C & I LEASING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2023

C & I LEASING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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CORPORATE INFORMATION

Directors

Dr. Samuel Maduka Onyishi	Chairman
Mr. Chukwuemeka Ndu	Vice Chairman
Mr. Ugoji Lenin Ugoji	Group Managing Director/CEO
Mr. Omotunde Olao-Olaifa	Non-Executive Director
Mr. Babatunde Edun	Non-Executive Director
Alhaji Sadiq Abubakar Adamu	Independent Non-Executive Director
Mrs. Florence Okoli	Independent Non-Executive Director
Mr. Oluyemi Abaolu-Johnson	Independent Non-Executive Director
Mr. Tom Oko Achoda	Independent Non-Executive Director

Management Team

Mr. Ugoji Lenin Ugoji	Group Managing Director/CEO
Mr. Alexander Mbakogu	Deputy Managing Director/COO
Mr. Okechukwu Nnake	Chief Financial Officer
Mr. Babatunde Ogunturin	Head - Treasury
Mr. Adesoji Aiyeola	Financial Controller
Mr. Iyke Chiobi	General Manager - LeasAfric
Mr. Mustapha Momoh	General Manager - Marine
Mrs. Ada Onwuneme	Acting Head - Outsourcing
Mr. Ayodele Babatunde	Country Manager - Fleet

Company Secretary
Mbanugo Udenze & Co.
Plot 9b Olatunji Moore Street
Off T.F. Kuboye Road
Lekki Phase 1
Lagos

Registered Office:
Leasing House
2, C & I Leasing drive
Off Bisola Durotimi Etti Drive
Off Admiralty way, Lekki Phase 1
Lagos

Independent Auditor:
Ernst & Young
10th & 13th Floors, UBA House
57, Marina
Lagos
Nigeria
www.ey.com

RC Number
RC 161070

Tax identification number
01056712-0001

CBN License Number and Date
FI000185/ 2nd June 1993

C & I LEASING PLC

Corporate Governance Report for the Year Ended 31 December 2023

The Board of C & I Leasing Plc ('the Company') is pleased to present the Corporate Governance Report for the 2023 Financial Year. The report provides insight into the operations of our governance framework and the Board's key activities during the reporting period.

The Board

The Board is led by the Group Chairman and sets the Group's strategy and risk appetite. It also approves capital and operating plans for the attainment of the Group's strategic objectives on the recommendation of Management. The Board's composition during the 2023 financial year is detailed below.

Director	Role
Dr. Samuel Maduka Onyishi	Chairman
Mr. Chukwuemeka Ndu	Vice Chairman
Mr. Ugoji Lenin Ugoji	Group Managing Director/CEO
Mr. Omotunde Olao-Olaifa	Non-Executive Director
Mr. Babatunde Edun	Non-Executive Director
Alhaji Sadiq Abubakar Adamu	Independent Non-Executive Director
Mrs. Florence Okoli	Independent Non-Executive Director
Mr. Oluyemi Abaolu-Johnson	Independent Non-Executive Director
Mr. Tom Oko Achoda	Independent Non-Executive Director

Board Members Profile

Dr. Samuel Maduka Onyishi
Chairman/ Non Executive Director

Dr. Onyishi has a degree in Social Works and Community from the University of Nigeria, Nsukka. He also holds a Master's degree in Entrepreneurship from the Institute for Transformative Thought and Learning in the Doctoral Research Centre of the University of Arizona, Phoenix, in the United States and founded the transportation company – Peace Mass Transit Limited (PMT) in 1996. He joined the Board of C & I Leasing Plc. in 2020.

Mr. Chukwuemeka Ndu
Vice Chairman/ Non Executive Director

Mr. Ndu, a Chartered Accountant and Group Vice Chairman of C & I Leasing Plc. Until June 2000, he was the Chairman of the Equipment Leasing Association of Nigeria (ELAN). Mr. Ndu has served as the Chairman of the Shipping and Marine Services Sub-Committee of the National Consultative Forum set up by the Nigerian National Petroleum Corporation (National Content Division) to promote indigenous content in the Nigerian oil & gas industry.

Mr. Ugoji Lenin Ugoji
Managing Director / Chief Executive Officer

Mr. Ugoji joined C & I Leasing Plc. In September 2021 as the Chief Operations Officer and was promoted to the GMD/CEO in January 2022 whereafter he joined the Board. He has several years of experience as a Portfolio/Fund Manager and has worked with several Banks and Investment companies including the then Continental Trust Bank Limited, NAL Bank Plc, Aquila Capital Limited and Aquila Asset Management. He holds a BSC in Estate Management from the University of Lagos and an MBA in Banking and Finance from the Enugu State University of Technology Business School.

Mr. Omotunde Alao-Olaifa
Non-Executive Director

Mr. Omotunde Alao-Olaifa has extensive experience across the corporate spectrum which includes Capital Raising, Deal Structuring, Acquisition, Project Financing as well as asset Management. He holds a degree in Political Science from the University of Ibadan and an MBA from Pan Atlantic University (Lagos Business School). He represents Leadway Assurance Company Limited on the Board as a Non-Executive Director.

Corporate Governance Report for the Year Ended 31 December 2023-continued

Mr. Babatunde Olakunle Edun
Non-Executive Director
Mr Babatunde Edun is a serial entrepreneur with demonstrated expertise in the Telecommunication, Logistics, and Distributed Power Industries. He has immense capacity for developing start-ups, and has built several businesses of scale. Mr. Edun is a member of the Institute of Directors (IoD), the Lagos Polo and Ikoyi clubs and serves on the PTA Executive of the Saint Saviour's School Ikoyi, Lagos. He attended King's College Lagos, the University of Lagos, and the Lagos Business School. He sits on the boards of Prudential Mortgage Bank, Biswal Limited, Tranos Contracting Limited, Accat (Nigeria) Ltd, Exchange Telecommunications Limited and the Iluburin Development Project Company Limited.

Alhaji Sadiq Abubakar Adamu
(Independent Non-Executive Director – Awaiting regulatory approval)
Alhaji Abubakar Adamu is the former General Counsel, ExxonMobil Affiliated Companies in Nigeria, Executive Director, Mobil Producing Nigeria Unlimited, Executive Director Esso Exploration & Producing Nigeria Limited, Executive Director Esso Exploration & Producing (Offshore East) Limited and Director Lagos Court of International Arbitration. He is an alumnus of Bayero University. He has a Master of Laws degree from Harvard University Law School in the United States, and a postgraduate certificate in advance negotiation from Oxford University College of Petroleum and Energy Resources.

Mrs Florence Okoli
Independent Non-Executive Director
Mrs. Florence Okoli has over 20 years multi-industry cross functional experience spanning energy, telecommunications and advisory services. She attended Queens College, Yaba, Lagos and the University of Lagos. She holds an MBA from Harvard Business School. She previously worked with Arthur Anderson, MTN Nigeria Communication, Mobil Producing Nigeria Unlimited and Shell Petroleum Development Company. She is presently the Group Managing Director of Eraskorp Nigeria Limited.

Mr. Oluyemi Abaolu-Johnson
Independent Non-Executive Director
Mr. Oluyemi Abaolu-Johnson is a seasoned accountant with vast experience in auditing, tax, finance and risk management. He has continued to support many multinational companies and public sector entities with their processes. Abaolu-Johnson who at various times worked at Access Bank Plc., Standard Trust Bank Plc., Deloitte Nigeria, Price Waterhouse Coopers amongst others, is a Fellow of the Institute of Chartered Accountants of Nigeria. He is currently the Chief Executive Officer of BVS Professional Services.

Mr. Tom Oko Achoda
Independent Non-Executive Director
Mr. Tom Oko Achoda holds a bachelor's degree in economics, with broad experience and special interest in Business income, and process streamlining. He is an alumnus of the University of South Wales, and the University of Port Harcourt, respectively. He has attended several trainings, and has worked in both the public and private sectors, with the latter including United Bank for Africa Plc., Standard Trust Bank Plc. and NAL Bank Plc. He is presently the Chief Executive Officer of Treasure Capitals and Trusts Limited.

Directors Retiring By Rotation
In accordance with the provisions of Section 285(1) of the Companies and Allied Matters Act, 2020, the Directors to retire by rotation at this Annual General Meeting are Mr. Tom Achoda and Mrs. Florence Okoli, and they, being eligible, offer themselves for re-election.

Corporate Governance Report for the Year Ended 31 December 2023-continued

Board Composition

The Board of Directors consists of nine members, chosen based on their in-depth professional background, expertise, business experience and integrity. The alignment of their unique skills is in tune with the Company's objectives and strategic goals. The Board members are responsible for the oversight of the business and of the Company's risks while evaluating and directing the implementation of controls and procedures including maintenance of sound internal control systems to safeguard shareholders' investments and the Company's assets. They are responsible also for providing good leadership and steering the Company in achieving its long-term goals.

Responsibilities of the Board

The directors owe to the Company the fiduciary duty of loyalty and care. They have continued to carry these out with utmost diligence and in the best interest of the Company, its shareholders, and other stakeholders. The Board meets regularly to perform its stewardship and oversight functions, primary of which are:

1 Review of the Company's goals as well as the strategy for achieving these goals.
2 Review and approval of the Company's financial objectives, plans, actions and significant allocation and expenditure.
3 Review and approval of the annual, half-yearly and quarterly financial statements, as well as annual report and reports to shareholders.
4 Ensuring the integrity of the Group's accounting financial reporting systems by establishing mechanisms for monitoring risk, financial controls, and compliance with applicable laws.
5 Review of the performance of, necessity for, and composition of Board Committees and senior management members, as well as approval of the remuneration of the Chairman, Non-Executive Directors and Management.

Record of Directors Attendance at Meeting

The Board of Directors hold periodic meetings to decide on policy matters and to direct the affairs of the Company, review its operations, finances and formulate growth strategy. The Board agenda and reports are provided ahead of meetings, to enable the Board to make timely and informed decisions.

The Board of Directors held its meetings on the following dates: February 17, 2023, June 19, 2023, July 28, 2023, November 6, 2023. The table below shows the frequency of meetings and Directors' attendance at these meetings during the year under review:

ATTENDANCE FOR BOARD OF DIRECTORS MEETING	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
DR. SAMUEL MADUKA ONYISHI	3/4
MR CHUKWUEMEKA E. NDU	4/4
MR. UGOJI LENIN UGOJI	4/4
MR OMOTUNDE ALAO-OLAIFA	4/4
MR. BABATUNDE EDUN	4/4
ALHAJI SADIQ ADAMU	4/4
MRS FLORENCE OKOLI	4/4
MR. TOM ACHODA	4/4
MR. YEMI ABAOLU-JOHNSON	4/4

Commitees

The Board also performs some of its functions through Board Committees in conformity with the Code of Best Practice in Corporate Governance, which allows for deeper attention to specific issues for the Board. The delegation of these functions does not in any way derogate from the discharge by members of their duties and responsibilities. The committees are as follows:

Corporate Governance Report for the Year Ended 31 December 2023-continued

1 **Board Operations Committee:**

The Board Operations Committee comprises six members, made up of four Non-executive Directors and one Executive Director.

The Committee performs oversight functions relating to strategic operational issues and met on February 15 2023, October 27 2023. Details of members' attendance at the meetings during the year are as shown below:

ATTENDANCE FOR BOARD OPERATIONS COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
MR CHUKWUEMEKA E. NDU	Chairman	2/2
MR. UGOJI LENIN UGOJI	Member	2/2
MR. BABATUNDE EDUN	Member	2/2
ALHAJI SADIQ ADAMU	Member	2/2
MRS FLORENCE OKOLI	Member	2/2
MR. TOM ACHODA	Member	2/2

2 **Board Risk Committee:**

This Committee is tasked with the responsibility of setting and reviewing the Company's risk management process. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk and other pervasive risks as may be posed by the events in the industry at any point in time. The committee gives recommendations to the Board Operations Committee, the Board of Directors (where necessary) and the Audit Committee on how to mitigate the Company's significant risk. The Board Risk Committee also assesses the adequacy and effectiveness of the Company's management of the risk and compliance function of the Company.

i Review of the effectiveness and competence of the Group's risk management procedures and controls for new products and services and make recommendations for approval to the Board and management.
ii Review of the Company's risk management policy framework, quality and strategy.
iii Oversight of management's process for the identification of significant risks across the Company and the capability of prevention, detection and reporting mechanisms.
iv Review of the level of compliance with applicable laws and regulatory requirements which may impact on the Company's risk profile.
v Review of periodic regulatory compliance and statutory reports, changes in the economic and business environment, emerging trends and other factors relevant to the Company's risk profile.

The Board Risk Committee is made up of four members, comprising one Executive Director and three Non-executive Directors. The Committee met on February 13 2023, October 23 2023. A record of their attendance at meetings for the year is as detailed below.

ATTENDANCE FOR BOARD RISK COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
MR. OLUYEMI ABAOLU-JOHNSON	Chairman	2/2
MR. UGOJI LENIN UGOJI	Member	2/2
MR OMOTUNDE ALAO-OLAIFA	Member	2/2
MR. TOM ACHODA	Member	2/2

C & I LEASING PLC

Corporate Governance Report for the Year Ended 31 December 2023-continued

3 **Audit Committee**

In accordance with Section 359(3) of the Companies and Allied Matters Act of Nigeria, the Company has an Audit Committee comprising five members made up of two representatives of the Board of Directors nominated by the Board and three representatives of the shareholders elected at the Annual General Meeting for a tenure of one year till the conclusion of the 2022 AGM. Their role is to oversee internal and external audit, compliance with regulatory requirement, accounting and financial reporting systems of the Group. The members have the appropriate qualifications and background to effectively carry out the committee's responsibilities.

Their statutory functions are as follows:

i ascertain whether the accounting and reporting policies of the Company follow legal requirements and agreed ethical practices.
ii review the effectiveness of the Company's system of accounting and internal control.
iii review the scope and planning of audit requirements.

iv review the finding on management letters in conjunction with the external auditors and responsible departments.

v authorize the internal auditors to carry out investigation into any of the activities of the Company which may be of concern to the committee.
vi make recommendations to the Board as regards the competence of the external and internal auditors, their remuneration and terms of engagement or removal.

The Committee met on February 13, 2023, June 23 2023, July 27, 2023, October 23, 2023, and October 27,2023 . Details of the members' attendance during meetings held in the year are:

ATTENDANCE FOR AUDIT COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
COMRADE SULEIMAN ADERENLE	CHAIRMAN (SHAREHOLDER MEMBER)	5/5
MR FEMI ODUYEMI	SHAREHOLDER MEMBER	5/5
MRS CHRISTIE VINCENT UWAKALA	SHAREHOLDER MEMBER	5/5
MR OMOTUNDE ALAO-OLAIFA	DIRECTOR	5/5
MR. OLUYEMI ABAOLU-JOHNSON	DIRECTOR	5/5

4 **Nomination, Remuneration and Corporate Governance Committee**

This Committee is responsible for the approval of human resources matters, identification and nomination of candidates for appointment to the Board and Board governance issues such as annual evaluation of the performance of the Managing Director and the Board, induction and continuous education, approval of promotion of top management staff, corporate governance, succession planning, conflict of interest situations and compliance with legal and regulatory provisions. The Committee is also responsible for the oversight of strategic people issues, including employee retention, equality and diversity as well as other significant employee relations matters. The committee is made up of five Non-executive Directors only.

The Committee met on February 16 2023 and October 25 2023. Details of members' attendance at the meetings during the year are as shown below:

Corporate Governance Report for the Year Ended 31 December 2023-continued

Nomination, Remuneration and Corporate Governance Committee- continued

ATTENDANCE FOR NOMINATING REMUNERATION & CORPORATE GOVERNANCE COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
ALHAJI SADIQ ADAMU	CHAIRMAN	2/2
MR CHUKWUEMEKA NDU	MEMBER	2/2
MRS. FLORENCE OKOLI	MEMBER	2/2
MR. OLUYEMI ABAOLU-JOHNSON	MEMBER	2/2

Directors' Remuneration

The Company ensures that remuneration paid to its directors complies with the provisions of the codes of corporate governance issued by its regulators. In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by the Securities and Exchange Commission, the Company makes disclosure of the remuneration paid to its directors as follows:

Type of Package	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only. - Reflects the industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year.
13th month salary	Part of gross salary package for Executive Directors only. - Reflects the industry's competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid last month of the financial year.
Director fees	Paid annually on the day of the Annual General Meeting ('AGM') to Non-Executive Directors only.	Paid annually on the day of the AGM.
Sitting allowances	Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each Meeting.

Management Committees

These are standing committees made up of the Company's Executive and Senior Management staff. The Committees are set up to identify, analyse and make recommendations on risks pertaining to the Company's daily activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and provide input to the various Board Committees in addition to ensuring the effective implementation of risk polices. These Committees meet as as required and take actions and decisions within the ambit of their powers.

The Management Committees include Risk Management Committee, Strategic Committee and the IT Steering Committee.

Corporate Governance Report for the Year Ended 31 December 2023-continued

Anti-Money Laundering

C & I Leasing Plc is committed to establishing exemplary anti-money laundering practices and ensuring that the Company is not used as a conduit for money laundering or other illicit business. The Group has adopted procedures emanating from the Money Laundering (Prohibition) Act, 2011 (MLPA), as well as the Central Bank of Nigeria Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) Regulation. It also complies with and implements the requirements of all domestic and international laws and regulations on anti-money laundering with a view to instituting efficient procedures and contributing to the global efforts against money laundering and terrorist financing. The Group's firm commitment to make contributions aimed at combating money laundering and terrorist funding is driven by its desire to uphold the integrity of the financial systems, to protect its reputation and to safeguard the interests of all its stakeholders.

Whistleblowing Policy

C & I Leasing Plc conducts its business on the principles of fairness, honesty, openness, decency, integrity, and respect in line with its core values (F.I.R.E.S-Fairness, Integrity, Responsibility, Excellence and Safety). The Group is committed to the highest standards and supports ethical behaviour by helping to foster and maintain an environment where employees and other stakeholders can act appropriately, without fear of reprisal. In ensuring a high ethical standard in all its business activities, the Company has established a code of ethics which set out the standard of conduct expected in the management of its businesses across the Group. Hence, the Whistleblowing Policy and Procedure provides a channel for the Group`s employees and other relevant stakeholders to raise concerns about workplace malpractices, in a confidential manner in compliance with the Securities Exchange Commission's (SEC) Corporate Governance guidelines.

Complaints Management Policy

The Complaint Management Policy of C & I Leasing Plc is in compliance with the Securities and Exchange Rule on complaints management by public companies which became effective in 2015.

Code of conduct on securities trading

The Company has adopted a Conflict-of-Interest Policy in compliance with the provisions of the Nigerian Stock Exchange Rules and other sister rules on the prohibition of insider dealings. The Directors have also complied with the policy and the provisions of the Nigeria Exchange Group Limited Rules.

DIRECTORS' REPORT

The Directors are pleased to present their annual report together with the consolidated and separate financial statements of C & I Leasing Plc (“the Company”) and its subsidiaries (together, “the Group”) for the year ended 31 December 2023.

Legal form

C & I Leasing Plc, a listed company on the Nigerian Exchange Group (NGX), was incorporated in Nigeria under the Companies Act (now Companies and Allied Matters Act (CAMA) 2020) on 28 December 1990. The Company was licensed by the Central Bank of Nigeria (CBN) as a finance company and is owned by a number of institutional and individual investors. The Company's shares were listed on the Nigerian Exchange Group (NGX) in December 1997. The Company is regulated by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), and the Nigerian Exchange Group (NGX). In addition, the Company renders annual returns to the Corporate Affairs Commission (CAC).

