**100,779**	**(1,989)**	**68,762**	**2,801**
	Increase/(decrease) in current income tax assets	**-**	**-**	**-**	**-**
	(Decrease)/increase in deferred income tax liability	**-**	**-**	**-**	**-**
	Revaluation Gain		**-**		**-**
	Profit on disposal of operating lease assets	**(211,094)**	**(141,172)**	**(91,689)**	**(83,612)**
	Profit on disposal of property, plant and equipment	**-**	**-**	**-**	**-**
	Exchange (gain)/loss on foreign currency translation	**-**	**-**	**-**	**-**
	Operating profit before changes in operating assets and liabilites	**4,117,945**	4,273,999	**2,923,199**	2,013,747
	Net decrease/(increase) in operating assets (Note 53.1)	**6,568**	**(4,870,633)**	**144,644**	**(4,820,166)**
	Net increase in operating liabilities (Note 54)	**1,547,290**	**4,885,540**	**696,545**	**4,460,255**
	Total adjustments	**5,671,803**	4,288,907	**3,764,389**	1,653,835
	Cash flows generated from operating activities	5,939,842	5,155,758	3,674,391	1,863,774
51.1	**Decrease/(increase) in operating assets**				
	Loans and receivables	**(96,409)**	**(173,402)**	**(86,973)**	(155,295)
	Finance lease receivables	**(83,089)**	**(2,095,295)**	**(35,617)**	(1,005,494)
	Other assets	**(52,039)**	(372,970)	**33,699**	(387,710)
	Inventories	**-**	**(121,522)**	-	(121,440)
	Trade and other receivables	**238,105**	**(2,107,443)**	233,536	(3,150,228)
		6,568	(4,870,633)	**144,644**	(4,820,166)
51.2.	**Increase in operating liabilities**				
	Commercial notes	**762,549**	**2,620,145**	**791,944**	2,613,534
	Trade payables	**454,539**	**1,935,194**	**(425,601)**	1,516,519
	Retirement benefit obligations	**330,202**	**330,202**	**330,202**	330,202
		1,547,290	4,885,540	**696,545**	4,460,255

52. Basic earnings per share

Earnings per share (basic) (EPS) have been computed for each period on the profit after taxation attributable to ordinary shareholders and divided by the weighted average number of issued N0.50 ordinary shares during the period. While diluted earnings per share is calculated by adjusting the weighted average ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. There were no potential dilutive shares in March 2017 (December 2016 : Nil).

	Group		Company	
	6 Months to June 2020 N'000	6 Months to June 2019 **N'000**	**6 Months to June 2020 N'000**	6 Months to June 2019 **N'000**
Profit after taxation	**268,039**	866,851	**(89,997)**	209,939
	Number	**Number**	**Number**	**Number**
Number of shares at period end	**781,647**	**404,253**	**781,647**	**404,253**
Time weighted average number of shares in issue	**781,647**	**404,253**	**781,647**	**404,253**
Diluted number of shares	**1,769,148**	**1,391,753**	**1,769,148**	**1,391,753**
Earnings per share (EPS) (kobo) - basic	**34**	**214**	**(12)**	**52**
Earnings per share (EPS) (kobo) - diluted	**15**	**62**	**(5)**	**15**

53. Information regarding Directors and employees

53.1 Directors

	N'000	N'000	N'000	N'000
53.1.1 Directors' emoluments				
Fees	**26,251**	25,980	**13,800**	19,870
Other emoluments	**21,036**	13,811	**21,036**	13,811
	47,287	39,791	**34,836**	33,681
53.1.2 Fees and emoluments disclosed above excluding pension contributions include amounts paid to:				
The Chairman	**2,900**	2,900	**2,900**	2,900
The highest paid Director	**44,387**	36,891	**31,936**	30,781

53.1.3 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	**-**	-	**-**	-
N400,001	-	N1,550,000	**10**	8	**7**	7
N1,550,001	-	N5,000,000	**1**	1	**-**	-
N5,000,000	-	N8,000,000	**-**	-	**1**	1
N8,000,001	-	N11,000,000	**1**	1	**1**	1
			12	**10**	**9**	**9**

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53.2 Employees

53.2.1 The average number of persons employed by the Group during the perid was as follows:

	Group		Company	
	6 Months to June 2020 Number	6 Months to June 2019 **Number**	**6 Months to June 2020 Number**	6 Months to June 2019 **Number**
Managerial	**26**	**25**	**17**	**14**
Senior staff	**32**	**48**	**28**	**25**
Junior staff	**479**	**463**	**417**	**381**
	537	536	**462**	420

