C & I LEASING PLC

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

C & I LEASING PLC

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Contents

C&I LEASING PLC

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		Group		Company	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
	Notes	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	10.	**605,519**	1,133,584	**534,452**	877,097
Loans and receivables	11.	**1,278,926**	859,026	**1,272,557**	840,241
Trade and other receivables	12.	**16,697,809**	18,010,614	**16,307,005**	17,027,412
Due from related companies		**-**	-	**3,885,390**	4,195,953
Finance lease receivables	13.	**2,473,331**	1,847,130	**2,288,239**	1,728,266
Available for sale assets	14.	**10,314**	9,686	**10,314**	9,686
Investment in subsidiaries	15.	**-**	-	**759,481**	759,467
Investment in joint ventures		**3,008,127**	3,695,333	**3,008,127**	3,695,333
Other assets	16.	**483,640**	283,618	**402,350**	218,684
Operating lease assets	17.	**30,112,647**	30,106,654	**16,222,823**	15,201,254
Property, plant and equipment	18.	**1,227,718**	1,291,111	**1,137,123**	1,164,502
Intangible assets	19.	**29,210**	42,581	**29,172**	42,437
Deferred income tax assets	23.3	**877,226**	854,607	**854,607**	854,607
Total assets		56,804,468	58,133,943	46,711,641	46,614,938
Liabilities					
Balances due to banks	20.	**1,482,518**	1,032,615	**1,456,930**	1,032,604
Commercial notes	21.	**12,882,692**	11,614,608	**12,873,802**	11,602,280
Trade and other payables	22.	**5,412,035**	5,659,299	**4,568,043**	4,573,669
Current income tax liability	23.2	**429,740**	609,239	**389,413**	496,977
Borrowings	24.	**20,516,463**	23,431,386	**19,569,703**	21,475,472
Retirement benefit obligations	26.	**130,136**	23,832	**130,136**	23,832
Deposit for shares	28.	**1,975,000**	1,975,000	**1,975,000**	1,975,000
Deferred income tax liability		**-**	13,506	**-**	-
Total liabilities		**42,828,585**	44,359,487	**40,963,027**	41,179,835
Equity					
Share capital	27.	**390,823**	390,823	**390,823**	390,823
Share premium		**3,361,609**	3,361,609	**3,361,609**	3,361,609
Statutory reserve	29.	**1,524,989**	1,262,038	**873,770**	873,770
Statutory credit reserve	30.	**351,372**	643,413	**380,152**	638,779
Retained earnings	31.	**3,301,055**	2,879,061	**19,063**	(553,075)
Foreign currency translation reserve	32.	**3,393,453**	3,848,909	**-**	-
AFS fair value reserve	33.	**6,706**	6,706	**6,706**	6,706
Revaluation reserve	34.	**716,490**	716,490	**716,490**	716,490
		13,046,498	13,109,050	**5,748,614**	5,435,103
Non-controlling interest	35.	**929,385**	665,406	**-**	-
Total equity		**13,975,883**	13,774,456	**5,748,614**	5,435,103
Total liabilities and equity		**56,804,468**	58,133,943	**46,711,641**	46,614,938

These consolidated financial statements were approved by the Board of Directors on 20th October, 2022 and signed on its behalf by :

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

Ugoji Lenin Ugoji
Managing Director
FRC/2015/NIM/00000012363

Okechukwu Nnake
Chief Financial Officer
FRC/2013/ICAN/00000005362

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

C & I LEASING PLC

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

		Group				Company			
	Notes	**9 Months to Sept 2022 N'000**	**3 Months to Sept 2022**	9 Months to Sept 2021 N'000	3 Months to Sept 2021	**9 Months to Sept 2022 N'000**	**3 Months to Sept 2022**	9 Months to Sept 2021 N'000	3 Months to Sept 2021
Gross earnings		**14,927,139**	**5,205,621**	13,942,059	4,676,101	**11,496,576**	**4,118,139**	9,808,695	3,281,776
Lease rental income	38.	**12,098,779**	**4,006,822**	11,833,009	4,042,437	**8,729,134**	**2,956,078**	7,832,043	2,698,841
Lease expenses	44.	**(6,179,870)**	**(2,173,271)**	(5,403,665)	(1,917,522)	**(5,486,096)**	**(1,969,690)**	(4,612,851)	(1,642,248)
Net lease rental income		**5,918,909**	**1,833,551**	6,429,344	2,124,915	**3,243,039**	**986,389**	3,219,192	1,056,593
Net outsourcing income	40.	**1,218,161**	**326,455**	886,950	289,841	**1,218,161**	**326,455**	886,950	289,841
Tracking income	41.	**101,075**	**31,693**	116,461	33,746	**101,075**	**31,693**	116,461	33,746
Tracking expenses	41.	**(45,720)**	**(10,552)**	(63,614)	(19,768)	**(45,720)**	**(10,552)**	(63,614)	(19,768)
Net tracking income		**55,355**	**21,141**	52,848	13,977	**55,355**	**21,141**	52,848	13,977
Interest income	42.	**26,611**	**1,517**	3,170	(13,011)	**22,300**	**370**	3,151	1,524
Other operating income	43.	**986,726**	**666,705**	661,332	176,141	**930,119**	**631,114**	528,953	110,876
Income from Joint Venture		**495,786**	**172,429**	441,137	146,948	**495,786**	**172,429**	441,137	146,948
Finance cost	39.	**(3,532,381)**	**(1,218,938)**	(3,398,873)	(1,194,299)	**(3,237,894)**	**(1,135,903)**	(2,750,146)	(998,903)
		5,169,167	**1,802,859**	5,075,907	1,544,512	**2,726,865**	**1,001,995**	2,382,085	620,856
Impairment charge	37.	**7,881**	**28,142**	(43,855)	(28,037)	**2,801**	**(506)**	288	615
Depreciation expense	45.	**(2,985,386)**	**(1,012,860)**	(3,217,393)	(1,099,481)	**(1,662,053)**	**(589,257)**	(1,586,043)	(553,930)
Personnel expenses	46.	**(999,831)**	**(327,540)**	(843,373)	(278,908)	**(883,125)**	**(295,027)**	(745,271)	(244,812)
Other operating expenses	48.	**(668,131)**	**(218,501)**	(828,378)	(282,076)	**(570,015)**	**(189,240)**	(665,968)	(231,096)
Profit on continuing operations before taxation		523,700	272,100	142,908	(143,989)	(385,527)	(72,035)	(614,909)	(408,367)
Income tax	23.1	**(154,535)**	**(37,425)**	(312,907)	(139,009)	**(65,944)**	**(13,070)**	(180,009)	(93,976)
Profit after tax		**369,165**	**234,675**	(169,999)	(282,999)	**(451,471)**	**(85,105)**	(794,918)	(502,344)
Profit attributable to:									
Owners of the parent		**313,863**	**194,568**	(181,912)	(305,809)	**(451,471)**	**(85,105)**	(794,918)	(502,362)
Non-controlling interests		**55,302**	**40,107**	11,914	22,810				
		369,165	**234,675**	(169,999)	(282,999)	**(451,471)**	**(85,105)**	(794,918)	(502,362)
Appropriation of profit attributable to owners of the parent:									
Transfer to statutory reserve		**229,600**	**193,812**	(54,574)	(91,743)	**-**		-	
Transfer to statutory credit reserve									
Transfer to retained earnings		**84,263**	**756**	73,695	(214,066)	**(451,471)**	**(85,105)**	(794,918)	(502,362)
		313,863	**194,568**	19,121	(305,809)	**(451,471)**	**(85,105)**	(794,918)	(502,362)
Basic earnings per share [kobo]	49.	**40**	**25**	(23)	(39)	**(58)**	**(11)**	(102)	(64)

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

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 2022

		Group		Company	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit after tax		**369,165**	(169,999)	**(451,471)**	(794,918)
Adjustment for:					
Depreciation of property, plant and equipment	18.	**71,466**	1,042,283	**27,379**	34,093
Depreciation of operating lease assets	17.	**2,913,920**	2,175,110	**1,634,674**	1,553,077
Amortisation of intangible assets	19.	**11,336**	11,600	**11,271**	2,467
Profit on disposal of operating lease assets		**(897,494)**	(220,025)	**(850,703)**	-
Foreign currency translation difference		**(452,183)**	888,835	**-**	
Finance cost	39.	**3,532,381**	3,398,873	**3,237,894**	2,750,146
Prior year adjustment		**(148,938)**	(448,220)	**732,216**	303,760
Exchange loss/Gain adjustment		**15,033**	(147,492)	**18,418**	(147,492)
Gain on revaluation of AFS assts		**(628)**	(288)	**(628)**	(288)
Tax expense	23.2	**154,535**	312,907	**65,944**	180,009
		5,568,594	6,843,586	**4,424,994**	3,880,854
Changes in operating assets and liabilities					
Increase/(Decrease) in loans and receivables		**(419,900)**	(270,364)	**(432,316)**	(265,116)
Increase/(Decrease) in trade and other receivables		**1,312,805**	(832,118)	**1,030,970**	(1,214,830)
Decrease in finance lease receivables		**(626,202)**	236,495	**(559,974)**	257,866
Decrease in other assets		**(200,022)**	(728,255)	**(183,666)**	28,178
Increase/(decrease) in trade and other payables		**(247,265)**	352,146	**(5,625)**	12,108
Increase/(decrease) in commercial papers		**1,268,084**	(5,298,778)	**1,271,521**	(5,300,446)
Decrease/(Increase) in Pension contribution		**106,304**	26,564	**106,304**	26,564
Deferred tax paid		**(36,124)**	(75,273)	**-**	(1,407)
Tax paid	23.2	**(23,964)**	(325,623)	**(23,964)**	(325,623)
Net cash from operating activities		**6,702,310**	(71,621)	**5,628,244**	(2,901,852)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**-**	70,409	**-**	25,136
Purchase of property, plant and equipment	18.	**-**	(12,010)	**-**	(4,544)
Proceeds from sale of operating lease assets		**923,744**	-	**1,007,592**	143,489
Purchase of operating lease assets	17.	**(2,789,204)**	(2,172,129)	**(2,738,311)**	(937,907)
Acquisition of intangible assets		**-**	(48,420)	**-**	(45,085)
Proceed from investment in subsidiaries			385,381	**-**	-
Additional investment in joint ventures		**687,206**	(857,395)	**687,206**	(857,395)
Proceeds from sale of investment securities		**-**	2,210	**-**	2,210
Net cash used in investing activities		**(1,178,255)**	(2,631,955)	**(1,043,513)**	(1,674,096)
Cash flows from financing activities					
Repayment of borrowings		**-**	-	**-**	-
Increase/(decrease) in borrowings		**(2,914,923)**	5,953,344	**(1,905,769)**	7,334,566
Finance cost	39.	**(3,532,381)**	(3,398,873)	**(3,237,894)**	(2,750,146)
Share of (profit)/loss to non-controlling interest	35.	**263,980**	-	**-**	-
Dividend paid	31.	**-**	(539,082)	**-**	(539,082)
Net cash from financing activities		**(6,183,325)**	2,015,388	**(5,143,663)**	4,045,338
Increase/(decrease) in cash and cash equivalents		**(659,269)**	(688,187)	**(558,933)**	(530,610)
Cash and cash equivalents at 1 January		**(217,731)**	470,456	**(363,545)**	167,065
Cash and cash equivalents at 30 September	36.	**(877,000)**	(217,731)	**(922,478)**	(363,545)