Subsidiaries

As at 31 December 2023, the Company has three subsidiary companies namely:

Leasafric Ghana Limited

EPIC International FZE, United Arab Emirates

C & I Leasing FZE, Nigeria

Principal activities

During the year under review, 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 personnel outsourcing through its main operating entity and its subsidiaries.

Results

The results of the Group and the Company for the year ended 31 December 2023 are set out on page 20. The summarised results are presented below.

	Group		Company	
	2023	2022	**2023**	2022
	N'000	N'000	**N'000**	N'000
Gross earnings	**22,415,102**	17,937,818	**29,891,546**	16,343,589
Profit before tax	**1,547,937**	1,015,490	**11,410,574**	626,763
Income tax expense	**(1,274,603)**	(438,222)	**(4,666,733)**	(319,050)
Profit for the year after tax	**273,334**	577,269	**6,743,841**	307,712
Total comprehensive income/(loss) (net of tax)	**9,591,156**	876,683	**6,754,407**	(134,750)

Dividend

The Board has recommended a dividend of 5Kobo per ordinary share of 50 kobo each, which if approved is payable less withholding tax.(2022: Nil)

Shareholding and substantial shareholders

The issued and fully paid-up share capital of the Company as at 31 December 2023 was 781,646,167 ordinary shares of 50kobo each (31 December 2022: 781,646,167 ordinary shares of 50 kobo each). The Register of Members shows that the below held more than 5% of the Company's issued and paid-up share capital as at year end.

Shareholders	Units	Percentage
PMT Global Investments Nigeria Limited	209,806,920	26.84%
CIL Acquico Limited	134,154,681	17.16%
Petra Properties Limited	40,304,265	5.16%
Total	**384,265,866**	**49.16%**

DIRECTORS' REPORT - Continued

The remaining 50.84% of the issued shares were held by other individuals and institutions.

Aside from the aforementioned three companies, no other shareholder held more than 5% of the issued and paid up share capital of the Company as at 31 December 2023.

Shareholding analysis

The Registrars have advised that the range of shareholding as at 31st December 2023 was as follows:

RANGE	No. of Holders	Percent	Unit per share	Percent
1- 10,000	16,133	90.53	27,953,708	3.58
10,001- 50,000	1,317	7.39	27,928,680	3.57
50,001- 100,000	140	0.79	10,084,361	1.29
100,001- 500,000	176	0.988	35,909,696	4.59
500,001- 1,000,000	16	0.090	10,967,171	1.40
1,000,001- 5,000,000	19	0.107	34,909,610	4.47
5,000,001- 10,000,000	6	0.034	44,442,395	5.69
10,000,001- 50,000,000	11	0.062	245,488,945	31.41
100,000,001- 500,000,000	2	0.01	343,961,601	44.00
GRAND TOTAL	**17,820**	**100**	**781,646,167**	**100**

Directors

The names of Directors at the date of this report and those who held office during the year are as follows:

Dr. Samuel Maduka Onyishi	Chairman
Mr. Chukwuemeka Ndu	Vice Chairman
Mr. Ugoji Lenin Ugoji	Group Managing Director/CEO
Mr. Omotunde Olao-Olaifa	Non-Executive Director
Mr. Babatunde Edun	Non-Executive Director
Alhaji Sadiq Abubakar Adamu	Independent Non-Executive Director
Mrs. Florence Okoli	Independent Non-Executive Director
Mr. Oluyemi Abaolu-Johnson	Independent Non-Executive Director
Mr. Tom Oko Achoda	Independent Non-Executive Director

Directors' interests in shares

In accordance with Sections 301 and 385 of the Companies and Allied Matters Act, (CAMA) 2020 and in compliance with the Listing Rules of the Nigerian Exchange Group, the interests of Directors in the issued and paid-up share capital of the Company, as recorded in the Register of Members and/or notified by them are as follows:

31 December 2023

	Total	Direct	Indirect	Indirect Holder
Dr. Samuel Maduka Onyishi	209,806,920	-	209,806,920	PMT Global Investments Ltd
Mr. Chukwuemeka Ndu	40,637,832	333,567	40,304,265	Petra Properties Limited
Mr. Omotunde Olao-Olaifa	35,000,088	-	35,000,088	Leadway Assurance Co. Ltd
Mr. Babatunde Edun	134,154,681	-	134,154,681	CIL Acquico Limited

DIRECTORS' REPORT - Continued

31 December 2023

	Total	Direct	Indirect	Indirect Holder
Directors' Total	**419,599,521**	333,567	**419,265,954**	
% of Total	53.68%	0.04%	53.64%	
Total outstanding shares	**781,646,167**	**781,646,167**	**781,646,167**	

31 December 2022

	Total	Direct	Indirect	Indirect Holder
Dr. Samuel Maduka Onyishi	209,806,920	-	209,806,920	PMT Global Investments Ltd
Mr. Chukwuemeka Ndu	40,637,832	333,567	40,304,265	Petra Properties Limited
Mr. Omotunde Olao-Olaifa	35,000,088	-	35,000,088	Leadway Assurance Co. Ltd
Mr. Babatunde Edun	134,154,681	-	134,154,681	CIL Acquico Limited
Directors' Total	419,599,521	333,567	419,265,954	
% of Total	53.68%	0.04%	53.64%	
Total outstanding shares	781,646,167	781,646,167	781,646,167	

Directors' interests in contracts

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 to the effect that they were members or held shareholding of some specified companies, which could be regarded as interest in any contracts with which the Company was involved as at 31 December 2023.

Donations and charitable gifts

In accordance with the provisions of Section 43 (2) Companies and Allied Matters Act, 2020 the Company did not make any donation or gift to any political party, political association or for any political purpose during the year in review (2022: nil).

The Company continues to sponsor beneficiaries in schools in major communities where it operates such as Abuja, Lagos, and Rivers States. We prioritize child education, particular for indigent children. Supporting this cause remains one of our key ways of giving back to our host communities.

C&I Leasing continues to contribute to youth empowerment and employability by supporting its host communities in training, skill acquisition, and provision of internship opportunities for skilled graduates, unskilled workers, and cadets in its marine operations. The Company also contribute to Youth Empowerment & Employability through NYSC & Internship.

DIRECTORS' REPORT - Continued

Property, plant and equipment

Information relating to changes in property, plant & equipment is disclosed in Notes 17 and 18 to the consolidated and separate financial statements. In the opinion of the Directors, the recoverable amount of the Group's property, plant and equipment is not less than the value shown in the financial statements.

Employment of physically challenged persons

C & I Leasing Plc is an equal opportunity employer and does not discriminate on any grounds. Therefore, we provide employment opportunities to physically challenged persons, bearing in mind the respective abilities of the applicants concerned. In the event that an employee becomes physically challenged while in the employment of the Company, every effort is made to ensure that their employment with the Company continues and that appropriate training and support is given to them.

Employee Involvement and Training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing, through various forums including Town Hall meetings. Towards this end, the Company provides opportunities for employees to deliberate upon issues affecting the Company and employees' interests, with a view to making inputs to decisions therein.

The Company places a high premium on the development of its workforce. Consequently, the Company sponsored its employees for various training courses in the year under review.

Health, safety at work and staff welfare

Health, safety and fire drills are regularly organised to keep employees alert at all times. The Company engages the services of health care providers towards meeting the medical needs of the employees and their immediate families at its expense. The Company also provides adequate transportation and housing facilities for all levels of employees.

Learning and development

As the organisation continues to evolve, we continue to equip our employees with both technical and management skills to hone their competencies, to prepare them to cope with challenging environments and a sustainable future.

Report to the CBN on Fraud and Forgeries

Below is the report of fraud and forgery incidents that occurred during the period.

	2023		2022	
Description	Frequency	Amount Lost	Frequency	Amount Lost
Cash suppresion	-	₦0	1	₦786,886

Events after the reporting date

Refer to note 54 of the consolidated and separate financial statements for disclosures in respect of event after the reporting date.

Statutory Audit Committee

In accordance with Section 404 (3) of the Companies and Allied Matters Act, 2020, the Statutory Audit Committee of the Company was constituted at the 31st Annual General Meeting held in Lagos, Nigeria on the 20th November 2023, comprising of three (3) shareholders and two (2) Non-Executive Directors namely:

i) Comrade Aderele Sulaimon Babatunde	Shareholder
ii) Mr. Femi Oduyemi	Shareholder
iii) Mrs. Christie Vincent-Uwalaka	Shareholder
iv) Mr. Omotunde Alao-Olaifa	Non Executive Director
v) Mr. Oluyemi Abaolu-Johnson	Non Executive Director

C & I LEASING PLC

DIRECTORS' REPORT - Continued

Independent Auditor

Messrs. Ernst & Young have indicated their willingness to continue in office as auditor to the Company in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020.

BY ORDER OF THE BOARD

Mbanugo Udenze & Co.
Company Secretary
FRC/2014/NBA/00000008124
5 July 2024

C & I LEASING PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the provisions of the Companies and Allied Matters Act, 2020, the Directors are responsible for the preparation of consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group and the Company for the year ended 31 December 2023, and of the financial performance for the year and of its profit or loss and other comprehensive income for the year. The responsibilities include ensuring that the Group and the Company:

(a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020;

(b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities;.

(c) prepares its consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and

(d) it is appropriate for the consolidated and separate financial statements to be prepared on a going concern basis unless it is presumed that the Group and the Company will not continue in business.

The Directors accept responsibility for the accompanying consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, Central Bank of Nigeria Circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The Directors are of the opinion that the accompanying consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and the Company and of the financial performance for the year, in accordance with the requirements of the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, Central Bank of Nigeria Circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of financial control.

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

Samuel Maduka Onyishi	Ugoji Lenin Ugoji
Chairman	Group Managing Director
FRC/2021/003/00000023928	FRC/2015/NIM/00000012363

Dated: 5 July 2024

C & I LEASING PLC

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

In line with the provision of Section 405 of Companies and Allied Matters Act, 2020, we have reviewed the audited consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2023, and based on our knowledge confirm as follows:

a.) The audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading.

b.) The audited consolidated and separate financial statements and all other financial information included in the statements give a true and fair view of the financial condition and results of operation of the Group and the Company as of and for the year ended 31 December 2023.

c.) The Group and the Company's internal controls have been designed to ensure that all material information relating to the Group and the Company is received and provided to the auditors in the course of the audit.

d.) That we have disclosed to the Group's and the Company's auditors and Audit Committee the following information:

(i) there are no significant deficiencies in the design or operation of the Group's and the Company's internal controls which could adversely affect the Group's and the Company's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of audit.

(ii) there is no fraud involving management or other employees which could have any significant role in the Group's and the Company's internal control.

e) There are no significant changes in internal controls or in the other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

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

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

Dated: 5 July 2024

C & I LEASING PLC

AUDIT COMMITTEE REPORT TO THE MEMBERS OF C & I LEASING PLC
FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the statutory provisions of Section 404 (1) of the Companies and Allied Matters Act 2020, the members of the Audit Committee of C & I Leasing Plc. report on the Company's consolidated and separate financial statements for the year ended 31 December 2023.

We confirm that we examined the scope and planning of audit requirements; and reviewed the External Auditors' Management Letter for the year ended 31 December 2023 together with the management response which we considered satisfactory. We also ascertained that the accounting policies and reporting policies of the Company for the period under review are in accordance with legal requirements and standard ethical practices.

The External Auditors confirmed that all necessary co-operations were received from management and that the audit of the Company's account was carried out in an independent environment and they have also given an unmodified audit report for the year ended 31 December 2023.

Dated: 5 July 2024

Comrade Aderele Sulaimon Babatunde
FRC/2021/002/00000022710

For: Audit Committee

Members of the Audit Committee
Comrade Aderele Sulaimon Babatunde
Mr. Femi Oduyemi
Mrs. Christie Vincent-Uwalaka
Mr. Omotunde Alao-Olaifa
Mr. Oluyemi Abaolu-Johnson

14 February 2024

REPORT ON THE PERFORMANCE APPRAISAL OF THE BOARD OF DIRECTORS OF C & I LEASING PLC FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

Tsedaqah Attorneys (TA) was engaged by C & I Leasing Plc ("the Company") as Independent External Consultants to conduct a thorough evaluation of the Board of Directors' performance for the financial year ended December 31, 2023. This evaluation adhered closely to the guidelines outlined in Principle 14.1 of the Nigerian Code of Corporate Governance, 2018, Section 8.1 of the Central Bank of Nigerian (CBN) Code of Corporate Governance for Finance Institutions, 2018, and embraced global best practices in corporate governance.

The primary aim of our assessment was to gauge the Company's adherence to corporate governance principles and to assess the overall effectiveness of the Board. We meticulously compared the Company's corporate governance frameworks, policies, and operational procedures against the benchmarks outlined in various regulatory instruments such as the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Corporate Governance Guidelines 2021 (SCGG), Companies and Allied Matters Act 2020 (CAMA), CBN Code of Corporate Governance for Finance Institutions 2018, as well as other pertinent codes and international corporate governance standards.

Our comprehensive review confirms that the Board has demonstrated substantial compliance with the Nigerian Code of Corporate Governance and other relevant corporate governance standards. Furthermore, the Board's activities align closely with corporate governance best practices, and the individual Directors exhibit a steadfast commitment to advancing the Company's growth trajectory.

The details of our significant findings and recommendations are outlined in the comprehensive Report we have provided. TA expresses gratitude for the opportunity to contribute our expertise and looks forward to continued collaboration with C & I Leasing PLC in the future. Please accept our sincere regards and esteem

Yours faithfully,
For: Tsedaqah Attorneys

Benjamin Ile
Partner
FRC NO. FRC/2023/PRO/NBA/002/587796

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Independent Auditor's Report

To the Members of C & I Leasing Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of C & I Leasing Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, relevant Central Bank of Nigeria Circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key Audit Matters - Continued

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The first Key Audit Matter applies to the audit of the consolidated and separate financial statements while the second Key Audit Matter applies to the consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) on trade and other receivables and finance lease receivables Trade and other receivables as at 31 December 2023 amount to N11.39 billion (2022: N8.2 billion) for the Group and N21.99 billion (2022: N11.38 billion) for the Company, also finance lease receivables amount to N1.19 billion (2022: N2.11 billion) for both the Group and the Company. These balances represent 16% (2022: 18%) and 36% (2022: 28%) of total assets of the Group and the Company respectively. The trade and other receivables and finance lease receivables are carried at amortised cost, that is, at initial recognition at fair value less accumulated allowance for impairment. Impairment allowance is based on expected credit losses. It is a key area of judgment due to the level of subjectivity inherent in estimating the impact of key assumptions on the recoverable amount of the balances.	Our audit procedures with respect to the audit of ECL on trade and other receivables and finance lease receivables for the year ended 31 December 2023 were as follows: • We reviewed the IFRS 9 ECL model and other documentation prepared by management for the computation of impairment on trade and other receivables and finance lease receivables at amortised cost in line with the requirements of IFRS 9. • We evaluated the trade and other receivables and finance lease receivables to determine whether all assets were included in the calculations, and whether they met the definition of a financial asset; • We obtained an understanding and tested the key data sources and assumptions used in the ECL models by the Group and the Company. We understood the process of choosing the data points and its relevance for the Group and the Company;

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Key Audit Matters - Continued

Key Audit Matter	How the matter was addressed in the audit
There are several significant judgments which are required in measuring the ECL under IFRS 9 Financial Instruments, this includes: - The determination of criteria for Significant Increase in Credit Risk (SICR) for staging purpose. (At origination, financial asset is classified as stage 1, when there is significant increase in credit risk the financial asset is migrated to stage 2 and subsequently to stage 3 when there is a default); - Factoring in future economic assumptions; - Techniques used in determine the Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default (EAD). Given the materiality of the financial assets and the level of complexity and judgement involved in the determination of the ECL, we considered the impairment of financial assets as a key audit matter. The Group's and the Company's accounting policy on impairment and related disclosures on credit risk are shown in Note 3.9.7 (Impairment of financial assets), Note 8.3 (Financial Risk), Note 10 (Finance lease receivables) and Note 12 (Trade and other receivables) to the consolidated and separate financial statements, respectively.	• We evaluated management assumptions used, as it relates to forward looking assumptions by using publicly available information; • We reviewed- the appropriateness of the Group's and the Company's determination of SICR in accordance with the standard and the resultant basis for classification of various exposures into various stages; • For a sample of exposures, we tested the accuracy of the Group's and the Company's staging; • For a sample of exposures, we checked the appropriateness of determining the Exposure at Default and the resulting arithmetical calculations; • We reviewed the recovery rate adopted by the Group and the Company in calculating the LGD and then traced it to supportable information so as to gain comfort in its reasonability. • We involved our internal specialists to assist in the review of the models used and to perform an independent recalculation of the impairment provision for the selected portfolios. • We reviewed the qualitative and quantitative disclosures for reasonableness and to ensure conformity with IFRS 7- Financial Instruments: Disclosures.

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Independent Auditor's Report - Continued

Key Audit Matters - Continued

Key Audit Matter	How the matter was addressed in the audit
IAS 29 Financial reporting in Hyperinflationary Economies (impacting Leasafric Ghana Limited and the consolidated financial statements) Ghana have been identified as hyperinflationary economies from 31 December 2023. As such, IAS – 29 Financial Reporting in Hyperinflationary economies has been applied in the preparation of the financial statements of Leasafric Ghana Limited for the purposes of Group reporting. The Group has consolidated the financial statements of Leasafric Ghana Limited which has been prepared in line with IAS 29. IAS 29 requires the financial statements of entities whose functional currency is that of a hyperinflationary economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing date of the reporting period. See note 3.21 (IAS 29 - Financial Reporting in Hyper-inflationary Economies), note 5.5 (Hyperinflationary accounting) and note 55 (Net monetary gain) to the consolidated and separate financial statements for further information.	Our audit procedures included the following, we: • Considered the impact of factors like depreciation of currency, price level changes, and the impact of these changes on the financial statements of the entity. • Evaluated the restated financial statements to ensure they are in line with the requirements of International Accounting Standard (IAS) 29. • Checked that non-monetary and monetary assets and liabilities are correctly identified and restated as per the inflation rate at the reporting date. • Examined the net monetary position to determine if it is exposed to a gain or loss from monetary items due to inflation. • Checked that correct and reliable price indices were used for restating the financial statements to reflect the current economic environment of hyperinflation. • Checked that the disclosed information detailed the level and movement of prices in the current economic environment and impacts on the financial position. • Ensured the restated financial statements were used in the consolidated financial statements.