53.2.2 The number of employess of the Group, other than directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were as follows:

N	**N**	Group 6 Months to June 2020	Group 6 Months to June 2019	Company 6 Months to June 2020	Company 6 Months to June 2019
250,001	370,000	196	159	187	150
370,001	420,000	181	226	150	168
430,001	580,000	75	80	58	53
580,001	700,000	21	24	22	20
700,001	750,000	13	18	9	15
840,001	850,000	14	14	12	12
1,000,001	1,100,000	14	12	7	5
1,100,001	1,150,000	6	5	5	4
1,200,001	1,400,000	5	5	4	4
1,500,000	1,550,000	5	5	4	4
1,650,000	2,050,000	7	5	4	2
		537	**553**	**462**	**437**

54. Reclassification of comparative figures

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

55. Events after the reporting date

No event or transaction has occurred since the reporting date, which would have had a material effect on the financial statements as at that date or which needs to be mentioned in the financial statement in the interests of fair presentation of the Group's financial position as at the reporting date or its result for the year then ended.

56. Financial commitments

The Directors are of the opinion that all known commitments and liabilities, which are relevant in assessing the state of affairs of the group have been taken into consideration in the preparation of these financial statements.

57. Contingent assets/(liabilities)

The Group is not subject to any claim and other liabilities nor assets arising in the normal course of the business for the period ended June 30, 2018 (31 December 2017: Nil).

58. Related party transactions

The Group is controlled by C&I Leasing Plc, whose share are widely held. The parent company is a finance company.

A number of transactions are entered into with related parties in the normal course of business. These include loans and borrowings.

The volumes of related-party transactions, outstanding balances at the year-end, and related expense and income for the year are as follows:

58.1 Loans and advances to related parties

The company granted various loans to other companies that have common directors with the company and those that are members of the group. The rates and terms agreed are comparable to other facilities being held in the company's portfolio. Details of these are described below:

	6 Months to June 2020 N'000	31 December 2019 N'000
Leasafic Ghana Limited	**(207,300)**	(1,880)
EPIC International FZE, U.AE.	**5,662,863**	13,542,699
C & I Leasing FZE	**88,168**	-
Impairment allowance	(55,077)	(50,737)
	5,488,654	13,540,819

The loans to subsidiaries are non-collaterised loans and advances at below market rates at 10%. These loans have been eliminated on consolidation and do not form part of the reported Group loans and advances.

59. Segment reporting

59.1 Segment results of operations

The segment information provided to the Group management committee for the reportable segments for the period ended 30 June 2020:

	Fleet management N'000	Personnel outsourcing N'000	Marine services N'000	Citrack telematic N'000	C & I Capital N'000	Total N'000
Gross earnings	**2,031,631**	**5,016,149**	**4,219,762**	**96,182**	**97,197**	**11,460,920**
Operating income	1,534,299	4,892,022	2,711,573	96,182	97,197	9,331,272
Operating expenses	(1,040,840)	(4,524,975)	(1,766,536)	(43,401)	-	(7,375,752)
Depreciation and amortisation	(251,486)	(3,067)	(532,648)	(530)	(211)	(787,943)
Personnel expense	(131,425)	(92,273)	(326,002)	(20,037)	(37,931)	(607,667)
Other operating expenses	(112,526)	(92,867)	(320,772)	(21,152)	(45,117)	(592,434)
Profit before taxation	**(1,977)**	**178,839**	**(234,385)**	**11,062**	**13,938**	**(32,524)**
Total assets employed	3,564,912	1,894,988	28,559,168	232,256	-	34,251,324
Interest Expense	(497,332)	(124,127)	(1,508,189)	-	-	(2,129,649)
Earnings Before Interest and Tax	495,355	302,966	1,654,079	11,062	13,934	2,477,396
ROCE (EBIT/Total Asset)	**14%**	**16%**	**9%**	**5%**		**6%**

59.2 Geographical information

	6 Months to June 2020 N'000	6 Months to June 2019 N'000
1. Revenue		
Nigeria	**11,460,920**	12,466,543
C & I Leasing FZE	**934,230**	-
Ghana	**2,044,854**	2,098,777
United Arab Emirates	**855,278**	1,690,393
	15,295,283	16,255,713
2. Total assets		
Nigeria	**45,923,858**	43,565,628
C & I Leasing FZE	**1,205,872**	-
Ghana	**5,785,650**	6,354,055
United Arab Emirates	**6,588,282**	18,587,075
	59,503,662	68,506,758

60. Complaince with regulations