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

C & I LEASING PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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 2022	390,823	3,361,609	-	1,262,038	643,413	2,879,061	3,848,909	6,706	716,490	665,406	13,774,456
Changes in equity for the period ended 30 September 2022											
Profit for the period	-	-	-	-	-	313,863	-	-	-	55,302	369,165
Right issue	-	-									
Other comprehensive income											
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	-	-	-	-
Audit Adjustment	-	-	-	-		-	-	-	-	-	-
Arising on consolidation/Audit adjustments	-	-	-	33,350	(33,414)	337,731	(201,951)	-	-	-	135,716
Gain on foreign operations translation	-	-	-	-	-	-	(253,506)	-	-	-	(253,506)
Total comprehensive income for the period ended 30 September 2022	-	-	-	33,350	(33,414)	651,594	(455,457)	-	-	55,302	251,376
Transactions with owners											
Transfer between reserves	-	-	-	229,600	(258,627)	(229,600)	-	-	-	208,677	(49,950)
Dividend paid						-				-	-
Repayment of Loan stock	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	229,600	(258,627)	(229,600)	-	-	-	208,677	(49,950)
At 30 September 2022	**390,823**	**3,361,609**	**-**	**1,524,988**	**351,372**	**3,301,055**	**3,393,453**	**6,706**	**716,490**	**929,385**	**13,975,882**
At 30 September 2021	**390,823**	**3,361,609**	**-**	**1,293,622**	**625,728**	**3,118,350**	**3,833,957**	**6,707**	**716,490**	**633,188**	**13,980,473**

C & I LEASING PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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 N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Total equity N'000
At 1 January 2022	390,823	3,361,609	-	873,770	638,779	(553,075)	-	6,706	716,490	5,435,103
Changes in equity for the period ended 30 September 2022										
Profit for the period		-	-	-	-	(451,471)	-	-	-	(451,471)
Right issue	-	-								-
Other comprehensive income										
Fair value changes on available for sale		-	-	-	-	-	-	-	-	-
Audit adjustments	-	-	-	-	-	764,982		-	-	764,982
Surplus on revaluation of property, plant and equipment		-	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended 30 September 2022	-	-	-	-	-	313,511	-	-	-	313,511
Transactions with owners										
Transfer between reserves		-	-	-	(258,627)	258,627	-	-	-	-
Retained arising on merger						-				-
Dividends paid during the period		-	-	-	-	-	-	-	-	-
Repayment of Loan stock		-	-	-	-	-		-	-	-
			-	-	(258,627)	258,627				-
At 30 September 2022	390,823	3,361,609	-	873,770	380,152	19,063	-	6,706	716,490	5,748,614
At 30 September 2021	**390,823**	**3,361,609**	**-**	**873,770**	**638,779**	**157,505**	**-**	**6,707**	**716,490**	**6,145,683**

C & I LEASING PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1. The reporting entity

These 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 individuals 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) in addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at period end, the Company has two 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 financial period from 1 January 2022 to 30 September 2022 with comparative for the period ended 31 December 2021.

The consolidated financial statements for the unaudited period ended 30 September 2022 were approved for issue by the Board of Directors on 20 October 2022.

2. Basis of preparation

2.1 Statement of compliance with IFRSs

The Group's consolidated financial statements for the period ended 30 September 2022 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements comprise of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes to the consolidated financial statements.

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 period 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 Functional and presentation currency

The 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.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 September, 2022.

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 period 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.

2.5 Changes on accounting policies and disclosures

2.5.1 New and amended standards and interpretations

In these consolidated financial statements, the Company has applied IFRS 9, IFRS 7R (Revised) and IFRS 15, effective for annual periods beginning on or after 1 January 2018, for the first time. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact

2.5.1.1 IFRS 9 Financial instruments

The Company has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Company did not early adopt any earlier versions of IFRS 9 in previous periods. IFRS 9 replaces IAS 39 for annual periods on or after 1 January 2018.

2.5.1.2 Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.5.1.3 Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

Amends IAS 39 Financial Instruments: Recognition and Measurement make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.5.1.4 Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

The amendment clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off', the application of simultaneous realisation and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements. The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.5.1.5 Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities

The amendment provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement. Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries. Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated). The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.5.1.6 IFRIC 21 Levies

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The liability is recognised progressively if the obligating event occurs over a period of time. If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached. The amendment is applicable to annual periods beginning on or after 1 January 2014.

2.5.2 Accounting standards and interpretations issued and effective

2.5.2.1 IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The application of this new standard had no material impact on the group.

2.5.2.2 Amendment to IAS 1, 'Financial statement presentation'

The main change resulting from these amendments is a requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).The amendment affected presentation only and had no impact on the Group's financial position or performance. The group has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

3. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods 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 periods and methods are reviewed annually and adjusted if appropriate.

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 period 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 period 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 property, plant and equipment and operating lease 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 period 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 periods 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 period 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 directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

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 period 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 period of the borrowing using the effective interest method.

3.11.3 Impairment of financial assets

3.11.3.1 Financial assets carried at amortised cost

The Group assesses at each end of the reporting period 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 period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as 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 period 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 period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through 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 period 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 periods 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 periodic 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 periods in which they are incurred.

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 period 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 period 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 period 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 period. 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 periods.

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 periods; 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 Termination benefits

Termination 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 period 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 period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically 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 period 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 period, 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 period, based on an estimate of the number of options that will eventually vest.

At the end of each reporting period, 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 period has expired, any payment required by the lessee by way of penalty is recognised in income statement in the period 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 periodic 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 period, 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 periodically 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 period 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 it 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 period 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 period end. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, 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 period of the change, if the change affects that period only, or in the period of change and future period, 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 periodically 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 judgement. 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**	**Held to maturity N'000**	**Fair value through profit or loss N'000**	**Amortised cost N'000**	**Total carrying amount N'000**
At 30 September 2022							
Assets							
Cash and balances with banks	605,519	-	-	-	-	-	605,519
Loans and receivables	-	1,278,926			-	-	1,278,926
Finance lease receivables	-	2,473,331	-	-	-	-	2,473,331
Available for sale assets	-	-	10,314	-	-	-	10,314
Trade receivables	-	16,697,809	-	-	-	-	16,697,809
Other assets	-	483,640	-	-	-	-	483,640
	605,519	**20,933,706**	**10,314**	**-**	**-**	**-**	**21,549,539**
Liabilities							
Balances due to banks	-	-	-	-	1,482,518	-	1,482,518
Borrowings	-	-	-	-	-	20,516,463	20,516,463
Trade payables	-	-	-	-	-	5,412,035	5,412,035
Commercial notes	-	-	-	-	-	12,882,692	12,882,692
	-	**-**	**-**	**-**	**1,482,518**	**38,811,191**	**40,293,709**

	Financial assets				**Financial liabilities**		
	Fair value through profit or loss N'000	**Loans and receivables N'000**	**Available for sale N'000**	**Held to maturity N'000**	**Fair value through profit or loss N'000**	**Amortised cost N'000**	**Total carrying amount N'000**
At 31 December 2021							
Assets							
Cash and balances with banks	1,133,584	-	-	-	-	-	1,133,584
Loans and receivables	-	859,026					859,026
Finance lease receivables	-	1,847,130	-	-	-	-	1,847,130
Available for sale assets	-	-	9,686	-	-	-	9,686
Trade and other receivables	-	18,010,614	-	-	-	-	18,010,614
Other assets	-	283,618	-	-	-	-	283,618
	1,133,584	**21,000,388**	**9,686**	**-**	**-**	**-**	**22,143,657**
Liabilities							
Balances due to banks	-	-	-	-	1,032,615	-	1,032,615
Borrowings	-	-	-	-	-	23,431,386	23,431,386
Trade and other payables	-	-	-	-	-	5,659,299	5,659,299
Commercial notes	-	-	-	-	-	11,614,608	11,614,608
	-	**-**	**-**	**-**	**1,032,615**	**40,705,294**	**41,737,909**