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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "C & I Leasing Plc Annual Reports and Financial Statements for the year ended 31 December 2023", which includes the Corporate Information, Corporate Governance Report, Directors Report, Statement of Directors' Responsibilities in relation to the preparation of the consolidated and separate financial statements, Statement of Corporate Responsibility for the consolidated and separate financial statements, Audit Committee Report, Report on the Performance Appraisal of the Board of Directors and Other National Disclosures, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, relevant Central Bank of Nigeria Circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report - *Continued*

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report - *Continued*

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements - Continued

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and Company, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

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Independent Auditor's Report - *Continued*

In compliance with the Banks and Other Financial Institutions Act, 2020 and circulars issued by the Central Bank of Nigeria:

i) The information required by the Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 50 to the consolidated and separate financial statements.

ii) Note 53 to the consolidated and separate financial statements disclosed penalty paid during the year.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December, 2023. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 26 July 2024.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0679203

Kanayo Echena
FRC/2012/PRO/ICAN/004/00000000150

For Ernst & Young
Lagos, Nigeria

26 July 2024

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Group		Company	
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
	Notes	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	9	2,154,494	1,155,208	1,913,533	1,053,647
Finance lease receivables	10	1,192,796	2,112,163	1,192,796	2,112,163
Trade and other receivables	12	11,356,625	8,199,569	23,909,404	11,380,403
Other assets	13	11,014,231	10,211,950	12,690,371	11,193,557
Investment securities at fair value through other comprehensive income	11	26,612	11,518	26,612	11,518
Investment in subsidiaries	14	-	-	759,467	759,467
Investment in joint ventures	15	4,247,962	3,205,390	4,247,962	3,205,390
Intangible assets	16	10,767	25,405	9,333	25,414
Plant and equipment for lease	17	46,922,849	31,390,196	16,282,301	16,511,609
Property, plant and equipment	18	1,771,972	623,162	1,524,283	532,143
Deferred income tax assets	22.4	-	819,122	-	749,373
Total assets		**78,698,307**	**57,753,684**	**62,556,062**	**47,534,683**
Liabilities					
Due to banks	19	1,442,686	1,624,473	1,442,686	1,618,276
Commercial notes issued	20	19,664,527	13,554,429	19,664,527	13,554,429
Trade and other payables	21	9,111,669	5,107,710	7,508,256	4,491,343
Current income tax liabilities	22.2	677,757	518,081	613,690	487,917
Deferred income tax liability	22.4	3,627,499	-	3,796,115	-
Loans and borrowings	23	17,777,964	20,234,751	14,736,285	19,342,621
Total liabilities		**52,302,101**	**41,039,444**	**47,761,559**	**39,494,586**
Equity					
Share capital	24	390,823	390,823	390,823	390,823
Deposit for shares	26	1,975,000	1,975,000	1,975,000	1,975,000
Share premium	24.2	3,361,609	3,361,609	3,361,609	3,361,609
Retained earnings	25	3,050,066	3,605,439	6,731,259	667,433
Other reserves:					
- Statutory reserve	27	2,134,556	1,376,717	1,640,015	966,083
- Regulatory risk reserve	28	361,739	361,478	402,164	396,080
- Foreign currency translation reserve	29	13,790,524	4,520,558	-	-
- Fair value reserve	30	21,456	10,890	21,455	10,890
- Asset revaluation reserve	31	272,178	272,178	272,178	272,178
- Hyperinflation reserve	55.2	90,812	-	-	-
		25,448,763	**15,874,692**	**14,794,503**	**8,040,097**
Non-controlling interests	32	947,443	839,547	-	-
Total equity		**26,396,206**	**16,714,240**	**14,794,503**	**8,040,097**
Total liabilities and equity		**78,698,307**	**57,753,684**	**62,556,062**	**47,534,683**

These consolidated and separate financial statements were approved by the Board of Directors on **5 July 2024** and signed on its behalf by:

Additionally signed by

Samuel Maduka Onyishi
Chairman
FRC/2021/003/00000023928

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

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

The accompanying notes form an integral part of these consolidated and separate financial statements.

C & I LEASING PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023	2022	2023	2022
	Notes	N'000	N'000	N'000	N'000
Gross earnings		22,415,102	17,937,818	29,891,546	16,343,589
Lease income	33	18,718,260	13,639,786	13,978,522	10,997,982
Lease expense	34	(7,527,363)	(6,443,615)	(8,533,054)	(7,385,925)
Net lease income		11,190,896	7,196,171	5,445,468	3,612,057
Net outsourcing income	35	1,166,481	1,307,645	1,166,481	1,307,645
Tracking income	36	131,007	134,272	131,007	134,272
Tracking expense	36	(82,464)	(62,811)	(82,464)	(62,811)
Net tracking income		48,542	71,461	48,543	71,461
Interest income	37	51,718	29,182	28,079	22,876
Investment income	38	-	1,955,067	2,097,565	3,012,680
Other operating income	39	860,064	113,950	11,002,320	110,219
Impairment charge	40	(166,552)	(120,955)	(100,502)	(123,718)
Depreciation and amortisation expense	41	(4,628,571)	(3,084,971)	(1,861,255)	(1,571,940)
Personnel expenses	42	(1,400,869)	(1,481,699)	(1,036,714)	(1,309,656)
Other operating expenses	43	(1,435,446)	(988,577)	(1,142,462)	(863,915)
Operating profit		5,686,262	4,997,273	15,647,523	4,267,708
Finance cost	44	(6,359,055)	(4,739,697)	(5,724,521)	(4,398,860)
Share of profit from joint venture	15.1c	1,487,572	757,915	1,487,572	757,915
Gain on net monetary position	55.1	733,158	-	-	-
Profit before tax		1,547,937	1,015,490	11,410,574	626,763
Income tax expense	22.1	(1,274,603)	(438,222)	(4,666,733)	(319,050)
Profit after tax		273,334	577,269	6,743,841	307,712
Profit/(loss)attributable to:					
Owners of the parent		204,422	481,775	6,743,841	307,712
Non-controlling interests	32	68,912	95,494	-	-
		273,334	577,269	6,743,841	307,712
Basic earnings per share [kobo]	45	26.15	61.64	862.77	39.37
Diluted earnings per share [kobo]	45	11.55	27.23	381.19	17.39
Other comprehensive income					
Items that will be subsequently reclassified to profit or loss (net of tax)					
Gain on translation of foreign operations	29 & 32	9,307,256	741,875	-	-
Items that will not be subsequently reclassified to profit or loss (net of tax)					
Gain on investment securities at fair value through other comprehensive income(Net of tax)	30	10,566	1,850	10,566	1,850
Revaluation loss on land and building (net of tax)	31	-	(444,312)	-	(444,312)
Other comprehensive income/(loss)		9,317,822	299,414	10,566	(442,462)
Total comprehensive income/(loss) (net of tax)		9,591,156	876,683	6,754,407	(134,750)
Attributable to:					
Owners of the parent		9,484,954	912,914	6,754,407	(134,750)
Non-controlling interests	32	106,202	(36,231)	-	-
		9,591,156	876,683	6,754,407	(134,750)

The accompanying notes form an integral part of these consolidated and separate financial statements.

C & I LEASING PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Group

	Share capital N'000	Deposit for shares N'000	Share premium N'000	Retained earnings N'000	Statutory reserve N'000	Regulatory risk reserve N'000	Foreign currency translation reserve N'000	Fair value reserve N'000	Asset revaluation reserve N'000	Non-controlling interests N'000	Hyperinflation reserve N'000	Total equity N'000
At 1 January 2022	390,823	-	3,361,609	3,216,792	1,295,389	351,372	3,646,958	9,039	716,490	874,082	-	13,862,554
Changes in equity for the year												
Profit for the year	-		-	481,775	-	-	-	-	-	95,494	-	577,269
Other comprehensive income:												
Fair value gain for the year	-		-	-	-	-	-	1,850	-	-		1,850
Revaluation loss on land and building		-	-	-	-	-	-	-	(444,312)	-		(444,312)
Gain on foreign operations translation	-		-	-	-	-	873,600	-	-	(131,725)		741,875
Total comprehensive income for the year	-	-	-	481,775	-	-	873,600	1,850	(444,312)	(36,231)	-	876,682
Transactions with owners												
Deposit for shares (Note 26)	-	1,975,000	-	-	-	-	-	-	-	-	-	1,975,000
Transfers between reserves	-	-	-	(93,129)	81,328	10,106	-	-	-	1,695		-
	390,823	1,975,000	-	(93,129)	81,328	10,106	-	-	-	1,695		1,975,000
At 1 January 2023	390,823	1,975,000	3,361,609	3,605,439	1,376,717	361,478	4,520,558	10,890	272,178	839,546		16,714,241
Changes in equity for the year:												
Profit for the year				204,422						68,912		273,334
Other comprehensive income:								10,566				10,566
Fair value gain for the year												-
Initial application of IAS 29											90,812	90,812
Gain on foreign operations translation							9,269,966			37,290		9,307,256
Total comprehensive income for the year	-	-	-	204,422	-	-	9,269,966	10,566	-	106,202	90,812	9,681,968
Transactions with owners:												
Transfer between reserves	-	-	-	(759,795)	757,839	261	-	-	-	1,695	-	-
New shares issued during the year (Note 24)	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	(759,795)	757,839	261	-	-	-	1,695	-	-
At 31 December 2023	390,823	1,975,000	3,361,609	3,050,066	2,134,556	361,739	13,790,524	21,456	272,178	947,443	90,812	26,396,206

The accompanying notes form an integral part of these consolidated and separate financial statements.

C & I LEASING PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

Company

	Share capital N'000	Deposit for shares N'000	Share premium N'000	Retained earnings N'000	Statutory reserve N'000	Regulatory risk reserve N'000	Fair value reserve N'000	Asset revaluation reserve N'000	Hyperinflation reserve N'000	Total equity N'000
At 1 January 2022	390,823	-	3,361,609	467,963	873,770	380,152	9,039	716,490	-	6,199,846
Changes in equity for the year:										
Profit for the year				307,712		-		-		307,712
Other comprehensive income:										
Fair value gain for the year	-	-	-	-	-	-	1,850	-		1,850
Revaluation loss on land and building	-	-	-	-	-	-	-	(444,312)		(444,312)
Total comprehensive income for the year	-	-	-	307,712	-	-	1,850	(444,312)	-	(134,749)
Transactions with owners:										
Deposit for shares	-	1,975,000	-	-	-	-	-	-		1,975,000
Transfer between reserves	-	-	-	(108,242)	92,314	15,928	-	-		-
		1,975,000	-	(108,242)	92,314	15,928	-	-	-	1,975,000
At 1 January 2023	390,823	1,975,000	3,361,609	667,433	966,084	396,080	10,889	272,178	-	8,040,096
Changes in equity for the year:										
Profit for the year	-			6,743,841						6,743,841
Other comprehensive income:										
Fair value gain for the year	-						10,566			10,566
Total comprehensive income for the year	-	-	-	6,743,841	-	-	10,566	-	-	6,754,407
Transactions with owners:										
Transfer between reserves	-	-	-	(680,015)	673,931	6,084	-	-		(0)
New shares issued during the year				-	-	-	-	-		-
	-	-	-	(680,015)	673,931	6,084	-	-	-	(0)
At 31 December 2023	390,823	1,975,000	3,361,609	6,731,259	1,640,015	402,164	21,455	272,178	-	14,794,503

The accompanying notes form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023	2022	2023	2022
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit before tax		1,547,937	1,015,490	11,410,574	626,763
Adjustments for:					
Profit from investment in joint ventures	15.1d	(1,487,572)	(757,915)	(1,487,572)	(757,915)
Management and operational fee from Joint Venture	15.1d	(84,030)	(61,219)	(84,030)	(61,219)
Amortisation of intangible assets	16	17,266	15,102	16,081	15,028
Depreciation of plant and equipment for lease	17	4,500,880	2,979,844	1,814,757	1,521,800
Depreciation of property, plant and equipment	18	110,425	90,026	30,417	35,111
Interest income	37	(51,718)	(29,182)	(28,079)	(22,876)
Dividend received from subsidiary company	38	-	-	(2,097,565)	(1,124,652)
Profit on disposal of property, plant and equipment	39.1&39.2	(410,742)	(773,339)	(113,147)	(773,339)
Profit on disposal of plant and equipment for lease	39.1&39.2	-	(1,181,723)	-	(1,114,690)
Impairment charge	40	166,552	120,955	108,214	123,718
Foreign exchange (gain)/loss	39&43	(33,775)	33,310	-	33,310
Finance cost	44	6,359,055	4,739,697	5,724,521	4,398,860
Gain on net monetary position	55	(733,158)	-	-	-
		9,901,120	6,191,048	15,294,171	2,899,901
Changes in operating assets and liabilities					
Decrease/(increase) in finance lease receivables		916,233	(380,693)	916,234	(380,693)
(Increase)/decrease in trade and other receivables		(2,756,330)	1,186,519	(12,103,714)	1,922,439
(increase) in other assets		(803,618)	(1,382,710)	(1,498,151)	(1,774,315)
Commercial notes issued		6,110,098	2,053,403	6,110,098	1,951,999
Increase/(decrease) in trade and other payables		4,003,959	(811,572)	3,016,913	(964,715)
Dividend received from subsidiary company	38	-	-	2,097,565	1,124,652
		17,371,462	6,855,994	13,833,117	4,779,267
Tax paid	22.2	(183,473)	(213,864)	-	(23,964)
Net cashflow from operating activities		17,187,989	6,642,130	13,833,117	4,755,304
Cash flows from investing activities					
Purchase of intangible asset	16	(4,059)	-		-
Purchase of plant and equipment for lease	17	(3,297,739)	(3,898,533)	(1,604,635)	(2,784,351)
Purchase of property, plant and equipment	18	(1,066,588)	(5,871)	(1,035,623)	(23,093)
Interest received	37	51,718	29,182	28,079	22,876
Proceeds from sale of property, plant and equipment	39.1&39.2	424,046	900,000	145,397	900,000
Proceeds from sale of plant and equipment for lease	39.1&39.2	104,549	1,222,087	-	1,141,710
Net cash used in investing activities		(3,788,075)	(1,753,111)	(2,466,782)	(742,858)
Cash flows from financing activities					
Proceeds from loans and borrowings	23.5	20,914,454	2,219,224	18,182,745	1,665,611
Repayment of loans and borrowings	23.5	(26,400,353)	(4,778,075)	(22,623,391)	(3,987,950)
Interest paid		(6,524,745)	(4,550,211)	(5,890,211)	(4,209,374)
Net cash used in financing activities		(12,010,644)	(7,109,062)	(10,330,858)	(6,531,712)
Increase/(decrease) in cash and cash equivalents		1,389,270	(2,220,042)	1,035,477	(2,519,267)
Cash and cash equivalents at 1 January		(469,265)	2,211,847	(564,630)	1,954,637
Foreign currency translation gain	29.2	(131,299)	(461,070)	-	-
Inflation effect as a result of IAS 29	56	(76,897)	-	-	-
Cash and cash equivalents at 31 December	9.1	711,808	(469,265)	470,847	(564,630)

The accompanying notes form an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. The reporting entity

C & I Leasing Plc ("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 Exchange Group (NGX) in December 1997. The Company is regulated by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), and the Nigerian Exchange Group (NGX). In addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at 31 December 2023, the Company has three subsidiary companies (31 December 2022: 3) namely:

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

C & I Leasing Plc together with the subsidiaries are refered to as "the Group".

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 personnel outsourcing through its main operating entity and its subsidiaries.

These consolidated and separate financial statements cover the financial period from 1 January 2023 to 31 December 2023.

The consolidated and separate financial statements for the year ended 31 December 2023 were approved for issue by the Board of Directors on **...... July 2024.**

2. Basis of preparation

2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act, 2020, relevant Central Bank of Nigeria Circulars and in compliance with the requirements of the Financial Reporting Council of Nigeria(Amendment) Act, 2023.

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

2.2 Going concern consideration

The Group’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. Therefore, the consolidated and separate financial statements continue to be prepared on the going concern basis.

2.3 Basis of measurement

The consolidated and separate financial statements have been prepared in accordance with the going concern principle under the historical cost and current cost convention for hyper-inlfationary economies, except for financial instruments measured at fair value, and property, plant and equipment measured at revalued amounts.

The preparation of the consolidated and separate 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 and separate financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Group's financial statements present the financial position and results fairly.

2.4 Functional and reporting currency

The consolidated and separate financial statements are presented in Naira, which is the Group's reporting currency. The consolidated and separate 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 and separate financial statements, the consolidated results and financial position are expressed in Naira, which is the functional currency of the Company and the reporting currency for the Group's financial statements.

2.5 Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023.

Subsidiaries are fully consolidated from the date of acquisition, being the date in which the Company 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.

2.6 Changes in accounting policies and disclosures

2.6.1 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023.

Several standards amendments and interpretations apply for the first time in 2023 but their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated and separate financial statements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

New and amended Standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation, interpretation or amendment that has been issued but is not yet effective

2.6.1.a IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Group's financial statements.

2.6.1.b Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendments had no impact on the Group's financial statements.

2.6.1.c Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

New and amended Standards-continued

2.6.1.d Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's financial statements.

2.6.1.e International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:

a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and

b) Quantitative information such as:

- An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
- An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in the various jurisdictions in which it operates. The Group has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates. Therefore, as the related Pillar Two disclosures are not required, the amendments will have no impact on the Group's consolidated financial statements at 31 December 2023.

2.6.2 New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2023

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and Company's financial statements are disclosed below. The Group and Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.6.2 New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2023

2.6.2.a Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee

uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

2.6.2.b Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify

the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation

2.6.2.c Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2023

2.6.2 d Lack of exchangeability – Amendments to IAS 21

In August 2023, the Board issued Lack of Exchangeability-Amendments to IAS 21. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

2.6.2 e Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments must be applied prospectively.

Early application is permitted and must be disclosed.The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions. The amendments are not expected to have a material impact on the Group's financial statements.

3. Material accounting policy information

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements, unless otherwise stated.

3.1 Investments in subsidiaries

The consolidated and separate financial statements incorporate 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.

3.1 Investments in subsidiaries-continued

Control is usually 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 Company and cease to be consolidated from the date that control ceased. Changes in the Company'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 Company 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 and separate 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 Company 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.

3.5 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 statement of profit or loss 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 profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually.

Amortization periods and methods are reviewed annually and adjusted if appropriate.
The Group's intangible assets have a useful life of 1 - 3 years.

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 which are reported at their revalued amount net of accumulated depreciation and/or accumulated impairment losses. Acquisition costs include 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 statement of profit or loss during the financial year in which they are incurred.

3.6.3 Depreciation

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

Depreciation on 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	20%
Office equipment	20%
Marine equipment	5%
Leased assets	20%
Cranes	10%

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

3.6.4 Derecognition

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

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

3.7 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.

3.8 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.

3.9. Financial assets and liabilities

3.9.1. Initial recognition

The Group initially recognises loans and advances, finance lease receivables, lease receivables, equity securities and/or other debt financial assets on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus or minus, (for an item not at fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

a. ***Day 1 profit or loss***

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gains/(losses) from financial instruments. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

b. *Amortised cost and gross carrying amount*

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

c. *Effective interest rate method*

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e.its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired (`POCI') financial assets — assets that are credit-impaired at initial recognition — the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

d. *Interest income*

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

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

Financial assets - Subsequent measurement

a. **Debt instruments**

The classification and subsequent measurement of debt instruments depend on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Based on these factors, the Group classifies its debt instruments into one of the following measurement categories:

b. **Amortised cost**: Assets that are held within a business model whose objective is collection of contractual cash flows and where such cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss due to impairment or upon derecognition of a debt investment that is subsequently measured at amortised cost is recognised in profit or loss. Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.

c. **Fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is achieved both by collection of contractual cash flows and by selling the assets, where those cash flows represent solely payments of principal and interest, and are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net other gains/(losses)". Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.

d. **Fair value through profit or loss**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss statement within "Net gains/(losses) from financial instruments classified as held for trading" in the period in which it arises. Interest income from these financial assets is included in "Interest and similar income".

3.9.3. Business Model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.9.4. SPPI assessment

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

3.9.5. Reclassifications

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

3.9.6. Modifications

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset.

In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Equity instruments

The Group subsequently measures all unquoted equity investments at fair value through other comprehensive income. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.9.7. Impairment of financial assets

Overview of the ECL principles

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its loans and advances, finance lease receivables, plant and equipment lease receivables, securities instrument and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering if it is 30 days past due. Based on the above process, the Group's loans and advances , finance lease receivables, Plant and equipment lease receivables, into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1:** When loans and advances , finance lease receivables, Plant and equipment lease receivables, are first recognised, the Group recognises an allowance based on 12 months expected credit losses (12mECLs). Stage 1 loans and advances , finance lease receivables, Plant and equipment lease receivables also include receivables where the credit risk has improved and the loans and advances , finance lease receivables, Plant and equipment lease receivables have been reclassified from Stage 2.