Company	Financial assets				Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 30 September 2022							
Assets							
Cash and balances with banks	534,452	-	-	-	-	-	534,452
Loans and receivables	-	1,272,557	-	-	-	-	1,272,557
Finance lease receivables	-	2,288,239	-	-	-	-	2,288,239
Available for sale assets	-	-	10,314	-	-	-	10,314
Other assets	-	402,350	-	-	-	-	402,350
Trade and other receivables	-	20,192,395	-	-	-	-	20,192,395
	534,452	**24,155,541**	**10,314**	**-**	**-**	**-**	**24,700,307**
Liabilities							
Balances due to banks	-	-	-	-	1,456,930	-	1,456,930
Borrowings	-	-	-	-	-	19,569,703	19,569,703
Trade and other payables	-	-	-	-	-	-	4,568,043
Commercial notes	-	-	-	-	-	12,873,802	12,873,802
	-	**-**	**-**	**-**	**1,456,930**	**32,443,505**	**38,468,478**

	Financial assets				Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 31 December 2021							
Assets							
Cash and balances with banks	877,097	-	-	-	-	-	877,097
Loans and receivables	-	840,241	-	-	-	-	840,241
Finance lease receivables	-	1,728,266	-	-	-	-	1,728,266
Available for sale assets	-	-	9,686	-	-	-	9,686
Trade and other receivables	-	21,223,364	-	-	-	-	21,223,364
Other assets	-	218,684					218,684
	877,097	**24,010,555**	**9,686**	**-**	**-**	**-**	**24,897,337**
Liabilities							
Balances due to banks	-	-	-	-	1,032,604	-	1,032,604
Borrowings	-	-	-	-	-	21,475,472	21,475,472
Trade and other payables	-	-	-	-	-	4,573,669	4,573,669
Commercial notes	-	-	-	-	-	11,602,280	11,602,280
	-	**-**	**-**	**-**	**1,032,604**	**37,651,422**	**38,684,026**

6.2 Fair valuation methods and assumptions

Cash and cash equivalents, trade and other receivables, trade and other payables 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 N9,685,584.50 (December 2021: N10,314,076.10) 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 21% at the end of the period, compared to 22% recorded for the year ended 31 December, 2021 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 September 2022 N'000	31 December 2021 N'000	**30 September 2022** N'000	31 December 2021 N'000
Tier 1 capital				
Share capital	**390,823**	390,823	**390,823**	390,823
Share premium	**3,361,609**	3,361,609	**3,361,609**	3,361,609
Statutory reserve	**1,524,989**	1,262,038	**873,770**	873,770
Statutory credit reserve	**351,372**	643,413	380,152	638,779
Retained earnings	**3,301,055**	2,879,061	**19,063**	(553,075)
Non-Controlling interest	**929,385**	665,406	**-**	-
Sub-Total	**9,859,234**	9,202,351	**5,025,418**	4,711,907
Less:Intangible assets	**(29,210)**	(42,581)	**(29,172)**	(42,437)
Under Provision/Deferred assets	**-**	-	-	-
Required loan loss reserve	**(351,372)**	(643,413)	**(380,152)**	(638,779)
Deferred income tax assets	**(877,226)**	(854,607)	**(854,607)**	(854,607)
Total qualifying for tier 1 capital	**8,601,426**	7,661,750	**3,761,487**	3,176,084
Tier 2 capital				
Exchange translation reserve	**3,393,453**	3,848,909	**-**	-
Fair value reserve	**6,706**	6,706	**6,706**	6,706
Revaluation reserve	**-**	716,490	**-**	716,490
	3,400,159	4,572,105	**6,706**	723,196
Total qualifying for tier 2 capital (Maximum of 33.3% of tier 1 capital)	**3,400,159**	4,572,105	**1,252,575**	2,200,955
Total regulatory capital	**12,001,585**	12,233,855	**5,014,062**	5,377,039

	%				
Cash in hand	0	**17,152**	35,051	**17,152**	35,051
Cash and balances with banks	20%	**588,367**	1,418,859	**517,300**	1,125,970
Loans and receivables	100%	**1,278,926**	543,874	**1,272,557**	526,898
Trade receivables	100%	**16,697,809**	13,308,926	**16,307,005**	11,682,825
Due to related companies	100%	**-**	-	**3,885,390**	5,207,439
Finance Lease Receivables	100%	**2,473,331**	2,313,173	**2,288,239**	2,221,289
Availables for saleassets	100%	**10,314**	7,335	**10,314**	7,335
Investment in subsidiaries	100%	**-**	-	**759,481**	759,467
Investment in joint venture	100%	**3,008,127**	2,952,373	**3,008,127**	2,952,373
Other assets	100%	**483,640**	647,720	**402,350**	561,537
Inventories	100%	**-**	-	**-**	-
Operating lease assets	100%	**30,112,647**	32,521,421	**16,222,823**	17,439,055
Property, plant and equipment	100%	**1,227,718**	1,423,705	**1,137,123**	1,204,576
Deferred income	100%	**-**	-	**-**	-
Total risk weighted assets		**55,898,032**	55,172,436	**45,827,862**	43,723,814
Risk-weighted Capital Adequacy Ratio (CAR)		**21%**	22%	**11%**	12%

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 September 2022 N'000	31 December 2021 N'000
Financial assets		
Cash and balances with banks	**605,519**	1,133,584
Loans and receivables	**1,278,926**	859,026
Finance lease receivables	**2,473,331**	1,847,130
Available for sale assets	**10,314**	9,686
Trade receivables	**16,697,809**	18,010,614
Other assets	**483,640**	283,618
	21,549,539	22,143,657

	Company	
	30 September 2022 N'000	31 December 2021 N'000
Financial assets		
Cash and balances with banks	**534,452**	877,097
Loans and receivables	**1,272,557**	840,241
Finance lease receivables	**2,288,239**	1,728,266
Available for sale assets	**10,314**	9,686
Trade and other receivables	**16,307,005**	17,027,412
Other assets	**402,350**	218,684
	20,814,917	20,701,385

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. 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 September 2022			
Balance due to banks	1,482,518	-	1,482,518
Borrowings	3,335,876	17,180,587	20,516,463
Trade payables	5,412,035	-	5,412,035
Commercial notes	2,463,924	10,418,769	12,882,692
	12,694,354	27,599,356	40,293,709
31 December 2021			
Balance due to banks	1,354,012	-	1,354,012
Borrowings	4,909,379	16,474,463	21,383,842
Trade payables	7,088,647	-	7,088,647
Commercial notes	2,221,392	9,393,216	11,614,608
	15,573,430	25,867,679	41,441,109

	Company		
	Current N'000	**Non-current N'000**	**Total N'000**
30 September 2022			
Balance due to banks	1,456,930	-	1,456,930
Commercial notes	2,468,612	10,405,190	12,873,802
Borrowings	2,406,099	17,163,604	19,569,703
Trade payables	4,568,043	-	4,568,043
	10,899,684	27,568,794	38,468,478
31 December 2021			
Balance due to banks	1,032,604	-	1,032,604
Commercial notes	2,224,792	9,377,489	11,602,280
Borrowings	4,029,131	17,446,341	21,475,472
Trade and 0ther payables	4,573,669	-	4,573,669
	11,860,196	26,823,830	38,684,026

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

During the period ended 30 September 2022, the Company has transferred NIL (31 December 2021: N(258,627,000.00) to the statutory credit reserve. This is because the provisions for credit and other known losses as determined under the prudential guidelines issued by the Central Bank of Nigeria (CBN), is higher than the impairment allowance as determined in line with IAS 39 as at the year then ended.

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		Group		Company	
		30 September 2022 N'000	31 December 2021 N'000	30 September 2022 N'000	31 December 2021 N'000
10.	**Cash and balances with banks**				
	Cash in hand	**17,152**	17,329	**17,152**	17,329
	Current balances with banks	**588,367**	1,083,100	**517,300**	859,768
	Placement with bank	**-**	33,155	**-**	-
		605,519	**1,133,584**	**534,452**	877,097
11.	**Loans and receivables**				
	Lease rental due	**1,298,920**	818,049	**1,298,920**	818,049
	Loans and advances	**48,676**	62,269	**42,307**	43,484
		-	**-**	**-**	-
		1,347,597	880,318	**1,341,227**	861,533
	Impairment allowance (Note 11.4)	**(68,670)**	(21,292)	**(68,670)**	(21,292)
		1,278,926	859,026	**1,272,557**	840,241
11.1	**Analysis of loans and receivables by security**				
	Secured	**-**	-	**-**	-
	Otherwise secured	**1,347,597**	880,318	**1,341,227**	861,533
		1,347,597	880,318	**1,341,227**	861,533
11.2	**Loans and receivables are further analysed as follows:**				
	Less than one year	**786,005**	513,458	**782,290**	502,501
	More than one year and less than five years	**561,592**	366,860	**558,938**	359,032
	More than five years	**-**	-	**-**	-
		1,347,597	880,318	**1,341,227**	861,533
11.3	**Impairment allowance on loans and receivables**				
	Lease rental due	**51,109**	19,528	**51,109**	19,528
	Loans and advances	**17,562**	1,764	**17,562**	1,764
		68,670	21,292	**68,670**	21,292
11.4	**Analysis of impairment allowance - Lease rental due**				
	Specific impairment	**17,562**	1,764	**17,562**	1,764
	Collective impairment	**51,109**	19,528	**51,109**	19,528
		68,670	21,292	**68,670**	21,292