- **Stage 2:** When a loans and advances , finance lease receivables, Plant and equipment lease receivables has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime expected credit losses (LTECLs). Stage 2 loans and advances also include facilities, where the credit risk has improved and the loans and advances , finance lease receivables, Plant and equipment lease receivables have been reclassified from Stage 3.

- **Stage 3:** These are loans and advances , finance lease receivables, Plant and equipment lease receivables considered as credit-impaired. The Group records an allowance for the LTECLs.

The calculation of ECLs

The Group calculates ECLs based on a single scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **PD**: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- **EAD**: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including part repayments of total debts or amount owed and whether scheduled by contract or otherwise .

- **LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers only a single scenario which is considered to be the most likely scenario. When relevant, the assessment also incorporates how defaulted debts are expected to be recovered, including the probability that the loans and advances will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier, with the exception of revolving facilities which could extend beyond the contractual life.

The mechanics of the ECL method are summarised below:

Stage 1

- The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

- These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.

Stage 2

When a loans and advances , finance lease receivables, Plant and equipment lease receivables debt has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For loans and advances , finance lease receivables, Plant and equipment lease receivables debt considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans and advances , finance lease receivables, Plant and equipment lease receivables. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI

POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the Customer's financial difficulty, granting to the Customer a concession that the Group would not otherwise consider;
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties,or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Group of financial assets;
- the financial asset is 90 days and above past due.

A loans and advances , finance lease receivables, Plant and equipment lease receivables debt that has been renegotiated due to a deterioration in the Customer's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans and advances that is overdue for 90 days or more is considered impaired.

3.9.8. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

3.9.9. Purchased or originated credit impaired financial assets (POCI)

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

3.9.9. Purchased or originated credit impaired financial assets (POCI)

An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

For POCI financial assets, the Group only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

3.9.11. Write-off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realisation of credit collateral security leaves a balance of the debt;or
- it is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement by the Board Credit and Risk Committee, as defined by the Group. Credit write-off approval is documented in writing and properly initialed by the Board Credit and Risk Committee.

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

3.9.12. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- Prime lending
- Inflation rates
- Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in the financial statements.

3.9.13. Financial liabilities

Classification and subsequent measurement

In both the current and prior period, all financial liabilities are classified and subsequently measured at amortised cost except for loan commitments and financial guarantee contracts.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Financial guarantee contracts , loans and borrowings and other commitments

Financial guarantees contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given to banks, other financial institutions on behalf of subsidiary, connected entity, directors, staff to secure loans, overdrafts and other banking facilities.

Loans and borrowings and other commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of the amount of loss allowance and the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

For loans and borrowings and other commitments and financial guarantee contracts, the loss allowance is recognised as a provision.

3.10. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

3.10. Fair value measurement

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

3.10.1 Write off

The Group writes off a financial asset (and any related allowances for impairment losses) when the Group's Credit determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

3.10.2 Financial assets measured at fair value through other comprehensive income

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 statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. 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 profit or loss.

3.10.3 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.

3.11 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. See further details in Note 3.9.

3.12 Cash and cash equivalents

Cash equivalents comprises 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 cash flows, cash and cash equivalents are reported net of overdrafts.

3.13 Lease contract with lessor

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.

3.13.1 The Group is the lessor

3.13.1.1 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.

3.13.1.2 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 difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. See further details in Note 3.9

3.13.2 The Group is the lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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.

Lease payments included in the measurement of the lease liability are made up of the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leased office space for its branch operations. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14 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.

3.15 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.

3.16 Retirement benefits

3.16.1 Defined contribution plan

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

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

Employees contribute 8% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes 10% to make a total contribution of 18% of the total emoluments as required by the Pension Reform Act 2004. The Group's contribution to the pension's scheme is charged to the profit or loss account.

3.16.2 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.

3.16.3 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.

3.17 Taxes

3.17.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

-Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

-In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax related to fair value re-measurement of fair value through OCI 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 statement of profit or loss together with the deferred gain or loss on disposal.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI.

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity. The Group only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Bank's intention to settle on a net basis.

3.18 Provisions

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

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

3.19 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:

3.19.1 Income from property, plant and equipment for lease

Lease income from property, plant and equipment for lease is recognised in statement of profit or loss 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 Group 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 profit or loss in the period in which termination takes place.

3.19.2 Income from finance leases

The recognition of income from finance lease is based on a pattern reflecting a constant periodic rate of return on Group's net investment in the finance lease. The Group 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.

3.19.3 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.

3.19.4 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.

3.19 Revenue recognition-continued

3.19.5 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.

3.19.6 Rental income

Rental income is recognized on an accrued basis.

3.19.7 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.

3.20 Foreign currency translation

3.20.1 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.

In the separate financial statements of the parent (C&I Leasing Plc), exchange differences arising from the translation of the net investments in foreign operations are recognised in the statement of profit or loss. The deferred tax arising from the recognition of the foreign currency translation differences is also recognised in the statement of profit or loss.

However, in the consolidated financial statements (where the foreign operations are subsidiaries), these exchange differences are initially recorded in other comprehensive income (OCI) and accumulated in a separate equity component.The deferred tax on the foreign currency translation difference is also recognised in the statement of other comprehensive income.

3.20.2 Foreign operations

The functional currency of the parent Group and the presentation currency of the financial statements is the 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 arising on translation for consolidation are recognised in other comprehensive income and accumulated in a separate category of equity.

3.21 IAS 29 Financial Reporting in Hyper-inflationary Economies

The separate financial statements of the reporting year 2023 of the Ghana subsidiary were restated and consolidated in compliance with IAS 29 Financial reporting in hyperinflationary economies, the Group's prior year figures were not restated in line with IAS 21 paragraph 42(b).

The standard requirements were applied as follows:

-**Income statement items:** Income statement line items were restated by multiplying the historical cost by the CPI conversion factor (CPI at reporting period/CPI at transaction date) as stated in Note 55.
-**Monetary assets and liabilities:** Monetary assets and liabilities were not restated, as they are stated in the current measuring unit at the closing of the reporting fiscal year.
-**Non Monetary assets and liabilities:** Non monetary assets and liabilities were restated by multilying carrying value by the CPI conversion factor (CPI at reporting period/CPI at acquisition date).
- Non-monetary items measured at their current values at the end of the reporting fiscal year, such as net realizable value or others, were not restated.

The profit from the net monetary position is included in the profit or loss for the reporting fiscal year, and disclosed as a separate item as gain on Net Monetary Position. The gain on net monetary position was estimated by taking difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income.

Foreign currency translation

The Ghana's subsidiary's financial statement line items (assets, liabilities, equity, income and expense) were translated using closing rate in line with IAS 21 paragraph 42.

There Group has adopted the policy choice to present the IAS 21 translation effect through OCI as these amount represents the exchange difference on translating the share capital at closing exchange rate.

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, the Group'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.

4. Segment reporting-continued

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 intra-segment 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 judgement

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgement 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 statement of profit or loss 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 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.9.3, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing Groups of similar financial assets for the purposes of measuring ECL.

5.2 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Group's recognised and unrecognised deferred tax assets and liabilities are as disclosed in Note 22.

5.3 Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, which have significant effect on the amount recognised in the financial statements:

5.3.1 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.

5.3.2 Determination of impairment of property, plant and equipment, and intangible 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. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management’s judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

5.3.3 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.

5.3.4 Determination of exchange rate used for translation

The Group translates and records its foreign currency transactions and balances based on the exchange rate at which the future cash flows represented by the transactions or balances could have been settled, if those cash flows had occurred at the reporting date. The Central Bank of Nigeria Import & Export rate has been used for the translation of foreign currency balances as this remains the main source of foreign currencies for the Company's transactions. Refer to Notes 3.20.1.

5.4 Statement of prudential adjustments

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 expected credit loss model required by IFRS under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

The Central Bank of Nigeria stipulates that provisions for loans recognized in the profit or loss account be determined based on the requirements of IFRS. The IFRS provision should then be compared with provision determined using the Prudential Guidelines and the expected impact/changes treated in the retained earnings as follows:

5.4 Statement of prudential adjustments

i) Where the prudential impairment allowance is greater than IFRS impairment allowance: the difference should be transferred from the retained earnings account to a non-distributable regulatory risk reserve.

ii) Where the prudential impairment allowance is less than IFRS impairment allowance: The difference should be transferred from the regulatory risk reserve account to the retained earnings to the extent of the non-distributable reserve previously recognized.

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

In line with the same directive of the CBN, the Company has reconciled the statutory credit reserve as at 31 December 2023, by comparing the provision and impairment as determined under both bases. A reconciliation of this amount is provided below:

	Company	
	31-Dec-23	**31-Dec-22**
Total Prudential Impairment Provision (Note 28.2.2)	862,137	823,021
IFRS impairment provision (Note 28.2.1)	459,973	426,941
Difference in impairment provision balances	**402,163**	**396,080**
Movement in regulatory reserve:		
At 1 January	396,080	380,152
Transfer to statutory credit reserve in the year	6,084	15,928
At 31 December	**402,164**	**396,080**

5.5 Hyperinflationary accounting

During 2023, the Group has designated Ghana as hyperinflationary economies in accordance with IAS 29 and has therefore employed the use of the hyperinflationary accounting to consolidate and report its Ghana operating subsidiary.

The determination of whether an economy is hyperinflationary requires the Group to make certain estimates and judgements, such as assessment of historic inflation rates and anticipation of future trends. In addition, the application of hyperinflationary accounting in accordance with IAS 29 requires the selection and use of price indices to estimate the impact of inflation on the results of operations and non-monetary assets and liabilities and of the Group.

The selection of price indices is based on the Group's assessment of various available price indices on the basis of reliability and relevance. Changes in any such estimates may significantly impact the carrying value of those non-monetary assets or liabilities, and results of operations, which are subject to hyperinflationary adjustments, and the related gains and losses within the consolidated statements of loss and comprehensive loss.

Consumer Price Index (CPI) data covering all items has been obtained from the Ghana statistical service website. This measures the overall change in consumer prices based on a representative basket of goods and services over time as is viewed as representative of the hyperinflationary economy.

Below is an extract of the CPI sourced from Ghana statistical service and the correponding index factor

Month	CPI	Index factor
31-Dec-22	163	1.23219
30-Jan-23	166	1.21135
28-Feb-23	169	1.18909
31-Mar-23	167	1.20408
30-Apr-23	171	1.17654
31-May-23	179	1.12255
30-Jun-23	184	1.08785
31-Jul-23	191	1.05026
31-Aug-23	191	1.05247
30-Sep-23	194	1.03296
31-Oct-23	195	1.02766
30-Nov-23	198	1.01211
31-Dec-23	201	1.00602

6. Financial instruments and fair values

As explained in Note 6.1, 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 either through the statement of profit or loss or other comprehensive income. Therefore, the financial instruments carried in the consolidated and separate statements of financial position are shown based on their classifications in the table below:

6.1 Classes of financial instruments

	Fair value through OCI N'000	Amortised Cost N'000	Total carrying amount N'000
Group			
At 31 December 2023			
Financial assets			
Cash and balances with banks	-	2,154,494	2,154,494
Investment securities at fair value through other comprehensive income	26,612	-	26,612
Trade and other receivables	-	11,356,625	11,356,625
Other assets (Note 13)	-	153,896	153,896
	26,612	13,665,015	13,691,627
Financial liabilities			
Due to banks	-	1,442,686	1,442,686
Commercial notes issued	-	19,664,527	19,664,527
Loans and borrowings	-	17,777,964	17,777,964
Trade and other payables (Note 21.3)	-	7,322,083	7,322,083
	-	46,207,260	46,207,260

	Fair value through OCI N'000	Amortised Cost N'000	Total carrying amount N'000
Group			
At 31 December 2022			
Financial assets			
Cash and balances with banks	-	1,155,208	1,155,208
Investment securities at fair value through other comprehensive income	11,518	-	11,518
Trade and other receivables	-	8,199,569	8,199,569
Other assets (Note 13)	-	119,783	119,783
	11,518	9,474,560	9,486,078

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	Fair value through OCI N'000	Amortised Cost N'000	Total carrying amount N'000
Group			
Due to banks	-	1,624,473	1,624,473
Commercial notes issued	-	13,554,429	13,554,429
Loans and borrowings	-	20,234,751	20,234,751
Trade and other payables(Note 21.3)	-	3,967,988	3,967,988
	-	**39,381,641**	**39,381,641**

	Fair value through OCI N'000	Amortised Costs N'000	Total carrying amount N'000
Company			
At 31 December 2023			
Financial assets			
Cash and balances with banks	-	1,913,533	1,913,533
Investment securities at fair value through other comprehensive income	26,612	-	26,612
Trade and other receivables	-	23,909,404	23,909,404
Other assets (Note 13)	-	2,237,563	2,237,563
	26,612	**28,060,500**	**28,087,112**
Financial liabilities			
Due to banks	-	1,442,686	1,442,686
Commercial notes issued	-	19,664,527	19,664,527
Loans and borrowings	-	14,736,285	14,736,285
Trade and other payables(Note 21.3)	-	5,986,433	5,986,433
	-	**41,829,931**	**41,829,931**

	Fair value through OCI N'000	Amortised Costs N'000	Total carrying amount N'000
Company			
At 31 December 2022			
Financial assets			
Cash and balances with banks	-	1,053,647	1,053,647
Investment securities at fair value through other comprehensive income	11,518	-	11,518
Trade and other receivables	-	11,380,403	11,380,403
Other assets (Note 13)	-	1,242,260	1,242,260
	11,518	**13,676,310**	**13,687,828**

	Fair value through OCI N'000	Amortised Costs N'000	Total carrying amount N'000
Company			
Financial liabilities			
Due to banks	-	1,618,276	1,618,276
Commercial notes issued	-	13,554,429	13,554,429
Loans and borrowings	-	19,342,621	19,342,621
Trade and other payables (Note 21.3)	-	3,441,632	3,441,632
	-	**37,956,958**	**37,956,958**

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 period.

Land and building is carried at fair value. In determining the fair value, the direct market comparison approach was used. This approach compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions to arrive at the value.

6.3 Fair value measurements recognised in the statement of financial position

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active 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. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise investment securities at fair value through other comprehensive

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements are recurring.

At 31 December 2023

	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Investment securities at FVOCI	11	26,612	-	-	**26,612**

At 31 December 2022

	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Investment securities at FVOCI	11	11,518	-	-	**11,518**
Land and building	18	-	-	522,732	**522,732**

The Group maintains quoted investments in the companies listed in Note 11 and were valued at N26.6 million (December 2022: N11.5 million) which are categorised as **level 1,** because the securities are actively traded. There are no financial instruments in the level 2 and 3 categories for the year. There were no transfer within levels during the year.

6.4 Financial instruments not measured at fair value

The table below sets out the fair values of financial instruments not carried at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Group
At 31 December 2023

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	2,154,494	2,154,494	2,154,494
Trade and other receivables	-	-	11,356,625	11,356,625	11,356,625
Liabilities					
Due to banks	-	-	1,442,686	1,442,686	1,442,686
Commercial notes issued	-	-	18,123,785	18,123,785	19,664,527
Trade and other payables	-	-	7,322,083	7,322,083	7,322,083
Loans and borrowings	-	-	15,431,609	15,431,609	17,777,964

Group
At 31 December 2022

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	1,155,208	1,155,208	1,155,208
Trade and other receivables	-	-	8,199,569	8,199,569	8,199,569
Liabilities					
Due to banks	-	-	1,624,473	1,624,473	1,624,473
Commercial notes issued	-	-	12,198,986	12,198,986	13,554,429
Trade and other payables	-	-	3,967,988	3,967,988	3,967,988
Loans and borrowings	-	-	18,211,276	18,211,276	20,234,751

Company
At 31 December 2023

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	1,913,533	1,913,533	1,913,533
Trade and other receivables	-	-	23,909,404	23,909,404	23,909,404
Liabilities					
Due to banks	-	-	1,442,686	1,442,686	1,442,686
Commercial notes issued	-	-	18,123,785	18,123,785	19,664,527
Trade and other payables	-	-	5,986,433	5,986,433	5,986,433
Loans and borrowings	-	-	12,389,929	12,389,929	14,736,285

Company
At 31 December 2022

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	1,053,647	1,053,647	1,053,647
Trade and other receivables	-	-	11,380,403	11,380,403	11,380,403
Liabilities					
Due to banks	-	-	1,618,276	1,618,276	1,618,276
Commercial notes issued	-	-	12,198,986	12,198,986	13,554,429
Trade and other payables	-	-	3,441,632	3,441,632	3,441,632
Loans and borrowings	-	-	17,408,359	17,408,359	19,342,621

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

i **Cash and bank balances with banks**

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

ii **Trade and other receivables/payables**

The estimated fair value of receivables/payables with no stated maturity is the amount repayable or received on demand. The carrying amount of trade and other receivables/payables do not attract interest rate and are repayable within six months, hence the impact of discounting is insignificant. Thus the amount receivable on demand is a reasonable approximation of their fair values.

iii **Due to banks**

The carrying amount due to banks is a reasonable approximation of fair value. The estimated fair value represents the discounted amount of estimated future outflows expected to be paid out.

iv **Commercial notes issued and loans and borrowings**

The estimated fair value of fixed interest-bearing borrowings and commercial notes not quoted in an active market is based on discounted cash flows using the contractual interest rates for these debts over their remaining maturity.

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 fair value through other comprehensive income (FVOCI).

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 of 22% at the year ended 31 December 2023 (December 2022: 27%).

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

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		N'000	N'000	N'000	N'000
Tier 1 capital					
Share capital		390,823	390,823	390,823	390,823
Deposit for shares		1,975,000	1,975,000	1,975,000	1,975,000
Share premium		3,361,609	3,361,609	3,361,609	3,361,609
Retained earnings		3,050,066	3,605,439	6,731,259	667,433
Statutory reserve		2,134,556	1,376,717	1,640,015	966,083
Regulatory risk reserve		361,739	361,478	402,164	396,080
Non-controlling interests		947,443	839,547	-	-
Sub-Total		**12,221,236**	**11,910,613**	**14,500,870**	**7,757,028**
Less: Intangible assets		(10,767)	(25,405)	(9,333)	(25,414)
Required loan loss reserve		(361,739)	(361,478)	(402,164)	(396,080)
Total qualifying for tier 1 capital		**11,848,730**	**11,523,730**	**14,089,373**	**7,335,534**
Tier 2 capital					
Foreign currency translation reserve		13,790,524	4,520,558	-	-
Fair value reserve		21,456	10,890	21,455	10,890
Assets revaluation reserve		272,178	272,178	272,178	272,178
Total		**14,084,158**	**4,803,626**	**293,633**	**283,068**
Total qualifying for tier 2 capital (Maximum of 33.3% of TIER 1 Capital)		3,945,627	3,837,402	4,691,761	2,442,733
Total regulatory capital		**15,794,357**	**15,361,132**	**18,781,134**	**9,778,267**
Risk-weighted assets					
	%				
Cash and balances with banks	20%	430,899	231,042	382,707	210,729
Finance lease receivables	100%	1,192,796	2,112,163	1,192,796	2,112,163
At fair value through other comprehensive income	100%	11,518	11,518	11,518	11,518
Trade and other receivables	100%	11,356,625	8,199,569	23,909,404	11,380,403
other assets	100%	11,014,231	10,211,950	12,690,371	11,193,557
Investment in subsidiaries	100%	-	-	759,467	759,467
Investment in joint venture	100%	4,247,962	3,205,390	4,247,962	3,205,390
Plant and equipment for lease	100%	46,922,849	31,390,196	16,282,301	16,511,609
Property, plant and equipment	100%	1,771,972	623,162	1,524,283	532,143
Total risk weighted assets		**76,948,851**	**55,984,990**	**61,000,809**	**45,916,979**
Risk-weighted Capital Adequacy Ratio (CAR)		**21%**	**27%**	**31%**	**21%**

8. Risk management framework

The primary objective of 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.