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		Group		Company	
		30 September 2022 N'000	31 December 2021 N'000	**30 September 2022 N'000**	31 December 2021 N'000
11.6	**Analysis of impairment allowance - Loans and advances**				
	Specific impairment	**17,562**	1,764	**17,562**	1,764
	Collective impairment	**-**	-	**-**	-
		17,562	1,764	**17,562**	1,764
11.6.1	**Movement in impairment allowance - Loans and advances**				
	At the beginning of the year	**1,764**	1,764	**1,764**	1,764
	(Write back)/(Charge for the period)	**15,798**	-	**15,798**	-
	At the end of the year	**17,562**	1,764	**17,562**	1,764
12.	**Trade receivables**				
	Trade receivables	**-**	-	**-**	-
	Operating lease service receivables	**6,834,035**	5,993,868	**6,049,857**	**4,843,881**
	Amount due from related companies (12.1)	**-**	-	**-**	**-**
	Account receivables	**204,942**	1,448,605	**806,428**	**1,774,204**
	Other debit balances	**143,486**	2,233,341	**18,580**	**2,172,760**
	Consumables	**3,342,050**	2,623,544	**3,327,847**	**2,613,811**
	Insurance receivables	**5,528**	19,750	**-**	**-**
	Withholding tax receivables	**6,305,561**	5,819,442	**6,242,086**	**5,750,692**
		16,835,602	18,138,550	16,444,798	**17,155,348**
	Impairment allowance	**(137,793)**	(127,936)	**(137,793)**	**(127,936)**
		16,697,809	18,010,614	**16,307,005**	**17,027,412**
12.1	Amount due from related companies				
	Leasafric Ghana	**-**	-	**(333,496)**	(342,240)
	C & I Leasing FZE		-	**(358,891)**	(358,891)
	EPIC International FZE, United Arab Emirates	**-**	-	**4,603,384**	4,921,261
	Impairment	**-**	-	**(25,608)**	(24,177)
		-	-	**3,885,390**	4,195,953
13.	**Finance lease receivables**				
	Gross finance lease receivable	**5,477,500**	4,128,805	**5,245,830**	3,918,385
	Unearned lease interest/maintenance	**(2,957,318)**	(2,279,803)	**(2,956,063)**	(2,188,246)
	Net investment in finance lease	**2,520,182**	1,849,003	**2,289,766**	1,730,139
	Impairment allowance (Note 13.4)	**(46,851)**	(1,873)	**(1,527)**	(1,873)
		2,473,331	1,847,130	**2,288,239**	1,728,266
13.2	**The net investment in finance lease may be analysed as follows:**				
	Less than one year	**1,885,430**	1,383,299	**1,766,841**	1,335,019
	More than one year and less than five years	**634,752**	465,704	**522,925**	395,120
	More than five years	**-**	-	**-**	-
		2,520,182	1,849,003	**2,289,766**	1,730,139
13.3	**Analysis into current portion and non-current portion**				
	Current portion	**1,885,430**	1,383,299	**1,766,841**	1,335,019
	Non-current portion	**634,752**	465,704	**522,925**	395,120
		2,520,182	1,849,003	**2,289,766**	1,730,139
13.4	**Analysis of impairment allowance - Finance lease receivables**				
	Specific impairment				
	Collective impairment	**46,851**	1,873	**1,527**	1,873
		46,851	1,873	**1,527**	1,873
13.4.1	**Movement in impairment allowance - Finance lease receivables**				
	At the beginning of the year	**1,873**	14,936	**1,873**	1,873
	Discontinued operations	**-**	-	**-**	-
	Charge for the year	**-**	-	**-**	-
	Provision no longer required	**44,978**	(13,062.8)	**(346)**	-
	Written off in the year		-	**-**	-
	At the end of the year	**46,851**	1,873	**1,527**	1,873

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		Group		Company	
		30 September 2022 N'000	31 December 2021 N'000	30 September 2022 N'000	31 December 2021 N'000
14.	**Available for sale assets**				
14.1	**Listed and unlisted equities - at fair value**				
	Access Bank Plc (GDR)	**-**	-	**-**	-
	First Bank of Nigeria Plc	**16,500**	16,500	**16,500**	16,500
	Fidelity Bank Plc	**12,000**	12,000	**12,000**	12,000
	BW Offshore	**-**	-	**-**	-
	Dimunition	**(18,186)**	(18,814)	**(18,186)**	(18,814)
		10,314	9,686	**10,314**	9,686
15.	**Investment in subsidiaries**				
	Leasafric Ghana Limited	**-**	-	**754,750**	754,736
	EPIC International FZE, United Arab Emirates	**-**	-	**4,231**	4,231
	C & I Leasing FZE	**-**	-	**500**	500
		-	-	**759,481**	759,467

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 15.1.4)	Trading in ships and boats	United Arab Emirates	100%	31 December
C & I Leasing FZE	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 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 FZE

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15.2.1 Condensed results of consolidated entities

30 September 2022

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasingl FZE N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination N'000	Group N'000
Condensed income statement							
Gross earnings	**11,496,576**	**2,032,873**	**-**	**1,397,691**	**14,927,139**	**-**	**14,927,139**
Net operating income/(Loss)	2,726,865	1,118,987	-	1,323,315	**5,169,167**	-	**5,169,167**
Impairment charge	2,801	5,080	-	-	**7,881**	-	**7,881**
Depreciation expense	(1,662,053)	(636,230)	-	(687,102)	**(2,985,386)**	-	**(2,985,386)**
Personel expenses	(883,125)	(116,706)	-	-	**(999,831)**	-	**(999,831)**
Other operating expenses	(570,015)	(92,562)	-	(5,554)	**(668,131)**	-	**(668,131)**
Profit/(loss) before tax	(385,527)	278,569	-	630,659	523,700	-	523,700
Income tax	(65,944)	(88,591)	-	-	(154,535)	-	(154,535)
Profit/(loss) after tax	**(451,471)**	**189,977**	**-**	**630,659**	**369,165**	**-**	**369,165**

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FOR THE PERIOD ENDED 30 SEPTEMBER 2022

30 September 2022

Condensed statement of financial position	**C&I Leasing Plc N'000**	**Leasafric Ghana Limited N'000**	**C & I Leasingl FZE**	**EPIC International FZE, U.A.E N'000**	**Total N'000**	**Elimination adjustments N'000**	**Group N'000**
Assets							
Cash and balances with banks	**534,452**	65,791	100	5,175	605,519		605,519
Loans and receivables	**1,272,557**	6,370	-	-	1,278,926	-	1,278,926
Trade receivables	16,307,005	783,986	272,345	-	17,363,336	(665,527)	16,697,809
Due from related companies	3,885,390	209,202	358,891	(7,443,930)	(2,990,448)	2,990,448	-
Finance lease receivables	**2,288,239**	185,092	-	-	2,473,331		2,473,331
Available for sale financial assets	**10,314**	-	-	-	10,314		10,314
Investment in subsidiaries	**759,481**	-	-	-	759,481	(759,481)	-
Investment in joint ventures	**3,008,127**	**-**	**-**	**-**	3,008,127		3,008,127
Other assets	**402,350**	81,289	-	-	483,640	-	483,640
Inventory	**-**	-		-	-		-
Operating lease assets	**16,222,823**	888,506	-	13,001,318	30,112,647		30,112,647
Property, plant and equipment	**1,137,123**	90,595	-	-	1,227,718		1,227,718
Intangible assets	**29,172**	39	-	0.03	29,210		29,210
Current income tax assets	**-**	-	-	-	-		-
Deferred income tax assets	**854,607**	22,618	-	-	877,226		877,226
Total assets	**46,711,641**	**2,333,488**	**631,337**	**5,562,563**	**55,239,029**	**1,565,439**	**56,804,468**
Liabilities and equity							
Balances due to banks	1,456,930	25,588	-	-	1,482,518		1,482,518
Commercial notes	12,873,802	8,891	-	-	12,882,692		12,882,692
Borrowings	19,569,703	946,760	-	-	20,516,463	-	20,516,463
Trade payables	4,568,043	429,296	525,877	695,468	6,218,683		6,218,683
Other liabilities	-	-	-	-	-	(806,648)	(806,648)
Retirement benefit obligations	130,136	-	-	-	130,136		130,136
Current income tax liability	389,413	40,327	-	-	429,740		429,740
Deferred income tax liability	-	-	-	-	-		-
Equity and reserves	7,723,614	882,626	105,460	4,867,095	13,578,796	2,372,088	15,950,883
Total liabilities and equity	**46,711,641**	**2,333,488**	**631,337**	**5,562,563**	**55,239,029**	**1,565,439**	**56,804,468**

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15.2.1 Condensed results of consolidated entities (Cont'd)

30 September 2021

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasingl FZE	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
Condensed income statement							
Gross earnings	6,526,937.55	1,792,605.31	93,782.79	852632.7869	**9,265,958**	**-**	**9,265,958**
Operating income	2,382,085	1,485,318	1,114,722	93,783	5,075,907	-	5,075,907
Impairment charge	288	(44,143)	-		(43,855)	-	(43,855)
Depreciation and amortisation	(1,586,043)	(999,984)	(631,366)	-	(3,217,393)	-	(3,217,393)
Personel expenses	(745,271)	(98,101)	-	-	(843,373)	-	(843,373)
Other operating expenses	(665,968)	(159,126)	(3,035)	(250)	(828,378)	-	(828,378)
Profit/(Loss) before tax	(614,909)	183,963	480,321	93,533	142,908	-	142,908
Income tax expense	(180,009)	(132,898)	-	-	(312,907)	-	(312,907)
Profit for the year	**(794,918)**	**51,065**	**480,321**	**93,533**	**(169,999)**	**-**	**(169,999)**

15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2021

Condensed statement of financial position	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasingl FZE	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	877,097	251,275	100	5,113	1,133,584		1,133,584
Loans and receivables	840,241	18,786	-	-	859,026	-	859,026
Trade and other receivables	17,027,412	1,224,132	272,345	-	18,523,889	(513,275)	18,010,614
Due from related companies	4,195,953	344,312	358,891	(8,264,087)	(3,364,932)	3,364,932	-
Finance lease receivables	1,728,266	118,864	-	-	1,847,130		1,847,130
Available for sale financial assets	9,686	-	-	-	9,686		9,686
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in joint ventures	3,695,333	-	-	-	3,695,333		3,695,333
Other assets	218,684	64,934	-	-	283,618	-	283,618
Inventories	-	-		-	-		-
Operating lease assets	15,201,254	1,778,288	-	13,127,111	30,106,654		30,106,654
Property, plant and equipment	1,164,502	126,608	-	-	1,291,111		1,291,111
Intangible assets	42,437	144	-	0.03	42,581		42,581
Current income tax assets	-	-	-	-	-		-
Deferred income tax assets	854,607	-	-	-	854,607		854,607
Total assets	**46,614,938**	**3,927,342**	**631,337**	**4,868,137**	**56,041,754**	**2,092,189**	**58,133,943**
Liabilities and equity							
Balances due to banks	1,032,604	11	-	-	1,032,615		1,032,615
Commercial notes	11,602,280	12,328	-	-	11,614,608		11,614,608
Borrowings	21,475,472	1,955,914	-	-	23,431,386	-	23,431,386
Trade payables	4,573,669	672,301	432,344	41,164	5,719,478		5,719,478
Other liabilities	-	-	-	-	-	(60,178)	(60,178)
Retirement benefit obligations	23,832	-	-	-	23,832		23,832
Current income tax liability	496,977	112,262	-	-	609,239		609,239
Deferred income tax liability	-	13,506	-	-	13,506		13,506
Equity and reserves	7,410,103	1,161,020	198,993	4,826,973	13,597,089	2,152,367	15,749,456
Total liabilities and equity	**46,614,938**	**3,927,342**	**631,337**	**4,868,137**	**56,041,754**	**2,092,189**	**58,133,943**

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	Group		Company	
	30 September 2022 N'000	31 December 2021 N'000	**30 September 2022 N'000**	31 December 2021 N'000
16. Other assets				
Non-financial assets:				
Prepayments	**483,640**	283,618	**402,350**	218,684
Net other assets balance	**483,640**	283,618	**402,350**	218,684

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17. 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 2022	12,373,478	36,856	39,495,599	-	78,567	51,984,500
Ajustment/Reclassification	(2,968,085)		560,454	-	(21,728)	(2,429,359)
Additions	2,378,870	-	410,334	-	-	2,789,204
	-	-	-	-	-	-
Disposals in the period	(868,964)	-	-	-	-	(868,964)
Exchange difference	-	-	-	-	-	-
At 30 Sept 2022	10,915,298	36,856	40,466,388	-	56,839	51,475,381
Accumulated depreciation						
At 1 January 2022	9,940,098	35,261	11,833,736	-	68,752	21,877,847
Ajustment/Reclassification	(1,943,031)		754,896		(23,286)	(1,211,421)
Charge for the year	1,988,551	661	922,953	-	1,755	2,913,920
Disposals in the period	(842,714)	-	-	-	-	(842,714)
Exchange difference	(1,374,898)	-	-	-	-	(1,374,898)
At 30 Sept 2022	7,768,005	35,922	13,511,585	-	47,221	21,362,733
Carrying amount						
At 30 Sept 2022	**3,147,294**	**934**	**26,954,803**	**-**	**9,618**	**30,112,648**

	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 2021	14,027,479	36,856	35,226,842	2,381,926	364,793	52,037,895
Additions	1,304,174	-	3,034,536	-	2,787	4,341,497
Ajustment/Reclassification	(54,131)		1,234,222	(2,381,926)	-	(1,201,836)
Disposals in the period	(2,904,043)	-	-	-	(289,013)	(3,193,056)
Exchange difference	-	-	-	-	-	-
At 31 December 2021	12,373,478	36,856	39,495,599	-	78,567	51,984,500
Accumulated depreciation						
At 1 January 2021	9,493,274	33,067	9,663,582	-	326,550	19,516,474
Charge for the year	3,152,638	2,193	1,087,741	-	4,652	4,247,225
Ajustment/Reclassification	(1,157,213)		1,082,413		3,999	(70,801)
Disposals in the period	(1,548,602)	-	-	-	(266,450)	(1,815,052)
Exchange difference	-	-	-	-	-	-
At 31 December 2021	9,940,098	35,261	11,833,736	-	68,752	21,877,847
Carrying amount						
At 31 December 2021	**2,433,380**	**1,595**	**27,661,863**	**-**	**9,815**	**30,106,654**

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17. 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 2022	4,909,213	36,856	22,627,898	-	21,000	27,594,966
Adjustment	7,176	-	-			7,176
Additions	2,378,870	-	359,441	-	-	2,738,311
Reclassified	(130,642)	-	-	-	-	(130,642)
Disposals in the period	(868,964)	-	-	-	-	(868,964)
At 30 Sept 2022	6,295,653	36,856	22,987,339	-	21,000	29,340,848
Accumulated depreciation						
At 1 January 2022	4,254,114	35,261	8,093,146	-	11,191	12,393,712
Reclassified	(84,187)	-	17,757		(1,216)	(67,646)
Charge for the period	709,485	661	922,953	-	1,575	1,634,674
Disposals in the period	(842,714)	-	-	-	-	(842,714)
At 30 Sept 2022	4,036,698	35,922	9,033,855	-	11,550	13,118,025
Carrying amount						
At 30 Sept 2022	**2,258,955**	**934**	**13,953,484**	**-**	**9,450**	**16,222,823**

	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 2021	7,259,483	36,856	19,593,361	2,381,927	310,013	29,581,639
Additions	607,905	-	3,034,536	-	-	3,642,441
Reclassification	(54,131)	-	-	(2,381,927)	-	(2,436,058)
Disposal in the year	(2,904,043)	-	-	-	(289,013)	(3,193,056)
At 31 December 2021	4,909,213	36,856	22,627,898	-	21,000	27,594,966
Accumulated depreciation						
At 1 January 2021	4,832,331	33,067	7,005,405	-	271,778	12,142,581
Charge for the year	988,429	2,193	1,087,741	-	4,644	2,083,007
Adjustment	(18,044)	-	-		1,219	(16,825)
Disposals in the year	(1,548,602)	-	-	-	(266,450)	(1,815,052)
At 31 December 2021	4,254,114	35,261	8,093,146	-	11,191	12,393,712
Carrying amount						
At 31 December 2021	**655,099**	**1,595**	**14,534,752**	**-**	**9,809**	**15,201,255**

18. Property, plant and equipment

Group	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Buildings N'000	Land N'000	Construction in progress N'000	Marine Equipment N'000	Total N'000
Valuation/Cost									
At 1 January 2022	931,346	99,321	438,477	61,510	473,714	783,289	77,239	13,359	2,878,254
Additions	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-		-
Transfer/Reclassifications	(130,409)	(2,660)	(5,406)	11,180	(7,326)	-	-	(2,226)	(136,847)
Disposal in the period	-	-	-	-	-	-	-		-
Exchange difference	(105,577)	(2,070)	(20,575)		-				(128,222)
At 30 Sept 2022	695,360	94,590	412,496	72,689	466,388	783,289	77,239	11,133	2,613,185
Accumulated depreciation									
At 1 January 2022	864,669	91,269	369,592	56,855	195,850	0.17	-	8,907	1,587,143
Adjustment	(141,376)	(2,486)	4,953	283	(4,601)	(0)	-	-	(143,227)
Charge for the period	38,583	3,173	16,471	4,812	6,757	-	-	1,670	71,466
Disposal in the period	-	-	-	-	-	-	-		-
Exchange difference	(107,846)	(2,869)	(19,200)	-	-	-	-		(129,915)
At 30 Sept 2022	654,030	89,087	371,816	61,949	198,006	0.00	-	10,577	1,385,466
Carrying amount									
At 30 Sept 2022	**41,330**	**5,503**	**40,679**	**10,740**	**268,381**	**783,289**	**77,239**	**557**	**1,227,719**
Valuation/Cost									
At 1 January 2021	964,851	98,602	409,184	61,510	471,641	783,289	77,239	11,133	2,877,449
Additions	-	-	4,644	-	-	-	-	-	4,644
Revaluation surplus	-	-	-	-	-	-	-		-
Transfer/Reclassifications	(30,050)	718	24,649	-	2,072	-	-		(2,610)
Disposal in the year	(3,455)	-	-	-	-	-	-		(3,455)
Exchange difference		-			-				-
At 31 December 2021	931,346	99,321	438,477	61,510	473,714	783,289	77,239	11,133	2,876,028
Accumulated depreciation									
At 1 January 2021	784,757	84,865	341,594	51,154	184,694	2,226	-	4,454	1,453,744
Charge for the year	(4,682)	5,743	26,176	5,700	8,521	-	-	2,227	43,684
Disposal in the year	(3,455)	-	-	-	-	-	-		(3,455)
Adjustment	88049.55	662	1,822	0.11	2,636	-2225.66	-	-	90,944
Exchange difference	-	-	-	-	-	-			-
At 31 December 2021	864,669	91,269	369,592	56,855	195,850	0	-	6,681	1,584,917
Carrying amount									
At 31 December 2021	**66,677**	**8,051**	**68,884**	**4,655**	**277,863**	**783,289**	**77,239**	**4,452**	**1,291,111**

19.1 The land and buildings of the group were not revalued on 30 September 2022.

18. Property, plant and equipment

Company	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Buildings N'000	Land N'000	Construction in progress N'000	Marine Equipment N'000	Total N'000
Valuation/Cost									
At 1 January 2022	225,515	84,106	379,522	61,510	462,649	751,543	77,239	11,133.30	2,053,217
Adjustment	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposal in the period	-	-	-	-	-	-	-		-
At 30 Sept 2022	225,515	84,106	379,522	61,510	462,649	751,543	77,239	11,133	2,053,217
Accumulated depreciation									
At 1 January 2022	225,516	77,689	335,250	56,854	184,499	-	-	8,906.64	888,715
Adjustment	-	-	-	-	-			-	-
Charge for the period	-	2,554	13,828.22	3,497	5,830			1,670.00	27,379
Disposal in the period	-	-	-	-	-				-
At 30 Sept 2022	225,516	80,244	349,078	60,351	190,329	-	-	10,577	916,094
Carrying amount									
At 30 Sept 2022	**(0)**	**3,862**	**30,444**	**1,158**	**272,320**	**751,543**	**77,239**	**557**	**1,137,123**
Valuation/Cost									
At 1 January 2021	228,970	83,792	374,879	61,510	462,649	751,543	77,239	11133.304	2,051,714
Adjustment	-	314	-	-	-	-	-	-	314
Additions	-	-	4,644	-	-	-	-	-	4,644
Disposal in the year	(3,455)	-	-	-	-	-	-		(3,455)
At 31 December 2021	225,515	84,106	379,522	61,510	462,649	751,543	77,239	11,133	2,053,217
Accumulated depreciation									
At 1 January 2021	225,439	70,172	314,453	51,154	176,496	-	-	6679.9824	844,395
Adjustment	-	3,057	-	-	-			-	3,057
Charge for the year	3,531	4,460	20,796	5,700	8,003			2,227	44,717
Disposal in the year	(3,455)	-	-	-	-				(3,455)
At 31 December 2021	225,516	77,689	335,250	56,854	184,499	-	-	8,907	888,715
Carrying amount									
At 31 December 2021	**(0)**	**6,416**	**44,273**	**4,655**	**278,150**	**751,543**	**77,239**	**2,227**	**1,164,502**