The Group'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 arose from the 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 the Group:

- 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

The Company's operations are subject to regulatory requirements of Central Bank of Nigeria (CBN), Securities and Exchange Commission (SEC) and Nigerian Exchange Group (NGX) . 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.
– - documentation 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 delay 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 year was as follows:

	Group	
	31-Dec-23	31-Dec-22
	N'000	N'000
Financial assets		
Cash and balances with banks	2,142,698	1,151,424
Finance lease receivables	1,192,796	2,112,163
Trade and other receivables	11,356,625	8,199,569
Other assets	153,896	119,783
	14,846,015	**11,582,939**

	Company	
	31-Dec-23	31-Dec-22
	N'000	N'000
Financial assets		
Cash and balances with banks	1,907,745	1,053,389
Finance lease receivables	1,192,796	2,112,163
Trade and other receivables	23,909,404	11,380,403
Other assets	2,237,563	1,242,260
	29,247,508	**15,788,215**

The table below shows the credit quality and the maximum exposure to credit risk based on the Group’s credit rating system, and year-end stage classification. The amounts presented are gross of allowance for ECL.

Group
31-Dec-23

	Gross carrying amount	ECL
	Stage 1	Stage 1
Rating Grade	N'000	N'000
High grade	-	-
Standard grade	2,128,024	-
	2,128,024	-

Group
31-Dec-22

	Gross carrying amount	ECL
	Stage 1	Stage 1
Rating Grade	N'000	N'000
High grade	-	-
Standard grade	1,151,424	-
	1,151,424	

Company
31-Dec-23

Rating Grade	Gross carrying amount Stage 1 N'000	ECL Stage 1 N'000
Standard grade	1,893,071	-
	1,893,071	

Company
31-Dec-22

	Gross carrying amount Stage 1 N'000	ECL Stage 1 N'000
Rating Grade		
Standard grade	1,053,388	-
	1,053,388	**-**

Other financial assets

For Finance lease receivables, other assets and trade receivables, the Company applied the simplified approach in computing ECL. Therefore,the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and

Group
2023

Aging band	**Loss rate**	**Gross carrying amount at default N'000**	**Expected credit loss N'000**
Current	**0.20%**	5,187,291	10,425
1-90	**0.62%**	3,403,720	21,048
91-180	**8.41%**	671,094	56,447
181-365	**46.98%**	449,440	211,153
365 Above	**83.71%**	236,615	198,064
		9,948,160	**497,137**

2022

Aging band	**Loss rate**	**Gross carrying amount at default N'000**	**Expected credit loss N'000**
Current	**0.06%**	7,236,158	4,501
1-90	**0.36%**	1,808,076	6,421
91-180	**3.55%**	603,475	21,430
181-365	**17.76%**	277,140	49,207
365 Above	**80.76%**	386,992	312,536
		10,311,841	**394,095**

2023

Aging band	Loss rate	Gross carrying amount at default N'000	Expected credit loss N'000
Current	**0.20%**	5,187,291	10,425
1-90	**0.62%**	3,403,720	21,048
91-180	**8.41%**	671,094	56,447
181-365	**32.67%**	449,440	146,820
365 Above	**93.31%**	236,615	220,787
		9,948,160	455,527

2022

Aging band	Loss rate	Gross carrying amount at default N'000	Expected credit loss N'000
Current	**0.06%**	7,236,158	4,501
1-90	**0.36%**	1,808,076	6,421
91-180	**3.55%**	603,475	21,430
181-365	**17.76%**	277,140	49,207
365 Above	**71.47%**	386,992	276,600
		10,311,841	358,159

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 cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. The Operations Committee has primary responsibility for compliance with regulations and company policy and maintaining a liquidity crisis contingency plan.

Below is the contractual maturities of financial liabilities in Nigerian Naira

Group	Less than 6 Months N'000	6 Months to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
31 December 2023					
Due to banks	1,442,686	-	-	-	1,442,686
Commercial notes issued	19,664,527	-	-	-	-
Loans and borrowings	629,006	4,756,034	13,064,577	1,893,396	19,714,007
Trade and other payables	7,322,083	-	-	-	7,322,083
	29,058,301	**4,756,034**	**13,064,577**	**1,893,396**	**28,478,776**
At 31 December 2022					
Due to banks	1,624,473	-	-	-	1,624,473
Commercial notes issued	13,554,429	-	-	-	13,554,429
Loans and borrowings	645,891	5,348,969	13,397,204	1,488,578	20,880,642
Trade and other payables	4,303,632	-	-	-	4,303,632
	20,128,425	**5,348,969**	**13,397,204**	**1,488,578**	**40,363,176**

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Company	Less than 6 Months N'000	Less than 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
31 December 2023					
Due to banks	1,442,686		-	-	1,442,686
Commercial notes issued	19,664,527	-	-	-	19,664,527
Loans and borrowings	629,006	3,303,121	9,741,290	2,201,946	15,875,363
Trade and other payables	5,986,433	-	-	-	5,986,433
	27,722,652	**3,303,121**	**9,741,290**	**2,201,946**	**42,969,009**
At 31 December 2022					
Due to banks	1,618,276	-	-	-	1,618,276
Commercial notes issued	13,554,429	-	-	-	13,554,429
Loans and borrowings	645,891	5,279,068	14,063,553	1,488,578	21,477,090
Trade and other payables	3,775,944	-	-	-	3,775,944
	19,594,540	**5,279,068**	**14,063,553**	**1,488,578**	**40,425,740**

The contractual cash flows 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.

The following tables indicate the contractual timing of cash flows in respect of cash flows arising from financial instruments impacted by this risk:

Group	Less than 6 Months N'000	Less than 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
31 December 2023					
Assets					
Cash and balances with banl	2,154,494	-	-	-	2,154,494
Finance lease receivables	-	1,192,796	-	-	1,192,796
Trade and other receivables	-	11,356,625	-	-	11,356,625
Investment securities at fair value through other comprehensive income	-	-	26,612	-	26,612
	2,154,494	**12,549,421**	**26,612**	**-**	**14,730,527**
Liabilities					
Due to banks	1,442,686	-	-	-	1,442,686
Commercial notes issued	19,664,527	-	-	-	19,664,527
Loans and borrowings	629,006	4,756,034	13,064,577	1,893,396	20,343,013
Trade and other payables	7,322,083		-	-	7,322,083
	29,058,301	**4,756,034**	**13,064,577**	**1,893,396**	**48,772,308**
Net liquidity position	**(26,903,807)**	**7,793,387**	**(13,037,965)**	**(1,893,396)**	**(34,041,782)**

Group	Less than 6 Months N'000	Less than 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
31 December 2022					
Assets					
Cash and balances with banl	1,155,208	-	-	-	1,155,208
Finance lease receivables	-	2,112,163	-	-	2,112,163
Trade and other receivables	-	8,199,569	-	-	8,199,569
Investment securities at fair value through other comprehensive income	-	-	11,518	-	11,518
	1,155,208	**10,311,732**	**11,518**	**-**	**11,478,458**
Liabilities					
Due to banks	1,624,473	-	-	-	1,624,473
Commercial notes issued	13,554,429	-	-	-	13,554,429
Loans and borrowings	645,891	5,348,969	13,397,204	1,488,578	20,880,642
Trade and other payables	4,303,632	-	-	-	4,303,632
	20,128,425	**5,348,969**	**13,397,204**	**1,488,578**	**40,363,176**
Net liquidity position	(18,973,217)	**4,962,764**	**(13,385,686)**	**(1,488,578)**	**(28,884,717)**

Company	Less than 6 Months N'000	Less than 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
31 December 2023					
Assets					
Cash and balances with banl	1,913,533	-	-	-	1,913,533
Finance lease receivables	-	1,192,796	-	-	1,192,796
Trade and other receivables	-	23,909,404	-	-	23,909,404
Investment securities at fair value through other comprehensive income	-	-	26,612	-	26,612
	1,913,533	**25,102,200**	**26,612**	**-**	**27,042,345**
Liabilities					
Due to banks	1,442,686	-	-	-	1,442,686
Commercial notes issued	19,664,527	-	-	-	19,664,527
Loans and borrowings	629,006	3,303,121	9,741,290	2,201,946	15,875,363
Trade and other payables	5,986,433	-	-	-	5,986,433
	27,722,652	**3,303,121**	**9,741,290**	**2,201,946**	**42,969,009**
Net liquidity position	**(25,809,119)**	**21,799,079**	**(9,714,678)**	**(2,201,946)**	**(15,926,664)**

Company	Less than 6 Months N'000	Less than 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
31 December 2022					
Assets					
Cash and balances with banl	1,053,647	-	-	-	1,053,647
Finance lease receivables	-	2,112,163	-	-	2,112,163
Trade and other receivables	-	11,380,403	-	-	11,380,403
Investment securities at fair value through other comprehensive income	-	-	11,518	-	11,518
	1,053,647	**13,492,566**	**11,518**	**-**	**14,557,731**
Liabilities					
Due to banks	1,618,276	-	-	-	1,618,276
Commercial notes issued	13,554,429	-	-	-	13,554,429
Loans and borrowings	645,891	5,279,068	14,063,553	1,488,578	21,477,090
Trade and other payables	3,775,944	-	-	-	3,775,944
	19,594,540	**5,279,068**	**14,063,553**	**1,488,578**	**40,425,740**
Net liquidity position	**(18,540,893)**	**8,213,498**	**(14,052,035)**	**(1,488,578)**	**(25,868,009)**

In order to address the negative liquidity gap, the Group has a standby credit facilities which can be called upon. Also, the Group has entered into new contracts across most of its business lines that will bring in new cash flows and the Group have plans to restructure some of its current loan for better efficiency.

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 Plc and EPIC International FZE, U.A.E.; whose transactions are denominated in Ghanaian Cedi and United Arab Emirates' Dirhams respectively. The exposure to foreign exchange risk as a result of these subsidiaries in the year as a result of translation has been recognised in the statement of other comprehensive income.

8.3.4 Currency risk - Continued

The following significant exchange rates applied during the year

		2023 N'000	2022 N'000
USD	907	26,899,095	14,025,100
GHc	75	6,915,425	2,278,601

Sensitivity analysis – Currency Risk

A reasonably possible strengthening (weakening) of the US Dollar against the Nigerian Naira as at 31 December 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumed that all other variables remain constant and ignore any impact of forecast sales and purchases.

	Operating Profit			
	2023		2022	
	Strengthening	Weakening	Strengthening	Weakening
USD (5%)	1,344,955	(1,344,955)	701,255	(701,255)
GHc (5%)	345,771	(345,771)	113,930	(113,930)

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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 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.

Sensitivity analysis – Interest rate risk

Group

31 December 2023

		Interest rate shock to profit before tax			
N'000	**Carrying value**	**1%**	**2%**	**-1%**	**-2%**
Bank balances	2,142,698	21,427	42,854	(21,427)	(42,854)
Finance lease receivables	1,192,796	11,928	23,856	(11,928)	(23,856)
Balance due to banks	(1,442,686)	(14,427)	(28,854)	14,427	28,854
Commercial notes	(19,664,527)	(196,645)	(393,291)	196,645	393,291
Loans and borrowings	(17,777,964)	(177,780)	(355,559)	177,780	355,559

Group

31 December 2022

		Interest rate shock to profit before tax			
N'000	**Carrying value**	**1%**	**2%**	**-1%**	**-2%**
Bank balances	1,151,424	11,514	23,028	(11,514)	(23,028)
Finance lease receivables	2,112,163	21,122	42,243	(21,122)	(42,243)
Balance due to banks	(1,624,473)	(16,245)	(32,489)	16,245	32,489
Commercial notes	(13,554,429)	(135,544)	(271,089)	135,544	271,089
Loans and borrowings	(20,234,751)	(202,348)	(404,695)	202,348	404,695

Company
31 December 2023

N'000	Carrying value	Interest rate shock to Profit Before Tax 1%	2%	-1%	-2%
Bank balances	1,907,745	19,077	38,155	(19,077)	(38,155)
Finance lease receivables	1,192,796	11,928	23,856	(11,928)	(23,856)
		-			
Balance due to banks	(1,442,686)	(14,427)	(28,854)	14,427	28,854
Commercial notes	(19,664,527)	(196,645)	(393,291)	196,645	393,291
Loans and borrowings	(14,736,285)	(147,363)	(294,726)	147,363	294,726

Company
31 December 2022

N'000	Carrying value	Interest rate shock to Profit Before Tax 1%	2%	-1%	-2%
Bank balances	1,053,389	10,534	21,068	(10,534)	(21,068)
Finance lease receivables	2,112,163	21,122	42,243	(21,122)	(42,243)
Balance due to banks	(1,618,276)	(16,183)	(32,366)	16,183	32,366
Commercial notes	(13,554,429)	(135,544)	(271,089)	135,544	271,089
Loans and borrowings	(19,342,621)	(193,426)	(386,852)	193,426	386,852

8.3.6 Market price risk

Investments by the Group in financial assets fair value through other comprehensive income expose the Group to market (equity) price risk. The impact of this risk on the Group's financial statements is considered positive because of the continuous increase and stability in value of equities in the past few years. All other gains and losses due to increase and decrease in market prices were recorded in the fair value reserve through statement of other comprehensive income.

	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
9. Cash and bank balances				
Cash in hand	11,796	3,784	5,788	258
Bank balances	2,142,698	1,151,424	1,907,745	1,053,389
	2,154,494	**1,155,208**	**1,913,533**	**1,053,647**

Expected credit loss were computed on bank balances , however this was assessed and deemed immaterial

9.1 Cash and cash equivalents per statement of cash flows				
Cash in hand	11,796	3,784	5,788	258
Bank balances	2,142,698	1,151,424	1,907,745	1,053,389
Balance due to banks (Note 19)	(1,442,686)	(1,624,473)	(1,442,686)	(1,618,276)
	711,808	**(469,265)**	**470,847**	**(564,629)**

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
10 Finance lease receivables				
10.1 Finance lease receivable not due				
Gross finance lease receivable	2,590,026	5,098,481	2,590,026	5,098,481
Unearned lease interest/maintenance (Note 10.2)	(1,392,784)	(2,985,005)	(1,392,784)	(2,985,005)
Net investment in finance lease not due	**1,197,242**	**2,113,476**	**1,197,242**	**2,113,476**
Impairment allowance (Note 10.3)	(4,446)	(1,312)	(4,446)	(1,312)
Carrying amount finance lease not due	**1,192,796**	**2,112,163**	**1,192,796**	**2,112,163**

Group	2023		2022	
	N'000	N'000	N'000	N'000
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
The present value of the minimum lease payments are as follows:				
Not later than one year	20,944	23,358	107,689	113,759
Later than one year, not later than five years	764,529	1,173,884	1,311,904	1,999,716
Total minimum lease payments	785,473	1,197,242	1,419,593	2,113,475
Less amount representing unearned finance income	411,769	-	693,883	-
Present value of minimum lease payments	**1,197,242**	**1,197,242**	**2,113,476**	**2,113,476**

Company	2023		2022	
	N'000	N'000	N'000	N'000
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
The present value of the minimum lease payments are as follows:				
Not later than one year	20,944	23,358	107,689	113,759
Later than one year, not later than five years	764,529	1,173,884	1,311,904	1,999,716
Total minimum lease payments	785,473	1,197,242	1,419,593	2,113,475
Less amount representing unearned finance income	411,769	-	693,883	-
Present value of minimum lease payments	**1,197,242**	**1,197,242**	**2,113,476**	**2,113,476**

10.2 Included in unearned lease interest/maintenance is deferred maintenance charge.

Deferred maintenance charge relates to estimate for maintenance obligations on fleet managements under finance lease arrangement. The reimbursements are included in finance lease receivables from customers, while the maintenance charge is recognised in the statement of profit or loss over the tenor of the fleet management contracts.

10.3 Impairment allowance on finance lease receivables not due

Set out below is the movement in allowance for expected credit losses of finance lease receivable

Group

		31 December 2023 N'000	31 December 2022 N'000
As at 1 january		1,312	1,527
Charge/(reversal) for the year	40	3,134	(215)
		4,446	1,312

Company

		31 December 2023 N'000	31 December 2022 N'000
As at 1 january		1,312	1,527
Charge/(reversal) for the year	40	3,134	(215)
		4,446	1,312

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
11 Investment securities at fair value through other comprehensive				
Listed equity (Note 11.1)	**26,612**	11,518	**26,612**	11,518
11.1 Movement in investment securities at fair value through other comprehensive income				
At 1 January	11,518	9,668	11,518	9,668
Fair value gain/(loss) (Note 11.3)	15,094	1,850	15,094	1,850
At 31 December	26,612	11,518	26,612	11,518

11.2	**Analysis of equity instruments**				
	FBN Holdings Plc	16,500	16,500	16,500	16,500
	Fidelity Bank Plc	12,000	12,000	12,000	12,000
		28,500	28,500	28,500	28,500
11.3	**Movement in fair value reserve**				
	At 1 January	10,889	9,039	10,889	9,039
	Gain from changes in fair value recognised in OCI (Note 30)	15,094	1,850	15,094	1,850
	At the end	25,983	10,889	25,983	10,889
12	**Trade and other receivables**				
	Lease rental due	1,097,855	667,743	1,097,855	667,743
	Staff loans and advances	124,598	55,247	40,219	41,568
	Plant and equipment for lease receivables*	9,151,064	7,223,393	7,730,483	6,296,231
	Account receivable others	1,375,540	352,700	220,999	41,376
	Receivable from related companies (Note 12.1)	70,754	201,592	15,181,048	4,598,654
		11,819,810	8,500,675	24,270,604	11,645,572
	Impairment allowance (Note 12.2)	(463,186)	(301,105)	(361,200)	(265,169)
		11,356,625	8,199,570	23,909,404	11,380,403

Plant and equipment for lease receivables relates to receivables from IOCs on rentals of marine vessels for their daily operations. These leases are considered as operating leases.

12.1	**Analysis of receivable from related companies:**				
	Leasafric Ghana Logistics limited	-	88,394	-	-
	C&I/Sifax JV Current account	-	42,242	-	42,242
	OCS/C&I JV Current account	70,754	70,956	70,754	70,956
	EPIC International FZE, United Arab Emirates	-	-	15,110,294	4,485,456
	Gross receivable from related parties	**70,754**	**201,592**	**15,181,048**	**4,598,654**
	Impairment allowance	(7,686)	(3,951)	(7,686)	(15,397)
	Net receivable from related parties	63,068	197,641	15,173,362	4,583,258

12.2 Impairment allowance on trade and other receivables

For the group set out below is the movement in allowance for expected credit losses on lease rental due, trade receivables while the company is inclusive of receivable from related parties.