19.1 The land and buildings of the group were not revalued on 30 September 2022.

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		Group		Company	
		30 September 2022 N'000	31 December 2021 N'000	**30 September 2022 N'000**	31 December 2021 N'000
19.	**Intangible assets**				
	Computer software				
	Cost	**260,728**	213,103	**208,352**	163,267
	Transfer from Profit or Loss	**-**	-	**-**	-
	Additions		47,625	**-**	45,085
	Exhange difference	**(20,000)**	-	**-**	-
		240,728	260,728	208,352	208,352
	Amortisation				
	A January 1, 2022	**218,148**	201,571	**165,914**	163,266
	Audit adjustment	**(17,966)**	2,205	**1,995**	-
	Amortisation charge	**11,336**	14,372	**11,271**	2,648
		211,518	218,148	**179,180**	165,914
	Net carrying amount				
	At 30 September	29,210	42,581	29,171	42,437

Amortisation has not been charged for the year as the software is yet to be put into use by the Company as at year end.
The software is not internally generated.

		Group 30 September 2022	Group 31 December 2021	Company 30 September 2022	Company 31 December 2021
20.	**Balance due to banks**				
	First City Monument Bank Plc	**92,651**	0.07	**92,651**	0.07
	Diamond Bank Plc	**367,938**	501,152	**367,938**	501,152
	Stanbic IBTC Bank	4,091	-	**4,091**	-
	GTB	**16**	185	**16**	185
	Fidelity Bank Plc	**497,463**	499,230	**497,463**	499,230
	Keystone Bank	**-**	8,304	**-**	8,304
	Polaris Bank	**474,596**	-	**474,596**	-
	Zenith Bank Plc	**1,002**	2,333	**1,002**	2,333
	First Bank of Nigeria Limited	**0.25**	0.25	**0.25**	0.25
	Union Bank Plc	**19,173**	21,400	**19,173**	21,400
	United Bank for Africa	**25,588**	11	**-**	-
		1,482,518	1,032,615	**1,456,930**	1,032,604
21.	**Commercial notes**				
	Institutional clients	**2,463,924**	2,221,392	**2,468,612**	2,224,792
	Individual clients	**10,418,769**	9,393,216	**10,405,190**	9,377,489
		12,882,692	11,614,608	**12,873,802**	11,602,280
21.1	**Analysis of commercial notes**				
	Current	**12,882,692**	11,614,608	**12,873,802**	11,602,280
	Non-current	**-**	-	**-**	-
		12,882,692	11,614,608	12,873,802	11,602,280
22.	**Trade and other liabilities**				
	Financial liabilities:				
	Trade payables	**-**	-	**-**	-
	Security deposits	**-**	-	**-**	-
	Statutory deductions (WHT, PAYE)	**1,002,211**	603,034	**926,937**	497,016
	Accounts payable	**3,465,219**	4,288,560	**2,886,279**	3,719,968
	Payments received on account	**527,746**	299,518	**527,746**	299,518
	Deferred rental income	**8,000**	3,200	**8,000**	3,200
		5,003,176	5,194,313	**4,348,962**	4,519,702
	Non-financial liabilities:				
	Provision and accruals	**408,859**	464,987	**219,081**	53,967
	Total other liabilities	**5,412,035**	5,659,299	**4,568,043**	4,573,669

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		Group		Company	
		30 SEPTEMBER 2022 N'000	31 December 2021 N'000	30 SEPTEMBER 2022 N'000	31 December 2021 N'000
23.	**Taxation**				
23.1	**Income tax charge**				
	Income tax	141,346	267,221	52,755	73,968
	Education tax	13,189	18,492	13,189	18,492
	Technology tax	-	21	-	21
	Current income tax	154,535	285,734	65,944	92,481
	Current income tax credit	-	-	-	-
	Back duty	-	239,879	-	239,879
	Capital gain tax charge	-	62,460	-	62,460
	Income tax	154,535	588,073	65,944	394,820
23.2	**Current income tax liability**				
	At the beginning of the year	609,239	93,276	496,977	169,112
	Adjustment/exchange difference	(310,071)	68,347	(149,545)	73,501
	Charge for the year	154,535	285,713	65,944	92,460
	Technology tax	-	21	-	21
	Back duty	-	239,879	-	239,879
	Capital gain tax charge	-	62,460	-	62,460
	Withholding tax credit notes utilised	-	(118,414)	-	(118,414)
	Payments during the year	(23,964)	(22,042)	(23,964)	(22,042)
	At the end of the year	429,740	609,239	389,413	496,977
23.3	**Deferred income tax assets**				
	At the beginning of the year	(854,607)	(854,607)	(854,607)	(854,607)
	Addition	(22,618)	-	-	-
	At the end of the year	(877,225)	(854,607)	(854,607)	(854,607)
23.3.1	**Analysis of deferred income tax assets**				
	Property, plant and equipment	(877,225)	(854,607)	(854,607)	(854,607)
	Allowance for loan and other assets losses	-	-	-	-
		(877,225)	(854,607)	(854,607)	(854,607)

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		Group		Company	
		30 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
24.	**Borrowings**				
	Term loans (Note 26.1)	**4,022,621**	6,472,099	**4,022,621**	6,500,405
	Finance lease facilities (Note 26.2)	**4,678,420**	4,724,338	**3,731,660**	2,740,119
	Redeemable bonds (Note 26.3)	**11,815,423**	12,234,949	**11,815,423**	12,234,949
		20,516,463	23,431,386	**19,569,703**	21,475,472

The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year (December 2021 : Nil).

24.1	**Term loans**				
	First City Monument Bank Plc (Note 24.1.2)	**1,910,613**	2,766,798	**1,910,613**	2,766,798
	First Ally	**451,616**	449,814	**451,616**	449,814
	Netherlands	**-**	-	**-**	-
	Financial Derivative Company	**752,972**	1,142,713	**752,972**	1,142,713
	Secured lease notes	**907,420**	2,112,774	**907,420**	2,141,079
		4,022,621	6,472,099	**4,022,621**	6,500,405
24.1.1	**Analysis of term loans**				
	Current	**911,697**	1,466,854	**885,029**	1,430,173
	Non-current	**3,110,924**	5,005,246	**3,137,592**	5,070,231
		4,022,621	6,472,099	4,022,621	6,500,405

24.1.2 First City Monument Bank Plc

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

24.1.3 B.V. Scheepswerf Damen Gorinchem, The

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 new boat acquisition. The facility was obtained by EPIC International FZE, U.A.E.

24.1.4 Bank of Industry

On the 8th of February 2017 C & I Group had entered into financing agreement with Bank of Industry limited (Nigeria) for Long term Loan of $11,880,000 for acquisition of Epic Vessel. The loan is payable in five years inclusive of six months moratorium period. Rate of interest is 6.5% per annum. Loan is secured by bank guarantee from First City Monument Bank Plc.

24.1.5 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 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
25.2	**Finance lease facilities**				
	Diamond Bank Plc (Note 25.2.2)	**1,008**	48,953	**1,008**	48,953
	Stanbic IBTC Bank (Note 25.2.3)	**572,347**	928,433	**544,643**	740,035
	Fidelity Bank Nigeria Ltd (Note 25.2.4)	**1,533,729**	418,910	**1,533,729**	418,910
	First City Monument Bank Plc (24.1.2)	**-**	-	**-**	-
	Lotus Capital Limited	**756,679**	984,809	**756,679**	984,809
	United Bank for Africa (Note 25.2.8)	**461,292**	798,952	**-**	-
	Golden Cedar, Ghana (Note 25.2.9)	**225,699**	520,663	**-**	-
	Barclays Bank Ghana (Note 26.2.10)	**150,855**	439,728	**-**	-
	FSDH Merchant Bank Ltd (Note 25.2.11)	**889,700**	139,157	**889,700**	139,157
	Growth and development Nig Ltd	**-**	-	**5,900**	26,569
	Others	**87,110**	444,734	**-**	381,687
		4,678,420	4,724,338	**3,731,660**	2,740,119
25.2.1	**Analysis of finance lease facility**				
	Current	**2,086,499**	2,106,978	**1,183,390**	868,951
	Non-current	**2,591,921**	2,617,360	**2,548,269**	1,871,168
		4,678,420	4,724,338	3,731,660	2,740,119

25.2.2 Access Bank Plc

This facility represents N1.2 billion motor vehicle corporate lease renewable annually for the purpose of financing 80% of cost required to purchase vehicles to service lease or fleet management contract for vehicles from corporate organisations. The interest is at 19% per annum (subject to changes in line with money market conditions) and its tenor is 4 years (48 months).

25.2.3 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.

25.2.4 First Bank Nigeria Limited

This relates to N2 billion equipment lease facility secured from First Bank Nigeria Limited on 10 February 2011 for a period of four years.The interest on the facility is 18% per annum. The facility is in tranches and the Company makes equity contribution of 20% on each tranche drawn. The facility was secured by corporate guarantee of C&I Leasing.

25.2.6 Leadway Assurance Company Limited

Facility represents N147 million finance lease facility secured by Citrans Global Limited from Leadway Assurance Company for a period of four years. The interest on the facility is 18% per annum and was secured by corporate guarantee of C&I Leasing Plc.

25.2.7 Lotus Capital Limited

This represents N200 million Murabaha facility secured from Lotus Capital Limited under the Murabaha agreement of 7 September 2011 for a period of three years. The interest on the facility is 16.02% per annum.

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25.2.8 United Bank for Africa Plc

Facility represents N500 million contract/lease finance facility secured from United Bank for Africa Plc in August 2011 for a period of three years, to part-finance 80% of various lease facilities availed by the C&I to its clients.The interest on the facility is 16% per annum. The facility was secured by joint ownership of leased asset/equipment by UBA and C&I Leasing.

25.2.10 Barclays Bank of Ghana

Facilicty represents US$750,000 finance lease facility secured from Barclays Bank of Ghana Limited in February 2012 for a period of three years. The interest on the facility is 8% per annum. The facility was secured by legal ownership of the leased assets.

25.2.11 FSDH Merchant Bank Limited

Facility represents asset backed lease note secured from First Securities Discount House Limited in February 2012 for a period of two years with a moratorium of three months on principal repayment. The interest on the facility is 16% per annum.

		Group		Company	
		30 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
25.3	**Redeemable bonds**				
	7 billion Fixed Rate 5yr Redeemab Bond	**769,510**	2,366,398	**769,510**	2,366,398
	10 billion Fixed Rate 5yr Redeemab Bond	**11,045,912**	9,868,551	**11,045,912**	9,868,551
		11,815,423	12,234,949	**11,815,423**	12,234,949
25.3.1	**Analysis of redeemable bonds**				
	Current	**337,680**	349,670	**337,680**	349,670
	Non-current	**11,477,743**	11,885,279	**11,477,743**	11,885,279
		11,815,423	12,234,949	**11,815,423**	12,234,949

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

This is a 5years N7 billion series 1, 16.54% fixed rate senior secured bond due 2023, issued by C and I Leasing on the 11th of June, 2018, for subscription by investors, with an issue price of N1,000 at par. 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 par according to amortization table, the bonds are irrevocable, direct, secured, senior, and unconditional obligations of C and I Leasing Plc and shall rank pari passu among themselves.

		Group		Company	
		30 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
26.	**Retirement benefit obligations**				
	Defined contribution pension plan (Note 27.1)	**130,136**	23,832	**130,136**	23,832
		130,136	23,832	**130,136**	23,832
26.1	**Defined contribution pension plan**				
	At the beginning of the year	**23,832**	43,400	**23,832**	43,400
	Contribution during the year	**429,784**	756,376	**429,784**	756,376
	Remittance during the year	**(583,752)**	(775,945)	**(583,752)**	(775,945)
	At the end of the year	**(130,136)**	23,832	**(130,136)**	23,832

26.1.1 The Group make 10% and its employees make a contribution of 8% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

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		Group		Company	
		30 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
27.	**Share capital**				
27.1	**Authorised share capital**				
	3,000,000,000 ordinary shares of 50k each	**1,500,000**	1,500,000	**1,500,000**	1,500,000
27.2	**Issued and fully paid**				
	781,646,600 ordinary shares of 50k each	**390,823**	390,823	**390,823**	390,823
28.	**Deposit for shares**				
	At the beginning of the year	**1,975,000**	1,975,000	**1,975,000**	1,975,000
	Adjustment	**-**	-	**-**	-
	At the end of the period	1,975,000	1,975,000	1,975,000	1,975,000

This represents US$10,000,000.00 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 loan stock stock has been purchased by an investor (Peace mass transit); a transportation company in Nigeria.

		Group		Company	
		30 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
29.	**Statutory reserve**				
	At the beginning of the year	**1,262,038**	1,342,874	**873,770**	867,817
	Prior year adjustment	**33,350**	(80,836)	**-**	5,953
	Transfer from income statement	**229,600**	0	**-**	-
	At the end of the period	**1,524,988**	1,262,038	**873,770**	873,770

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 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
30.	**Statutory credit reserve**				
	At the beginning of the year	**643,413**	258,643	**638,779**	258,643
	Adjustment	**(292,041)**	384,770	**(258,627)**	380,136
	Arising in the year	**-**	-		-
	Exchange difference adjustment		-		-
	At the end of the period	**351,372**	643,413	**380,152**	638,779

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 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
31. Retained earnings				
At the beginning of the year	**2,879,061**	3,320,154	**(553,074)**	1,175,350
Dividend declared and paid	**-**	(539,082)	**-**	(539,082)
Transfer from income statement	**84,263**	(141,232)	**(451,471)**	(958,699)
Prior year adjustment	**337,731**	239,221	**1,023,609**	(230,643)
Transfer to statutory credit reserve	**-**	-		**-**
At the end of the period	**3,301,055**	2,879,061	**19,063**	(553,074)
32. Foreign currency translation reserve				
At the beginning of the year	**3,848,910**	3,692,656	**-**	-
Prior year adjustment	**(201,951)**	-		
Arising in the year	**(253,506)**	156,254	**-**	-
At the end of the period	**3,393,453**	3,848,910	-	-

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

	Group		Company	
33. AFS fair value reserve				
At the beginning of the year	**6,707**	4,497	**6,707**	4,497
(Loss)/Gain arising in the year	-	2,210	-	2,210
At the end of the period	**6,707**	6,707	**6,707**	6,707

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 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
34. Revaluation reserve				
At the beginning of the year	**716,490**	716,490	**716,490**	716,490
Prior year adjustment	**-**	-	**-**	-
Arising during the year	**-**	-	**-**	-
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 SEPTEMBER 2022 N'000	31 December 2021 N'000	**30 SEPTEMBER 2022 N'000**	31 December 2021 N'000
35. Non controlling interest				
At the beginning of the year	**665,406**	251,999		
Arising during the year	**55,302**	38,020		
Prior year adjustment	**208,677**	375,387		
At the end of the period	**929,386**	665,406	**-**	-
36. Cash and cash equivalents				
Cash and balances with banks (Note 10)	**605,519**	1,133,584	**534,452**	877,097
Balance due to banks (Note 20)	**(1,482,518)**	(1,032,615)	**(1,456,930)**	(1,032,604)
	(877,000)	100,969	**(922,478)**	(155,507)

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		Group		Company	
		30 SEPTEMBER 2022	31 December 2021	**30 SEPTEMBER 2022**	31 December 2021
		N'000	N'000	**N'000**	N'000
37.	**Impairment charge**				
	Debit balances written off	**-**	-	**-**	-
	Finance lease receivables	**-**	(288)	**-**	(288)
	Lease rental due	**-**	-	**-**	-
	Loans and advances	**-**	**-**	**-**	-
	Intercompany balance	**(2,155)**	**-**	**(2,155)**	-
	Other assets	**(5,726)**	44,143	**(646)**	-
	Per income statement	**(7,881)**	43,855	**(2,801)**	(288)

		Group				Company			
		9 Months to Sept 2022	**3 Months to Sept 2022**	**9 Months to Sept 2021**	**3 Months to Sept 2021**	**9 Months to Sept 2022**	**3 Months to Sept 2022**	9 Months to Sept 2021	3 Months to Sept 2021
		N'000	**N'000**	N'000	N'000	**N'000**	**N'000**	N'000	N'000
38.	**Lease rental income**								
	Finance lease/operating lease	**12,098,779**	**4,006,822**	11,833,009	4,042,437	**8,729,134**	**2,956,078**	7,832,043	2,698,823
		12,098,779	**4,006,822**	11,833,009	4,042,437	**8,729,134**	**2,956,078**	7,832,043	2,698,823
39.	**Lease interest expense**								
	Finance lease interest	**844,909**	**295,250**	915,703	295,032	**624,798**	**234,010**	481,377	156,228
	Commercial notes interest	**958,150**	**351,753**	1,010,506	216,251	**958,150**	**351,753**	1,010,506	216,251
	Term loans interest	**1,729,322**	**571,935**	1,472,665	683,016	**1,654,946**	**550,140**	1,258,263	626,425
		3,532,381	**1,218,938**	3,398,873	1,194,299	**3,237,894**	**1,135,903**	2,750,146	998,903
40.	**Outsourcing income**								
	Outsourcing rental	**9,842,859**	**3,191,091**	8,287,146	2,845,613	**9,842,859**	**3,191,091**	8,287,146	2,845,613
	Outsourcing service expense	**(8,624,697)**	**(2,864,636)**	(7,400,196)	(2,555,772)	**(8,624,697)**	**(2,864,636)**	(7,400,196)	(2,555,772)
		1,218,161	**326,455**	886,950	289,841	**1,218,161**	**326,455**	886,950	289,841

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		Group				Company			
		9 Months to Sept 2022	**3 Months to Sept 2022**	9 Months to Sept 2021	3 Months to Sept 2021	**9 Months to Sept 2022**	**3 Months to Sept 2022**	9 Months to Sept 2021	3 Months to Sept 2021
		N'000	**N'000**	N'000	N'000	**N'000**	**N'000**	N'000	N'000
41.	**Tracking and tagging income**								
	Tracking income	**101,075**	**31,693**	116,461	33,746	**101,075**	**31,693**	116,461	33,746
	Tracking expenses	**(45,720)**	**(10,552)**	(63,614)	(19,768)	**(45,720)**	**(10,552)**	(63,614)	(19,768)
		55,355	21,141	52,848	13,977	**55,355**	**21,141**	52,848	13,977
42.	**Interest income**								
	Interest on loans and advances	**-**	**-**	-	-	**-**	**-**	-	-
	Interest on bank deposits	**26,611**	**1,517**	3,170	(13,011)	**22,300**	**370**	3,151	1,524
		26,611	1,517	3,170	(13,011)	**22,300**	**370**	3,151	1,524
43.	**Other income**								
	Gain on sale of operating lease assets (Note 46.1)	**897,494**	**875,735**	220,025	88,489	**850,703**	**843,740**	143,489	69,570
	Foreign exchange gain	**3,400**	**2,117**	147,492	-	**-**	**-**	147,492	-
	Insurance claims received	**14,183**	**5,529**	59,629	12,752	**14,183**	**5,529**	59,629	12,752
	Insurance income on finance leases	**3,750**	**447**	12,764	6,407	**3,750**	**447**	12,764	6,407
	Investment income	**-**	**-**	601	601	**-**	**-**	601	601
	Management fee income	**45,190**	**15,248**	-	-	**45,190**	**15,248**	-	-
	Frank investment income	**-**	**-**	-	-	**-**	**-**	-	-
	Rent received	**14,400**	**4,800**	14,720	4,800	**14,400**	**4,800**	14,720	4,800
	Others	**8,310**	**(237,170)**	206,101	63,092	**1,894**	**(238,650)**	150,258	16,746
		986,726	**666,705**	661,332	176,141	**930,119**	**631,114**	528,953	110,876