Group

		31 December 2023 N'000	31 December 2022 N'000
As at 1 january		301,105	257,307
Charge for the year(lease rental and trade receivables)	40	162,081	54,008
Reversal for the year (receivable from related parties)	40	-	(10,210)
		463,186	**301,105**

Company

		31 December 2023 N'000	31 December 2022 N'000
As at 1 january		265,169	218,608
Charge for the year(lease rental and trade receivables)	40	103,743	56,771
Reversal for the year (receivable from related parties)	40	(7,712)	(10,210)
		361,200	**265,169**

Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to receivable from related parties is as follows:

Company	**Stage 1 N'000**	**Stage 2 N'000**	**Stage 3 N'000**	**Total N'000**
Gross carrying amount as at 1 January 2023	**4,598,654**	**-**	**-**	**4,598,654**
New assets originated or purchased	10,582,394			10,582,394
Assets derecognised or repaid				
At 31 December 2023	**15,181,048**	**-**	**-**	**15,181,048**
ECL impairment allowance as at 1 January 2023	15,398	-	-	15,398
New assets originated or purchased				
Assets derecognised or repaid	(7,712)			(7,712)
At 31 December 2023	**7,686**	**-**	**-**	**7,686**

Company

Gross carrying amount as at 1 January 2022	**8,434,793**			**8,434,793**
New assets originated or purchased				
Assets derecognised or repaid	(3,836,139)			
At 31 December 2022	**4,598,654**	**-**	**-**	**4,598,654**

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Company	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL impairment allowance as at 1 January 2022	25,608	-	-	25,608
Assets derecognised or repaid	(10,210)			
At 31 December 2022	**15,398**			**15,398**

		Group		Company	
		31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
13	**Other assets**				
	Prepayments	450,915	489,607	338,023	439,920
	Withholding tax receivables	6,719,835	6,361,053	6,593,491	6,332,003
	Value added tax receivable	-	25,371	-	-
	Consumables (Note 13.1)	3,783,911	3,309,127	3,615,621	3,272,364
	Total non-financial assets	**10,954,661**	**10,185,158**	**10,547,135**	**10,044,287**
	Dividend receivables	-	-	2,097,565	1,124,652
	Insurance claims receivables*	13,898	2,175	-	-
	Other receivables	139,998	117,608	139,998	117,608
		153,896	**119,783**	**2,237,563**	**1,242,260**
	Impairment allowance on other assets (Note 13.2)	(94,327)	(92,990)	(94,327)	(92,990)
	Total financial assets	**59,569**	**26,793**	**2,143,236**	**1,149,270**
	Total Other assets	**11,014,231**	**10,211,950**	**12,690,371**	**11,193,557**
13.1	**Consumables**				
	Spare parts	1,958,075	1,964,715	1,958,075	1,927,953
	Goods in transit	1,825,836	1,396,485	1,657,546	1,396,485
		3,783,911	**3,361,200**	**3,615,621**	**3,324,438**
	Write down on inventory	-	(52,074)	-	(52,074)
		3,783,911	**3,309,127**	**3,615,621**	**3,272,364**

*Insurance claim receivables relates to insurance claim to be received from insurer from accident incurred during the year of which the insurer has established the claim but payment is been expected.

The measurement method adopted for the determining the closing balances of spare parts and Good in transit is the weighted average and cost method respectively.
Prepayment relates to prepaid insurance , subscription and other marine services.
Inventory expensed during the year is included in lease expense. This amounts to N454,801,388 for the year ended 2023 and (2022 N501,344,754)

13.2 Impairment allowance on other assets

		Group		Company	
		31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
At 1 January		92,990	13,463	92,990	13,463
Charge during Year	40	1,337	79,527	1,337	79,527
As at 31 December		**94,327**	**92,990**	**94,327**	**92,990**

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		Group		Company	
		31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
14	**Investment in subsidiaries**				
	Leasafric Ghana Limited	-	-	754,736	754,736
	EPIC International FZE, United Arab Emirates	-	-	4,231	4,231
	C&I Leasing FZE, Nigeria	-	-	500	500
		-	-	759,467	759,467

14.1 Subsidiary undertakings

All shares in subsidiaries undertakings are ordinary shares.

Subsidiary	Principal activities	Country of incorporation	Percentage held	Statutory year end
Leasafric Ghana Plc (14.1.1)	Leasing	Ghana	70.89%	31 December
EPIC International FZE, United Arab Emirates (U.A.E.) (14.1.2)	Trading in ships and boats	United Arab Emirates	100%	31 December
C&I Leasing FZE, Nigeria (14.1.3)	Provision of chartered vessels in Dangote Free Trade Zone.	Nigeria	99%	31 December

14.1.1 Leasafric Ghana Plc

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

14.1.2 EPIC International FZE, U.A.E.

EPIC International FZE is a Free Zone Establishment (the Enterprise) registered in Ras Al khaimah, United Arab Emirates (U.A.E.) under a license issued by the Ras Al Khaimah Free Trade Zone Authority in accordance with the Emiri Decree dated 1 May 2000 of late H.H. Sheikh Saqr Bin Mohammed Bin Salem Al Quasi, Ruler of Ras Al Khaimah. The licensed activities of the Enterprise is trading in ships and boats, its parts, components and automobile which also includes leasing of vessels. EPIC FZE was registered on 29 December 2010 under the license no. 5006480 and commenced its operations in 15 June 2011.

14.1.3 C&I Leasing FZE, Nigeria

C&I Leasing FZE is a Free Zone Enterprise (the Enterprise) registered in Dangote Free Zone in Lekki Free Trade Zone, under a license issued by the Nigeria Export Processing Zones Authority in accordance with the Nigeria Export Processing Zones Authority Act, 1992. The licensed activities of the Enterprise is providing marine servies. The Enterprise was resgistered on 18 December 2017 and commenced operations in 2019.

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14.2 Condensed results of consolidated entities

The consolidated results of the consolidated entities of C & I Leasing Plc are shown in Note 14.2.1-4.

14.2.1 Condensed results of consolidated entities

31 December 2023

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Plc N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Condensed statement of profit or loss and other comprehensive income							
Gross earnings	**29,891,546**	**5,138,834**	**2,987,451**	**-**	**38,017,831**	**(15,602,729)**	**22,415,102**
Net operating income	6,660,492	2,757,977	2,987,450	-	12,405,919	-	12,405,919
Interest income	28,079	23,639	-	-	51,718	-	51,718
Investment income	2,097,565	-	-	-	2,097,565	(2,097,565)	-
Other operating income	11,002,320	375,457		-	11,377,777	(10,517,713)	860,064
Impairment charge	(100,502)	(66,050)	-	-	(166,552)	-	(166,552)
Depreciation and amortisation expense	(1,861,255)	(1,391,756)	(1,375,561)	-	(4,628,572)	-	(4,628,572)
Personnel expenses	(1,036,714)	(364,155)	-	-	(1,400,869)	-	(1,400,869)
Other operating expenses	(1,142,462)	(292,984)		-	(1,435,446)		(1,435,446)
Operating profit	**15,647,523**	**1,042,129**	**1,611,889**	**-**	**18,301,541**	**(12,615,278)**	**5,686,262**
Finance cost	(5,724,521)	(608,806)	(25,728)	-	(6,359,055)	-	(6,359,055)
Share of profit from Joint venture	1,487,572	-	-	-	1,487,572	-	1,487,572
Gain on Net monetary position		733,158			733,158		733,158
Profit before tax	**11,410,574**	**1,166,481**	**1,586,161**	**-**	**14,163,216**	**(12,615,278)**	**1,547,937**
Income tax expense	(4,666,733)	(197,004)	-	-	(4,863,737)	3,589,134	(1,274,603)
Profit after tax	**6,743,841**	**969,477**	**1,586,161**	**-**	**9,299,479**	**(9,026,144)**	**273,335**

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31 December 2022

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Plc N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Condensed statement of profit or loss and other comprehensive income							
Gross earnings	16,343,589	2,662,982	1,908,833	-	20,915,403	(2,977,586)	17,937,817
Net operating income	4,991,162	1,675,281	1,908,833	-	8,575,276	-	8,575,276
Interest income	22,876	6,306	-	-	29,182	-	29,182
Investment income	3,012,680	67,039	-	-	3,079,719	(1,124,652)	1,955,067
Other operating income	110,219	3,731	-	-	113,950	-	113,950
Impairment charge	(123,718)	2,763	-	-	(120,955)	-	(120,955)
Depreciation and amortisation expense	(1,571,940)	(760,226)	(752,807)	-	(3,084,973)	-	(3,084,971)
Personnel expenses	(1,309,656)	(172,043)	-	-	(1,481,699)	-	(1,481,699)
Other operating expenses	(863,915)	(117,880)	(6,532)	(250)	(988,577)	-	(988,577)
Operating profit	4,267,708	704,970	1,149,494	(250)	6,121,923	(1,124,652)	4,997,273
Finance cost	(4,398,860)	(257,748)	(83,089)	-	(4,739,697)	-	(4,739,697)
Share of profit from Joint venture	757,915	-	-	-	757,915	-	757,915
Profit before tax	626,762	447,222	1,066,405	(250)	2,140,140	(1,124,652)	1,015,491
Income tax expense	(319,050)	(119,172)	-	-	(438,222)	-	(438,222)
Profit after tax	307,713	328,050	1,066,405	(250)	1,701,919	(1,124,652)	577,269

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14.2.2 Condensed statement of financial position
31 December 2023

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Assets							
Cash and balances with banks	1,913,533	237,968	2,893	100	2,154,494	-	2,154,494
Finance lease receivables	1,192,796	-	-	-	1,192,796	-	1,192,796
At fair value through other comprehensive ir	26,612	-	-	-	26,612	-	26,612
Trade and other receivables	23,909,404	2,549,168	-	218,183	26,676,756	(15,320,132)	11,356,624
Other assets	12,690,371	429,631	-	29,341	13,149,343	(2,135,113)	11,014,231
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in Joint ventures	4,247,962	-	-	-	4,247,962	-	4,247,962
Deferred income tax assets	-	-	-	-	-	-	-
Intangible assets	9,333	1,434	-	-	10,767	-	10,767
Property, plant and equipment for lease	16,282,301	3,824,954	26,815,593	-	46,922,847	-	46,922,849
Property, plant and equipment own	1,524,283	247,690	-	-	1,771,973	-	1,771,973
Total assets	**62,556,062**	**7,290,844**	**26,818,485**	**247,624**	**96,913,017**	**(18,214,711)**	**78,698,307**
Liabilities and equity							
Due to banks	1,442,686	-	-	-	1,442,686	-	1,442,686
Commercial notes issued	19,664,527	-	-	-	19,664,527	-	19,664,527
Trade and other payables	7,508,256	1,490,652	16,460,685	142,164	25,601,757	(16,490,091)	9,111,666
Current income tax liability	613,690	64,067	-	-	677,757	-	677,757
Deferred income tax liability	3,796,115	(168,617)	-	-	3,627,498	-	3,627,498
Loans and borrowings	14,736,285	3,041,680	-	-	17,777,965	-	17,777,965
Equity and reserves	14,794,503	2,863,062	10,357,801	105,460	28,120,825	(1,724,620)	26,396,205
Total liabilities and equity	**62,556,061**	**7,290,844**	**26,818,485**	**247,624**	**96,913,015**	**(18,214,711)**	**78,698,307**

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	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Assets							
Cash and balances with banks	1,053,647	95,867	5,594	100	1,155,207	-	1,155,207
Finance lease receivables	2,112,163	-	-	-	2,112,163	-	2,112,163
At fair value through other comprehensive ir	11,518	-	-	-	11,518	-	11,518
Trade and other receivables	11,380,403	1,226,209	-	272,345	12,878,957	(4,679,387)	8,199,570
Other assets	11,193,557	143,045	-	-	11,336,602	(1,124,652)	10,211,950
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in Joint ventures	3,205,390	-	-	-	3,205,390	-	3,205,390
Deferred income tax assets	749,373	69,749	-	-	819,122	-	819,122
Intangible assets	25,414	(9)	-	-	25,405	-	25,405
Property, plant and equipment for lease	16,511,609	874,959	14,003,628	-	31,390,196	-	31,390,196
Property, plant and equipment own	532,143	91,019	-	-	623,162	-	623,162
Total assets	**47,534,682**	**2,500,837**	**14,009,222**	**272,445**	**64,317,189**	**(6,563,506)**	**57,753,684**
Liabilities and equity							
Due to banks	1,618,276	6,197	-	-	1,624,473	-	1,624,473
Commercial notes issued	13,554,429	-	-	-	13,554,429	-	13,554,429
Trade and other payables	4,491,343	474,790	9,434,390	167,235	14,567,758	(9,460,047)	5,107,710
Current income tax liability	487,917	30,164	-	-	518,081	-	518,081
Loans and borrowings	19,342,621	892,130	-	-	20,234,751	-	20,234,751
Equity and reserves	8,040,097	1,097,557	4,574,831	105,210	13,817,698	2,896,541	16,714,240
Total liabilities and equity	**47,534,683**	**2,500,837**	**14,009,221**	**272,445**	**64,317,191**	**(6,563,506)**	**57,753,684**

		Group		Company	
		31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
15	**15. Investments in Joint Venture Investment accounted for using equity method - in Joint venture**				
	15.1b	4,247,962	3,205,390	4,247,962	3,205,390

Investment in joint venture represent the company's joint operation with Sifax group through Sifax C&I Marine Limited and Sifax C&I Leasing Marine Limited Seychelles.

15.1 **15.1 Investment in Joint venture undertakings**

	Nature of Joint Ventures	Principal activities	Country of incorporation	Held by (Units) in thousand	% voting power
1	Sifax C&I Marine Ltd	Towage and pilotage services contract awarded to the parties by the Nigeria LNG Limited.	Nigeria	12,500,000	50%
2	Sifax C&I Leasing Marine Ltd Seychelles	Plant and Equipment leasing	Seychelle, East Africa	5,527,928	50%

15.1a Summarised financial information of Joint Venture

The summarised financial information below represents amounts shown in the Joint ventures financial statements.

	Sifax C&I Marine Ltd	Sifax C&I Leasing Marine Ltd Seychelles	Total	
	31 December 2023 N'000	31 December 2023 N'000	31 December 2023 N'000	31 December 2022 N'000
Current assets	6,542,419	3,068,753	9,611,172	4,829,869
Non-current assets	2,732	18,915,058	18,917,790	9,965,182
Total assets	**6,545,151**	**21,983,811**	**28,528,962**	**14,795,051**
Current liabilities	5,396,485	1,911,281	7,307,766	2,443,763
Non-current liabilities	-	9,016,673	9,016,673	5,393,689
Total liabilities	**5,396,485**	**10,927,954**	**16,324,439**	**7,837,452**
Net assets	**1,148,666**	**11,055,857**	**12,204,523**	**6,957,599**

15.1a Summarised financial information of Joint Venture

	Sifax C&I Marine Ltd	Sifax C&I Leasing Marine Ltd Seychelles	Total	
The following amounts have been included in the amounts above:				
Cash and cash equivalents	2,840,382	-	2,840,382	2,630,717
Current financial liabilities (excluding trade and other payables and provisions)	24,895	1,905,838	1,930,733	1,342
Non-current financial liabilities (excluding trade and other payables and provisions)	-	9,016,673	9,016,673	5,393,689
	31 December 2023 N'000	**31 December 2023 N'000**	**31 December 2023 N'000**	**31 December 2022 N'000**
Revenue	4,395,100	3,649,437	8,044,536	5,338,285
profit from operations	76,754	2,184,646	2,261,400	1,114,838
profit for the year	51,922	2,184,646	2,236,568	1,523,233
Total comprehensive profit for the year	**51,922**	**2,184,646**	**2,236,568**	**1,523,233**
The following amounts have been included in the amount above:				
Direct expenses	(4,199,139)	(2,033)	(4,201,172)	(3,101,232)
Other income	70,877	-	70,877	293,589
Impairment charge	-	-	-	(422,749)
Unrealised Gain	964,653	-	-	-
Depreciation expense	(1,387)	(963,874)	(965,261)	(611,834)
Administrative expenses	(1,153,350)	(498,883)	(1,652,233)	(48,936)

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

15.1b Reconciliation of the summarised financial information to the carrying amount of the interest in the joint venture recognised in the Group's financial statements:

	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
Net assets of the joint ventures	12,204,523	6,957,599	12,204,523	6,957,599
Proportion of the Group's ownership interest in the joint ventures	50%	50%	50%	50%
Gross amount of Group's interest in the joint venture	6,102,261	3,478,800	6,102,261	3,478,800
Inter company's balances	(1,409,299)	(273,410)	(1,409,299)	(273,410)
Dividend paid	(445,000)	-	(445,000)	-
Carrying amount of the Group's interest in the joint venture	**4,247,962**	**3,205,390**	**4,247,962**	**3,205,390**

15.1c Profit from Joint Venture

Share of profit in Joint Venture	1,487,572	757,915	1,487,572	757,915

15.1d For the purpose of statement in cashflows

	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
Profit from investment in joint ventures (15.1c)	1,487,572	757,915	1,487,572	757,915
Management operational fee	84,030	61,219	84,030	61,219

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16. Intangible assets

Computer software	Group N'000	Company N'000
Cost:		
At 1 January 2022	**225,864**	**208,352**
Additions during the year		
Translation difference	(5,895)	-
At 31 December 2022	219,969	208,352
At 1 January 2023	**219,969**	**208,352**
Additions	4,059	
IAS 29 Inflation effect	471	-
Translation difference	5,994	-
At 31 December 2023	**230,493**	**208,352**
Accumulated amortisation and impairment:		
At 1 January 2022	**185,333**	**167,909**
Amortisation charge for the year	15,102	15,028
Translation difference	(5,871)	-
At 31 December 2022	**194,565**	**182,938**
At 1 January 2023	**194,565**	**182,938**
Amortisation charge for the year	17,266	16,081
Exchange difference	7,895	-
At 31 December 2023	**219,726**	**199,019**
Carrying amount:		
At 31 December 2023	**10,767**	**9,333**
At 31 December 2022	25,405	25,414

16a Amortisation charged in the year is included in other operating expenses.

16b The software is not internally generated.

16c No impairment charge on intangible asset during the year.

16d For the purpose of statement of cashflows

	Group N'000	Company N'000
Additions	4,059	-
IAS 29 Inflation effect	471	-
Amortization	(17,266)	16,081
Translation difference	(1,901)	-
	(14,637)	**16,081**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17 Plant and equipment for lease - 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	12,400,102	37,036	39,542,828	-	21,000	52,000,966
Additions	2,812,807	-	1,083,770	1,605	352	3,898,533
Disposal	(1,576,656)	-	-	-	-	(1,576,656)
Translation difference	(2,602,824)	-	1,224,376	-	37,653	(1,340,795)
At 31 December 2022	11,033,428	37,036	41,850,974	1,605	59,005	52,982,047
At 1 January 2023	11,033,428	37,036	41,850,974	1,605	59,005	52,982,047
Additions	2,930,908		339,282		27,550	3,297,739
Reclassification	1,605			(1,605)		-
Disposal	(1,327,296)	(180)	-		-	(1,327,476)
Hyperinflation effect Ghana	806,793	-	-	-	-	806,793
Translation difference	5,174,391	-	19,311,184	-	-	24,485,574
At 31 December 2023	**18,619,829**	**36,856**	**61,501,439**	**-**	**86,554**	**80,244,678**
Accumulated depreciation						
At 1 January 2022	9,870,263	35,440	11,861,966	-	9,975	21,777,644
Charge in the year	1,372,226	813	1,604,314	-	2,490	2,979,844
Disposals	(1,536,293)	-	-	-	-	(1,536,293)
Translation difference	(2,051,571)	-	384,615	-	37,613	(1,629,343)
At 31 December 2022	7,654,625	36,253	13,850,896	-	50,077	21,591,851
At 1 January 2023	7,654,625	36,253	13,850,896	-	50,077	21,591,851
Charge in the year	2,249,330	584	2,248,867		2,100	4,500,880
Disposals	(1,222,747)	(179)	-		-	(1,222,926)
Translation difference	2,961,537	-	5,462,940		27,548	8,452,025
At 31 December 2023	**11,642,745**	**36,658**	**21,562,702**	**-**	**79,725**	**33,321,830**
Carrying amount:				-		
At 31 December 2023	**6,977,084**	**198**	**39,938,737**	**-**	**6,829**	**46,922,849**
At 31 December 2022	3,378,804	782	28,000,079	1,605	8,927	31,390,196

*Construction in progress relates to new marine equipment under construction. The asset is capitalised upon completion and the asset is put to use.