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		Group				Company			
		9 Months to Sept 2022 N'000	**3 Months to Sept 2022 N'000**	9 Months to Sept 2021 N'000	3 Months to Sept 2021 N'000	**9 Months to Sept 2022 N'000**	**3 Months to Sept 2022 N'000**	9 Months to Sept 2021 N'000	3 Months to Sept 2021 N'000
44.	**Operating expenses**								
	Direct operating expenses	**4,970,103**	**1,756,514**	4,161,883	1,188,770	**4,738,828**	**1,685,996**	3,928,833	1,357,079
	Finance lease assets maintenance	**808,102**	**297,052**	831,459	593,975	**461,298**	**196,358**	426,021	199,171
	Finance lease assets insurance	**401,665**	**119,705**	410,324	134,777	**285,970**	**87,335**	257,997	85,999
		6,179,870	**2,173,271**	5,403,665	1,917,522	**5,486,096**	**1,969,690**	4,612,851	1,642,248
45.	**Depreciation expense**								
	Operating lease assets	**2,913,920**	**991,401**	2,175,110	142,778	**1,634,674**	**580,906**	1,551,951	542,821
	Property, plant and equipment	**71,466**	**21,459**	1,042,283	956,703	**27,379**	**8,351**	34,093	11,109
		2,985,386	**1,012,860**	3,217,393	1,099,481	**1,662,053**	**589,257**	1,586,043	553,930
46.	**Personnel expense**								
	Salaries and allowances	**857,755**	**281,221**	720,398	235,675	**795,371**	**263,765**	659,977	214,680
	Pension contribution expense	**53,956**	**17,234**	48,765	16,921	**47,869**	**15,522**	42,943	14,856
	Training and medical	**88,119**	**29,086**	74,210	26,312	**39,885**	**15,740**	42,352	15,277
		999,831	**327,540**	843,373	278,908	**883,125**	**295,027**	745,271	244,812
47.	**Distribution expenses**								
	Marketing	**-**		**-**		**-**	**-**	-	
	Advertising	**-**		**-**		**-**	**-**	-	
		-		-		**-**	**-**	**-**	**-**
48.	**Administrative expenses**								
	Auditors' remuneration	**25,095**	**8,067**	34,346	11,648	**20,255**	**6,755**	28,432	9,477
	Directors' emoluments	**49,949**	**14,792**	96,777	33,792	**43,485**	**14,908**	84,651	29,717
	Foreign exchange loss	**18,432**	**5,046**	-	-	**18,432**	**5,046**	-	-
	Bank charges	**111,139**	**28,612**	132,486	45,061	**106,116**	**27,611**	120,462	40,754
	Fuel and maintenance	**60,867**	**19,392**	31,878	8,221	**55,582**	**18,265**	31,878	8,221
	Insurance	**32,000**	**14,562**	28,866	8,879	**32,000**	**14,562**	28,866	8,879
	Advert and external relations	**11,851**	**3,111**	11,401	2,716	**3,897**	**882**	5,338	678
	Travel and entertainment	**19,080**	**5,592**	39,787	11,115	**17,757**	**5,312**	35,732	8,553
	Legal and professional expenses	**111,485**	**30,397**	228,201	84,177	**94,654**	**25,010**	208,653	80,154
	Communications	**72,835**	**28,120**	62,365	24,212	**66,086**	**25,475**	48,105	16,712
	Subscriptions	**31,831**	**14,302**	30,896	10,238	**21,499**	**9,717**	17,557	5,927
	Amortisation			11,600	3,892			2,467	617
	Levies and penalties	**12,592**	**8,111**	5,499	3,817	**12,592**	**8,111**	5,499	3,817
	Other administrative expenses	**110,975**	**38,398**	114,277	34,308	**77,660**	**27,586**	48,328	17,589
		668,131	**218,501**	828,378	282,076	**570,015**	**189,240**	665,968	231,096

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49. 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 1,391,753 potential dilutive shares as at June 2022

	Group		Company	
	September 30, 2022 N'000	September 30, 2021 N'000	**September 30, 2022 N'000**	September 30, 2021 N'000
Profit after taxation	**369,165**	(169,999)	**(451,471)**	(794,918)
	Number	Number	**Number**	Number
Number of shares at period end	**781,646**	781,646	**781,646**	781,646
Time weighted average number of	**781,646**	781,646	**781,646**	781,646
Diluted number of shares	**1,769,147**	**1,769,147**	**1,769,147**	**1,769,147**
Earnings per share (EPS) (kobo) -	**47**	**(22)**	**(58)**	**(102)**
Earnings per share (EPS) (kobo) -	**21**	**(10)**	**(26)**	**(45)**
	N'000	N'000	**N'000**	N'000

	Group		Company	
	September 30, 2022	September 30, 2021	**September 30, 2022**	September 30, 2021
	N'000	N'000	**N'000**	N'000
50. Information regarding Directors and employees				
50.1 Directors				
50.1.1 Directors' emoluments				
Fees	**29,797**	46,317	**23,333**	34,191
Other emoluments	**20,152**	19,810	**20,152**	19,810
	49,949	66,127	**43,485**	54,001
50.1.2 Fees and emoluments disclosed above excluding pension				
The Chairman	**6,753**	3,000	**6,753**	3,000
Other Directors	**43,197**	63,127	**36,732**	51,001
50.1.3 The number of Directors [including the Chairman and the highest paid Director] who received fees and other emoluments [excluding				
	Number	Number	**Number**	Number
N240,001 - N400,000	**-**	-	**-**	-
N400,001 - N1,550,000	**10**	10	**6**	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	12	**8**	9

			Group		Company	
			30 September 2022 Number	31 December 2021 Number	**30 September 2022 Number**	31 December 2021 Number
51.2	**Employees**					
51.2.1	The average number of persons employed by the Group during the perid was as follows:					
	Managerial		**16**	29	**14**	19
	Senior staff		**31**	48	**26**	45
	Junior staff		**286**	485	**253**	407
			333	562	**293**	471
51.2.2	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**				
	250,001	370,000	**115**	159	**102**	159
	370,001	420,000	**94**	244	**89**	189
	430,001	580,000	**48**	80	**44**	53
	580,001	700,000	**17**	24	**17**	24
	700,001	750,000	**12**	18	**8**	15
	840,001	850,000	**11**	12	**9**	12
	1,000,001	1,100,000	**19**	5	**13**	5
	1,100,001	1,150,000	**4**	5	**3**	4
	1,200,001	1,400,000	**3**	5	**2**	4
	1,500,000	1,550,000	**3**	5	**2**	4
	1,650,000	2,050,000	**7**	5	**4**	2
			333	562	**293**	471

52. Reclassification of comparative figures

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

53. 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.

54. 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 take into consideration in the preparation of these financial statements.

55. 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 30 September 2022 (31 December 2021: Nil).

56. 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 perod-end, and related expense and income for the year are as follows:

57.1 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:

	30 September 2022 N'000	31 December 2021 N'000
EPIC International FZE, U.AE.	**-**	-
Leasafric, Ghana	**-**	-
Access bank Plc	**-**	-
	-	-

No impairment loss has been recognised in respect of loans given to related parties.

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.

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58. Segment reporting

58.1 Segment results of operations

The segment information provided to the Group management committee for the reportable segments for the period ended 30 September 2022:

	Fleet management N'000	Personnel outsourcin N'000	Marine services N'000	Citrack N'000	Total N'000
Gross earnings	**2,999,266**	**895,217**	**7,500,382**	**101,711**	**11,496,576**
Operating income	2,588,524	804,607	4,763,856	101,694	8,258,681
Operating expenses	(1,434,355)	-	(4,042,690)	(54,771)	(5,531,816)
Depreciation	(735,932)	(5,355)	(920,212)	(555)	(1,662,053)
Personnel expense	(157,175)	(139,968)	(553,660)	(32,322)	(883,125)
Administrative expenses	(105,920)	(88,386)	(359,987)	(12,921)	(567,215)
Profit before taxation	**155,142**	**570,898**	**(1,112,693)**	**1,125**	**(385,527)**
Total assets employed	2,544,845	1,425,113	21,427,598	50,897	25,448,453
Interest Expense	(410,742)	(90,610)	(2,736,525)	(17)	(3,237,894)
Earnings Before Interest and Tax	565,884	661,508	1,623,832	1,142	2,852,367
ROCE (EBIT/Total Asset)	**22%**	**46%**	**8%**	**2%**	**11%**

58.2 Geographical information

	30 June 2022 N'000	30 June 2021 N'000
1. Revenue		
Nigeria	**11,496,576**	6,620,720
Ghana	**2,032,873**	1,792,605
United Arab Emirates	**1,397,691**	852,633
	14,927,139	9,265,958
2. Total assets		
Nigeria	**47,342,978**	47,246,275
Ghana	**2,333,488**	3,927,342
United Arab Emirates	**7,128,002**	6,960,326
	56,804,468	58,133,943