No impairment charge on plant and equipment during the year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17 Plant and equipment for lease - 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	4,916,389	36,856	22,627,898	-	21,000	27,602,143
Additions	2,453,389	-	330,963		-	2,784,351
Disposals	(1,267,042)	-	-	-	-	(1,267,042)
At 31 December 2022	**6,102,736**	**36,856**	**22,958,860**	**-**	**21,000**	**29,119,452**
At 1 January 2023	6,102,736	36,856	22,958,860	-	21,000	29,119,452
Additions	1,604,635	-	-	-	-	1,604,635
Disposals	(30,450)					(30,450)
At 31 December 2023	**7,676,921**	**36,856**	**22,958,860**	**-**	**21,000**	**30,693,637**
Accumulated depreciation						
At 1 January 2022	4,169,927	35,260	8,110,902	-	9,975	12,326,065
Charge for the year	667,380	813	851,507	-	2,100	1,521,800
Disposals	(1,240,022)	-	-	-	-	(1,240,022)
At 31 December 2022	**3,597,285**	**36,074**	**8,962,410**	**-**	**12,075**	**12,607,844**
At 1 January 2023	3,597,285	36,074	8,962,410	-	12,075	12,607,844
Charge for the year	938,767	584	873,306		2,100	1,814,757
Disposals	(11,265)	-	-		-	(11,265)
At 31 December 2023	**4,524,787**	**36,658**	**9,835,715**	**-**	**14,175**	**14,411,336**
				-		
Carrying amount						
At 31 December 2023	**3,152,134**	**198**	**13,123,145**	**-**	**6,825**	**16,282,301**
At 31 December 2022	2,505,451	782	13,996,451	-	8,925	16,511,609

*Construction in progress relates to new marine equipment under construction. The asset is capitalised upon completion and the asset is put to use.

ii) No impairment charge on plant and equipment during the year.

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18a Property, plant and equipment - Group

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment N'000	Leasehold improvement N'000	Buildings N'000	Land N'000	Construction in progress N'000	Total N'000
Valuation/Cost:										
At 1 January 2022	933,368	99,364	479,840	112,881	11,133	9,477	462,649	828,782	33,457	2,970,952
Additions	-	-	5,871	-	-	-	-	-	-	5,871
Revaluation loss	-	-	-	-	-	-	(150,619)	(343,061)	-	(493,680)
Disposals	-	-	-	-	-	-	-	(126,661)	-	(126,661)
Translation difference		(3,289)	(57,456)	(16,571)	-	(9,477)	21,748	29,142	(33,457)	(277,590)
At 31 December 2022	**725,139**	**96,075**	**428,255**	**96,310**	**11,133**	**-**	**333,779**	**388,201**	**-**	**2,078,892**
At 1 January 2023	725,139	96,075	428,255	96,310	11,133	-	333,779	388,201	-	2,078,892
Additions	60,876		17,212	39,328	-		6,217	942,956		1,066,588
Hyperinflation effect	19,274	1,046	12,711	12,143			6,202	1,022		52,398
Disposals							(13,738)			(13,738)
Translation difference	404,793	20,381	67,446	26,715				-		519,335
At 31 December 2023	**1,210,082**	**117,502**	**525,625**	**174,496**	**11,133**	**-**	**332,460**	**1,332,178**	**-**	**3,703,475**
Accumulated depreciation										
At 1 January 2022	866,500	91,289	426,525	92,524	8,907	9,152	184,499	-	-	1,679,397
Charge for the year	47,968	3,974	21,393	5,582	2,227	-	8,882	-	-	90,026
Translation difference	(223,341)	(4,800)	(69,705)	(12,560)	-	(9,152)	5,866	-	-	(313,692)
At 31 December 2022	**691,127**	**90,463**	**378,213**	**85,547**	**11,133**	**-**	**199,247**	**-**	**-**	**1,455,730**
At 1 January 2023	691,127	90,463	378,213	85,547	11,133	-	199,247	-	-	1,455,730
Charge for year	48,852	8,593	34,937	7,571			10,472			110,425
Disposal in the year	-	-	-	-	-		(434)			(434)
Exchange difference	317,137	6,931	18,689	17,961			5,064			365,782
At 31 December 2023	**1,057,116**	**105,986**	**431,839**	**111,079**	**11,133**	**-**	**214,349**	**-**	**-**	**1,931,503**
Carrying amount:										
At 31 December 2023	**152,966**	**11,516**	**93,785**	**63,416**	**-**	**-**	**118,110**	**1,332,178**	**-**	**1,771,972**
At 31 December 2022	34,012	5,612	50,043	10,763	-	-	134,531	388,201	-	623,162

18a Property, plant and equipment - Group (Continued)

i) Construction in progress relates to capital cost incured in the Company's building complex. When completed and available for use, they are transfer to the respective property, plant and equipment classes and depreciation commences.

ii) Depreciation charge of N110,425,000 (December 2022: N90,025,779) is included in the statement of profit or loss and other comprehensive income.

iii) There is an All Asset Debenture Security for all the loans and borrowings by the Group.

iv) No impairment charge on property, plant and equipment during the year.

v) Revaluation of land and building

Management determined that the land and building constitutes a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of revaluation on 31 December 2022, the properties' fair values are based on valuations performed by Ubosi Eleh Estate Surveyors & Co., an accredited independent valuer and registered member of the Financial Reporting Council of Nigeria with the registration number FRC/2014/NIESV/00000003997 . A net loss from the revaluation of the land and building of N493.68 million in 2022 was recognised in OCI. No revaluation done in 2023. Revaluation is performed every five (5) years in line with CBN regulation for the industry in which the client operate in.

Fair value measurement disclosures for the revalued office properties are provided in Note 6.2.

18b Property, plant and equipment - Company

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment N'000	Buildings N'000	Land N'000	Total N'000
Valuation/Cost								
At 1 January 2022	225,515	84,106	379,522	61,510	11,133	462,649	828,782	2,053,217
Additions	-	-	9,593	-	-	13,500		23,093
Revaluation loss	-	-	-	-	-	(150,619)	(343,061)	(493,680)
Disposal in the year	-	-	-	-	-	-	(126,661)	(126,661)
At 31 December 2022	**225,515**	**84,106**	**389,115**	**61,510**	**11,133**	**325,530**	**359,059**	**1,455,969**
At 1 January 2023	225,515	84,106	389,115	61,510	11,133	325,530	359,059	1,455,969
Additions	60,876	6,217	17,212	39,328	-	-	911,990	1,035,623
Write off						(13,500)		(13,500)
At 31 December 2023	**286,391**	**90,323**	**406,327**	**100,837**	**11,133**	**312,030**	**1,271,049**	**2,478,091**
Accumulated depreciation								
At 1 January 2022	225,515	77,689	335,250	56,855	8,907	184,499	-	888,715
Charge for the year	-	3,213	17,993	3,916	2,227	7,763	-	35,111
Disposal in the year	-	-	-	-	-	-	-	-
At 31 December 2022	**225,515**	**80,902**	**353,243**	**60,771**	**11,133**	**192,262**	**-**	**923,826**
Charge for the year	2,982	2,618	16,806	1,063	-	6,948	-	30,417
Disposal in the year						(434)		(435)
At 31 December 2023	**228,497**	**83,520**	**370,048**	**61,834**	**11,133**	**198,776**	**-**	**953,808**
Carrying amount							-	
At 31 December 2023	**57,894**	**6,803**	**36,279**	**39,003**	**-**	**113,254**	**1,271,049**	**1,524,283**
At 31 December 2022	-	3,204	35,873	739	-	133,269	359,059	532,143

i) Depreciation charge of N30,417,000 (December 2022: N35,111,000) is included in administrative expenses in the statement of profit or loss and other comprehensive income.
ii) There is an All Asset Debenture Security for all the loans and borrowings by the Company.
iii) No impairment charge on property, plant and equipment during the year.
v) Revaluation of land and building. See note 18a(v)

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	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
19. Due to banks (Note 19.1)	1,442,686	1,624,473	1,442,686	1,618,276
19.1 Analysis of bank overdrafts is as follows:				
Polaris Bank Limited (a)	452,271	463,200	452,271	463,200
Fidelity Bank Plc (b)	989,985	495,058	989,985	495,058
United Bank for Africa Ghana	-	6,197	-	-
First Security Discount House	-	122	-	122
Access Bank Plc	-	659,897	-	659,897
Standard Chartered Bank	430	-	430	-
	1,442,686	1,624,473	1,442,686	1,618,276

(a) Polaris Bank Limited overdraft relates to a 1-year revolving working capital facility set up to cater for outsourcing and manpower needs

(b) Fidelity Bank Plc overdraft relates to facility obtained to cater for marine business working capital needs

United Bank for Africa ghana, First Security Discount House, Access Bank Plc and Standard Chartered Bank relates to overdraft obtained from banks to finance operational needs of the Company.

20. Commercial notes issued				
Institutional clients	10,673,298	3,767,246	10,673,298	3,775,993
Individual clients	8,991,229	9,787,183	8,991,229	9,778,436
	19,664,527	13,554,429	19,664,527	13,554,429
20.1 Analysis of commercial notes by tenure				
Current	**19,664,527**	**13,554,429**	**19,664,527**	**13,554,429**

20.2 Commercial notes issued represents short term financial instruments issued by the company to both individual and institutional clients. The maturity dates ranges from six months to one year and at interest rates between 9% to 21%. Interest paid on commercial notes issued amount to N2.56 billion (2022: N1.29 billion) during the year.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
21. Trade and other payables				
Accounts payable	6,460,825	3,384,076	5,461,395	3,139,810
Payable to related companies	-	-	44,744	-
Accrued expenses	776,189	551,331	407,262	279,425
Dividend payable	12,037	10,184	-	-
Witholding tax payable	259,329	186,651	241,353	181,957
Value added Tax (VAT) payable	962,519	505,719	815,601	444,388
Other statutory deductions (PAYE,NSITF)	444,273	89,312	343,856	66,655
Advance payment received on account (21.4)	119,733	353,510	119,733	353,510
Deferred rental income	3,732	4,531	1,280	3,200
Defined contribution pension plan (Note 21.1)	73,032	22,397	73,032	22,397
Total trade and other payables	**9,111,669**	**5,107,710**	**7,508,256**	**4,491,343**

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21. Trade and other payables - Continued

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
21.1 Defined contribution pension plan				
At 1 January	22,397	23,519	22,397	23,519
Contributions in the year (Note 42)	79,103	71,199	63,412	63,789
Remittances	(28,468)	(72,321)	(12,777)	(64,911)
At 31 December	**73,032**	**22,397**	**73,032**	**22,397**

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

21.3 Trade and other payable are further disaggregated as follows

21.4 This amount relates to advance payment on finance lease receivable

Financial liabilities:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Accounts payable	6,460,825	3,384,076	5,461,395	3,139,810
Payable to related companies	-	-	44,744	-
Accrued expenses	776,189	551,331	407,262	279,425
Dividend payable	12,037	10,184	-	-
Defined contribution pension plan	73,032	22,397	73,032	22,397
Total financial liabilities	7,322,083	3,967,988	5,986,433	3,441,632
Non financial liabilities				
Witholding tax payable	259,329	186,651	241,353	181,957
Value added Tax (VAT) payable	962,519	505,719	815,601	444,388
Other statutory deductions (PAYE,NSITF)	444,273	89,312	343,856	66,655
Advance payment received on account	119,733	353,510	119,733	353,510
Deferred rental income	3,732	4,531	1,280	3,200
Total non financial liabilities	1,789,586	1,139,723	1,521,823	1,049,711
Total trade and other payables	**9,111,669**	**5,107,711**	**7,508,256**	**4,491,343**

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
22. Taxation				
22.1 Income tax expense				
Income tax	303,588	185,823	86,212	66,651
Education tax	18,591	11,683	18,591	11,683
Technology tax	8,591	6,996	8,591	6,996
Police Trust Fund Levy	43	35	43	35
Naseni Levy	2,148	1,749	2,148	1,749
Capital gain tax	10,188	77,334	10,188	77,334
Current income tax expense	**343,149**	**283,620**	**125,773**	**164,448**
Deferred tax charge (Note 22.4)	**931,453**	154,602	**4,540,960**	154,602
Income tax expense	**1,274,603**	**438,222**	**4,666,733**	**319,050**
Reconciliation of effective tax rate				
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax	**1,547,937**	**1,015,490**	**11,410,574**	**626,763**
Tax calculated using the domestic corporation tax rate of 30%	464,381	304,647	3,423,172	188,029
Effect of education tax levy(3%,2.5%)	18,591	11,683	18,591	11,683
Effect of technology tax levy	8,591	6,996	8,591	6,996
Effect of company income tax	303,588	66,651	86,212	66,651
Effect of police trust fund levy	43	35	43	35
Naseni Levy	2,148	-	2,148	-
Effect of capital gain tax(10%)	10,188	77,334	10,188	77,334
Effect of disallowed expenses	591,399	444,726	591,399	439,491
Effect of tax exempt income	(124,327)	(473,850)	526,389	(471,168)
Total income tax expense	**1,274,603**	**438,222**	**4,666,733**	**319,051**
Effective tax rate	82%	43%	41%	51%
22.2 Current income tax liability				
At 1 January	518,081	448,326	487,917	347,432
Charge in the year (Note 22.1)	343,149	283,620	125,773	164,448
Tax paid	(183,473)	(213,864)	-	(23,964)
At 31 December	**677,757**	**518,081**	**613,690**	**487,917**

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
22.4 Deferred tax				
The analysis of deferred tax in asset and liability position is as follows:				
Deferred tax assets	-	819,122	-	749,373
Deferred tax liability	3,627,499	-	3,796,115	-

22. Taxation - Continued
Group

2023

	At 1 January 2023	(Charge)/ credit to P&L	At 31 December 2023
	N'000	N'000	N'000
Property, plant and equipment	(4,028,752)	3,321,385	(707,367)
Exchange difference	4,798,505		4,798,505
Impairment allowance on trade receivables	-	108,360	108,360
Exchange difference	-	(4,361,199)	(4,361,199)
Hyperinflation effect on initial application of IAS 29	-	-	78,495
Deferred tax asset	**769,754**	**(931,454)**	**(83,206)**

	At 1 January 2023	(Charge)/ credit to OCI	At 31 December 2023
	N'000	N'000	N'000
Deferred tax on revaluation reserve	49,368	-	49,368
Deferred tax on fair value gain on investment securities	-	(4,528)	(4,528)
Exchange difference	-	(3,589,134)	(3,589,134)
Deferred tax liability	49,368	(3,593,662)	(3,544,294)
Total deferred tax liability	**819,122**	**(4,525,116)**	**(3,627,500)**

Group

2022

	At 1 January 2022	(Charge)/ credit to P&L	December 2022
	N'000	N'000	N'000
Property, plant and equipment	887,128	(4,915,879)	(4,028,752)
Exchange difference	4,255	4,794,250	4,798,505
Total Deferred tax assets	891,383	(121,629)	769,754

	At 1 January 2022	(Charge)/ credit to OCI	At 31 December 2022
	N'000	N'000	N'000
Deferred tax on revaluation reserve	-	49,368	49,368

Company

2023

	At 1 January 2023	(Charge)/ credit to P&L	At 31 December 2023
	N'000	N'000	N'000
Property, plant and equipment	(4,094,245)	3,301,012	(793,233)
Impairment allowance on trade receivables	-	108,360	108,360
Exchange difference	4,794,250	(7,950,333)	(3,156,083)
Deferred tax liability	700,005	(4,540,961)	(3,840,956)

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22. Taxation - Continued
22.4 Deferred tax assets continued

	1 January 2023	(Charge)/ credit to OCI	December 2023
	N'000	N'000	N'000
Deferred tax on revaluation reserve	49,368		49,368
Deferred tax on fair value gain on investment securities	-	(4,528)	(4,528)
Total deferred tax liability	**749,373**	**(4,545,489)**	**(3,796,116)**

Company

2022

	At 1 January 2022	(Charge)/ credit to P&L	At 31 December 2022
	N'000	N'000	N'000
Property, plant and equipment	854,607	(4,948,852)	(4,094,245)
Exchange difference	-	4,794,250	4,794,250
Total Deferred tax assets	**854,607**	**(154,602)**	**700,005**

	At 1 January 2022	(Charge)/ credit to OCI	At 31 December 2022
	N'000	N'000	N'000
Deferred tax on revaluation reserve	-	49,368	49,368

AS as 31 December 2023, The company has recognised a foreign currency exchange gain of NGN10.52billion arising from receivables from a foreign domicilied subsidiary and deferred tax income of NGN3.58billion arising thereon in its separate statement of profit or loss. In the consolidated financial statement, this foreign currency exchange gain has been recognised in other comprehensive income and the deferred tax income of NGN3.58billion which arose from this has also been recognised in the consolidated statement of comprehensive income. Please see note 3.20.1 for the accounting policy on foreign currency translation differences.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
23. Loans and borrowings				
Secured amounts:	N'000	N'000	N'000	N'000
Term loans (Note 23.1)	4,230,801	4,052,471	4,230,802	4,052,471
Finance lease facilities (Note 23.2)	4,701,480	5,747,675	1,659,800	4,855,545
Redeemable bonds (Note 23.3)	8,845,683	10,434,605	8,845,683	10,434,605
Total borrowed fund	**17,777,964**	**20,234,751**	**14,736,285**	**19,342,621**

23.1 Term loans

Financial Derivative Company Limited (Note 23.1.2)	1,644,748	1,201,266	1,644,748	1,201,266
Bank of Industry (Note 23.1.3)	2,390,534	1,586,986	2,390,534	1,586,986
Secured lease notes (Note 23.1.4)	195,520	1,264,219	195,520	1,264,219
	4,230,801	**4,052,471**	**4,230,802**	**4,052,471**

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23. Loans and borrowimgs - Continued
23.1 Term loans continued

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
23.1.1 Analysis of term loans by tenure	N'000	N'000	N'000	N'000
Current	794,166	760,691	1,099,286	1,052,950
Non-current	3,436,636	3,291,780	3,131,516	2,999,521
	4,230,801	4,052,471	4,230,802	4,052,471

23.1.2 Financial Derivative Company Limited

Facility represents an amount obtained to augment the working capital of the Company especially the marine operations. The interest rates are given based on current market conditions. The loan tenor ranges between 12 - 48 months. Repayment is done on a quarterly basis.

23.1.3 Bank of Industry

C&I entered an agreement with BOI to finance vessel overhaul and acquisition totaling N1.5bn (in 2023) and N2.1bn (in 2019) with Fidelity Bank and FCMB respectively at 8% per annum. The loan is payable over a 5 year period and secured by bank guarantees with both banks. The loan is denominated in naira.

23.1.4 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.

23.1.4 Secured Leased Notes

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
23.2 Finance lease facilities	N'000	N'000	N'000	N'000
Stanbic IBTC Bank (Note 23.2.2)	255,325	507,799	255,325	483,690
ABSA Bank Cedi Loan (Note 23.2.3)	2,283,395	125,974	-	-
FSDH Merchant Bank Ltd	586,861	824,600	586,861	824,600
Fidelity Bank Ltd	6,269	2,356,834	6,269	2,356,834
Lotus Capital	806,254	737,863	806,254	737,863
UBA Ghc CEDI Loan Note 23.2.4)	-	489,659	-	-
Union Bank Plc	-	942	-	942
First Ally Capital Limited	5,091	451,616	5,091	451,616
Others (Note 23.2.6)	758,285	252,388	-	-
	4,701,480	5,747,675	1,659,800	4,855,545
23.2.1 Analysis of finance lease facilities by tenure				
Current	2,283,319	2,791,413	830,406	2,429,254
Non-current	2,418,161	2,956,262	829,394	2,426,291
	4,701,480	5,747,675	1,659,800	4,855,545

23.2.2 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 and has been subject to regular renewal. The interest on the facility is 18% per annum. The facility was secured by legal ownership of assets finance under the lease contract.

23.2.3 ABSA Bank Cedi Loan

This facility represents the Ghana Cedi equivalent of US$4,121,623 Global credit line secured from ABSA Bank Ghana Limited on 30 January 2014.The facility is renewed annually and each drawdown to finance lease contract in any year for a period of 48 months repayment period from the time of the drawndown. The interest on the loans last facility drawdown on is the current plus a margin of 3%.

23.2.4 United Bank of Africa Cedi Loan

This facility represents GHc26.000,000 credit line secured from United Bank of Africa on 11 March 2020, subject to annual renewal. Leasafnic makes 10% equity contribution to the bank towards each drawdown which has 48 months repayment period to finance lease contracts. The interest on the loan is currently GRR plus a margin of 3%. The loan is secured by the vehicles purchased with the loan.

23.2.6 Included in the amount is GHc 10,000,000 term loan secured from Oikocredit on November 2019 for a period of 60 months to finance finance lease contracts . The interest on the loan is currently 32.23%. The loan is secured by promissory notes and the assignment of vehicles purchased with the loan. The ABSA Bank Cedi Loan of US$4,121,623 secured on 30 January 2014. The facilty is renewed annually and each drawdown to finance lease contract in any year for a period of 48 months repayment period from the time of the drawdown. The interest rate on the loan's last facility drawdown on 12th June 2022 was GRR of 17.8% plus a margin of 3%. The loan is secured with the vehicles purchased with the loan and others.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
23.3 Redeemable bonds	**N'000**	**N'000**	**N'000**	**N'000**
Fixed rate 5 years senior secured bond (Note 23.3.2)	-	545,813	-	545,813
Fixed Rate 7 years senior secured bond (Note 23.3.3)	8,845,683	9,888,792	8,845,683	9,888,792
	8,845,683	10,434,605	8,845,683	10,434,605
23.3.1 Analysis of redeemable bonds by tenure				
Current	1,796,864	1,796,864	1,796,864	1,796,864
Non-current	7,048,819	8,637,741	7,048,819	8,637,741
	8,845,683	10,434,605	8,845,683	10,434,605

23.3.2 Fixed rate 5 years senior secured bond

a) Analysis of amount amortised	**N'000**
Total Bond Amount	7,000,000
Less: Costs of issue	(160,300)
Less: Underwriting Fees	(161,000)
Net proceeds received	6,678,700

Redeemable bonds

This is a five (5) years N7 billion series 1, 16.54% fixed rate senior secured bond due 11 June 2023, issued by C & I Leasing Plc on 11 June 2018, with an issue price of N1,000 at par. Coupon is at a minimum of 300bps above equivalent Federal Government of Nigeria bond yield. The proceeds of the bond are for business expansion, repayment and restructuring of existing facilities and commercial papers as well as working capital financing. The bonds are redeemable at par. The bonds are irrevocable, direct, secured, senior, and unconditional obligations of C & I Leasing Plc and rank pari passu among themselves.

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23.3.3 Fixed Rate 7 years senior secured bond

a) Analysis of amount amortised	**N'000**
Total Bond Amount	10,000,000
Less: Costs of issue	(228,110)
Net proceeds received	**9,771,890**

b) Note

This is a Seven (7) years N10 billion series 2, 15.50% fixed rate senior secured bond due 3 June 2028, issued by C & I Leasing Plc on 3 June 2021, with an issue price of N1,000 at par. Coupon is at a minimum of 300bps above equivalent Federal Government of Nigeria bond yield. The proceeds of the bond are for business expansion, repayment and restructuring of existing facilities and commercial papers as well as working capital financing. The bonds are redeemable at par. The bonds are irrevocable, direct, secured, senior, and unconditional obligations of C & I Leasing Plc and rank pari passu among themselves.

23.4 Redeemable bonds are included as financial instruments classified as liabilities measured at amortised cost.

		Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
23.5 Movement in loans and borrowings		N'000	N'000	N'000	N'000
At 1 January		20,234,751	23,449,435	19,342,621	21,475,473
Interest accrued	44	6,359,055	4,739,697	5,724,521	4,398,860
Proceeds of new loans during the year		20,914,454	2,219,224	18,182,745	1,665,611
Interest repayment of loans during the year		(6,524,745)	(4,550,211)	(5,890,211)	(4,209,374)
Principal repayment of loans during the year		(26,400,353)	(4,778,075)	(22,623,391)	(3,987,950)
Exchange difference		3,194,803	(845,320)	-	-
At 31 December		**17,777,964**	**20,234,751**	**14,736,285**	**19,342,621**

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
24. Share capital				
24.1 Issued and fully paid				
781,646,167 ordinary shares of 50k each				
At 1 January	390,823	390,823	390,823	390,823
At 31 December	**390,823**	**390,823**	**390,823**	**390,823**

Ordinary sharesholders are owners of the Company and have right to vote at the Company's meetings and entitled to the residual interest of the Company after all obligations have been settled.

During the year, the Company commenced the conversion of its loan stock currently classified as deposit for shares amounting to N1.975billion to share capital. An approval from the primary regulator, the Central Bank of Nigeria was obtained on 28 September 2023. Afterwards, the approval of the Securities and Exchange Commission was obtained on January 15, 2024, while the shares were effected in the Register of members subsequently. The Company is in the process of obtaining approval from the Corporate Affairs Commission (CAC). Upon completion, additional share capital of N493.75million which represents 987,500,000 units of ordinary shares at 50k will be issued and a share premium of N1.48billion will be recognised.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
24.2 Share premium				
At 1 January	3,361,609	3,361,609	3,361,609	3,361,609
At 31 December	**3,361,609**	**3,361,609**	**3,361,609**	**3,361,609**
25. Retained earnings				
At 1 January	3,605,438	3,216,792	667,433	467,963
Profit for the year	204,422	481,775	6,743,841	307,712
Transfer to statutory reserve (Note 27)	(757,839)	(81,328)	(673,931)	(92,314)
Transfer (to)regulatory risk reserve (Note 28 and Note 32)	(1,956)	(11,801)	(6,084)	(15,928)
At 31 December	**3,050,065**	**3,605,438**	**6,731,259**	**667,433**
26. Deposit for shares (Convertible)	1,975,000	1,975,000	1,975,000	1,975,000
At 31 December	**1,975,000**	**1,975,000**	**1,975,000**	**1,975,000**

26.1 This represents US$10,000,000 unsecured variable coupon convertible notes issued to Aureos Africa LLC (now wholly owned by Abraaj Advisers Nigeria Limited) on 14 January 2010. The transaction was agreed and fixed at N197.50 to $1. The convertible notes was acquired by PMT Global Investments Limited (PMT) in January 2021. The interest to be paid on the notes, is equivalent, in any period, to dividend declared by C&I Leasing Plc and payable on the equivalent number of ordinary shares underlying the loan stock.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
27. Statutory reserve				
At 1 January	1,376,717	1,295,389	966,084	873,770
Transfer from retained earnings (Note 25)	757,839	81,328	673,931	92,314
At 31 December	**2,134,556**	**1,376,717**	**1,640,015**	**966,084**

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27. Statutory reserve

27.1 The 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 2020 and Central Bank of Nigeria (CBN) guidelines, an appropriation of 15% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 10% of profit after tax if the statutory reserve is greater than the paid-up share capital.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
28. Regulatory risk reserve				
At 1 January	361,478	351,372	396,080	380,152
Transfer from retained earnings (Note 25)	261	10,106	6,084	15,928
At 31 December	**361,739**	**361,478**	**402,164**	**396,080**

28.1 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 of Nigeria) is recorded in this reserve. This reserve is non-distributable.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
28.2 Summary analysis of IFRS and prudential impairment allowance				
28.2.1 Analysis of IFRS impairment losses				
Finance lease receivables (Note 10)	4,446	1,312	4,446	1,312
Trade and other receivables (Note 12)	463,186	301,105	353,514	265,169
Receivable from related companies (Note 12.1)	7,686	3,951	7,686	15,397
Other assets (Note 13)	94,327	92,990	94,327	92,990
Consumables (Note 13.1)	-	52,074	-	52,074
Total IFRS impairment losses	**569,644**	**451,433**	**459,973**	**426,941**
28.2.2 Analysis of provision for loan losses per prudential guidelines				
Loans and advances	17,562	17,562	17,562	17,562
Lease rental due	100,019	152,648	100,019	128,597
Trade and other receivables	475,287	513,990	475,287	563,147
Receivable from related companies	21,849	50,971	21,849	45,605
Other assets	247,420	17,765	247,420	16,037
Consumables	-	52,074	-	52,074
Total prudential provision for losses	**862,137**	**805,010**	**862,137**	**823,021**
Statutory credit reserve company only	**292,493**	**353,577**	**402,164**	**396,080**

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29. Foreign currency translation reserve

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
At 1 January	4,520,558	3,646,958	-	-
Arising in the year	12,859,100	873,600	-	-
Deferred tax effect (note 22.4)	(3,589,134)	-	-	-
At 31 December	13,790,524	4,520,558	-	-

29.1 Foreign currency translation reserve represents net exchange difference arising from translation of reserve balances of foreign entity.

29.2 For the purpose of statement of cashflows

		Group	
		31 December 2023	31 December 2022
		N'000	N'000
Translation difference arising during the year	29	12,859,100	873,600
Translation difference intangible asset	16	1,901	-
Translation difference plant and equipment for lease	17	(16,033,549)	(288,548)
Translation difference property plant and equipment	18	(153,553)	(36,103)
Translation difference property on deferred tax	22.4	-	(32,973)
Translation difference on loans and borrowings	23.5	3,194,803	(845,322)
Translation difference on non controlling interest	32	-	(131,725)
		(131,299)	(461,070)

		Group		Company	
		31 December 2023	31 December 2021	31 December 2023	31 December 2022
		N'000	N'000	N'000	N'000
30. Fair value reserve					
At 1 January		10,890	9,039	10,889	9,039
Arising during the year					
Gain on investment securities at fair value through other comprehensive income		15,094	1,850	15,094	1,850
Income tax effect	22.4	(4,528)	-	(4,528)	-
		10,566	1,850	10,566	1,850
At 31 December		21,456	10,890	21,455	10,889

Fair value reserve represents gains arising from marked to market valuation on equity instruments measured at fair value through other comprehensive income.

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	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
31. Asset revaluation reserve				
At 1 January	272,178	716,490	272,178	716,490
Revaluation loss	-	(493,680)	-	(493,680)
Tax relating to revaluation loss	-	49,368	-	49,368
Total revaluation net of tax	**-**	**(444,312)**	**-**	**(444,312)**
At 31 December	**272,178**	**272,178**	**272,178**	**272,178**

Asset revaluation reserve relates to surplus/(loss) arising from the revaluation of land and buildings included in property, plant and equipment.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
32. Non-controlling interests				
At 1 January	839,546	874,082	-	-
Share of profit for the year	68,912	95,494	-	-
Share of credit risk transfer	1,695	1,695	-	-
Share of translation gain/(loss) for the year	37,290	(131,725)	-	-
At 31 December	**947,443**	**839,546**	**-**	**-**

The total non-controlling interests at the year ended 31 December 2023 is N994,706,000 (2022: N839,546,000 million) is attributed to non-fully owned subsidiary, Leaseafric Ghana Plc.

Leaseafric Ghana Plc is a company incorporated in Ghana. The Company is authorised to carry on business as a leasing company.

The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.
The summarised financial information is contained in Note 14.2

	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
33. Lease income				
Finance lease interest income	18,348,602	13,359,263	13,608,864	10,773,357
Lease income on operating leases	369,658	280,524	369,658	224,625
	18,718,260	**13,639,786**	**13,978,522**	**10,997,982**

Finance Lease Income is income derived from fixed-contract under the fleet management business.

Lease income on operating leases relates to the other aspect of fleet management business which is classified under the operating lease income This comprises income from lease assets in marine and fleet business.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	**31 December 2023 N'000**	31 December 2022 N'000
34. Lease expenses				
Lease assets maintenance expense	6,757,637	5,911,486	8,003,598	6,995,242
Lease insurance expense	769,726	532,129	529,456	390,684
	7,527,363	**6,443,615**	**8,533,054**	**7,385,925**

Lease assets maintenance relates to all direct costs associated with marine and fleet management business with the exception of direct insurance expenses. These costs include maintenance expenses, cost of accessories, cost of documentation, payroll, fuelling, consumables and spares and communications.

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	**31 December 2023 N'000**	31 December 2022 N'000
35. Outsourcing income				
Outsourcing service income	16,013,126	13,767,497	16,013,126	13,767,497
Outsourcing service expense	(14,846,645)	(12,459,852)	(14,846,645)	(12,459,852)
Net outsourcing income	**1,166,481**	**1,307,645**	**1,166,481**	**1,307,645**

Outsourcing income relates to income from staff outsourcing services provided to corporate organisations. The service charge for this service is recognised as net outsourcing income.

36. Tracking and tagging income				
a) Tracking income	131,007	134,272	131,007	134,272
b) Tracking expenses	(82,464)	(62,811)	(82,464)	(62,811)
Net tracking and tagging income	**48,543**	**71,461**	**48,543**	**71,462**

Tracking and tagging income relates to income from intallation and maintainance of tracking devices installed for customers

Timing of revenue recognition				
Services transferred at a point in time				
Outsourcing income	1,166,481	1,307,645	1,166,481	1,307,645
Tracking and tagging income	48,543	71,461	48,543	71,462
Total Income	**1,215,024**	**1,379,106**	**1,215,024**	**1,379,107**

37. Interest income				
Placements with banks	**51,718**	**29,182**	**28,079**	**22,876**

Interest income represents income on placements with banks are earned using the effective interest rate.

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
38. Investment income				
Dividend Income	-	-	2,097,565	1,124,652
Gain on sale of property, plant and equipment (Note 39.2)	-	1,955,067	-	1,888,028
	-	1,955,067	2,097,565	3,012,680

The dividend income includes dividend received from EPIC FZE and C and I FZE

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
39. Other operating income				
Management and operational fee from Joint Venture (Note 15c)	84,030	61,219	84,030	61,219
Insurance claims received	81,757	26,408	81,757	26,408
Rent received	19,200	19,200	19,200	19,200
Gain on sale of property, plant and equipment (Note 39.2)	410,742	-	113,147	-
Net foreign exchange gain	33,775	3,731	10,551,488	-
Miscellaneous Income*	230,560	3,391	152,698	3,391
	860,064	**113,950**	**11,002,320**	**110,219**

*These are income on various items such as disposals of used and old items of the Company (window blind, batteries, tyres)

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
39.1 Gain on sale of plant and equipment for lease				
Gross value (Note 17)	1,327,476	1,576,656	30,450	1,267,042
Accumulated depreciation (Note 17)	(1,222,926)	(1,536,293)	(11,265)	(1,240,022)
Carrying amount	104,550	40,363	19,185	27,020
Proceeds from sale	306,192	1,222,092	132,332	1,141,710
Profit on disposal	**410,742**	**1,181,729**	**113,147**	**1,114,690**
39.2 Gain on sale of property, plant and equipment				
Gross value	-	126,661	-	126,661
Accumulated depreciation	-	-	-	-
Carrying amount	-	126,661	-	126,661
Proceeds from sale	-	900,000	-	900,000
Profit on disposal	-	773,339	-	773,339
Total Gain on sale of plant and equipment for lease and plant and equipment owned	**410,742**	**1,955,067**	**113,147**	**1,888,028**

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
40. Impairment charge				
Impairment charge to profit or loss:				
Finance lease receivables not due for recovery (Note 10.3)	3,134	(215)	3,134	(215)
Trade and other receivables (Note 12.2)	162,081	54,008	103,743	56,771
Receivable from related parties (12.2)	-	(10,210)	(7,712)	(10,210)
Other assets (Note 13)	1,337	79,527	1,337	79,527
Dormant bank balances	-	(2,155)	-	(2,155)
	166,552	**120,955**	**100,502**	**123,718**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023	2022	2023	2022
		N'000	N'000	N'000	N'000
41	**Depreciation and amortization expense**				
41.1.	**Depreciation expenses:**				
	Plant and equipment for lease (Note 17)	4,500,880	2,979,844	1,814,757	1,521,800
	Property,plant and equipment (Note 18)	110,425	90,025	30,417	35,111
41.2.	**Amortisation of intangible assets:**				
	Computer software (Note 16)	17,266	15,102	16,081	15,028
		4,628,571	**3,084,971**	**1,861,255**	**1,571,940**
42	**Personnel expenses**				
	Salaries and allowances	1,079,218	1,317,102	909,680	1,171,135
	Pension contribution expense (Note 21.1)	79,103	71,199	63,412	63,789
	Training and medical	82,135	60,572	51,558	41,906
	Other staff costs(42.1)	160,412	32,826	12,064	32,826
		1,400,869	**1,481,699**	**1,036,714**	**1,309,656**

42.1 Other staff cost includes death Benefit, child Benefit, education reimbursement, chauffer Training tests and trainings, and expenses on condolence visits.

		Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
43	**Other Operating Expenses**				
	Advertising	5,553	8,424	1,780	7,189
	Auditors' remuneration	44,168	35,557	32,400	29,025
	Bank charges	311,524	157,477	300,680	151,095
	Communications (43.1)	129,144	85,323	103,304	74,264
	Directors' emoluments	67,701	78,475	51,685	72,082
	Electricity and other expenses	22,678	53,146	18,435	50,277
	Fuel and maintenance	73,500	79,727	65,113	71,292
	Insurance	33,360	37,060	33,360	37,060
	Legal and professional expenses	256,188	171,434	198,647	150,044
	Levies	6,704	15,775	6,704	15,775
	Net foreign exchange loss	-	33,310	-	33,310
	Other expenses (43.2)	161,440	51,857	93,226	33,492
	Penalties	2,870	11,600	2,870	11,600
	Printing and stationery	15,030	16,172	13,290	15,825
	Public relations	5,383	2,540	5,383	2,540
	Security expenses	26,505	28,055	26,505	28,055
	Short term office rent	111,954	30,515	65,362	9,407
	Subscriptions	60,928	52,383	36,265	33,817
	Travel and entertainment	100,817	39,746	87,453	37,767
		1,435,446	**988,577**	**1,142,462**	**863,915**

43.1 Communications include telephone, courier services , postage and stamps.

43.2 Other expenses relates to waste disposal, toll fare, office cleaning and toiletries.

		Group		Company	
		2023	2022	2023	2022
		N'000	N'000	N'000	N'000
44	**Finance Costs**				
	Redeemable bonds	1,653,637	1,863,657	1,653,637	1,863,657
	Finance lease interest cost	1,630,168	1,084,718	995,634	743,881
	Commercial notes	2,564,783	1,292,180	2,564,783	1,292,180
	Term loans interest	397,122	383,008	397,122	383,008
	Bank of Industry loan	113,344	116,135	113,344	116,135
		6,359,055	**4,739,697**	**5,724,521**	**4,398,860**

The finance lease interest cost relates to interest paid/due to financial institutions that provided funds for the acquisition of plant and equipment for lease. The assets are capitalised while the outstanding loan portion included under borrowings.

45 **Earnings per share**

Earnings per share (EPS) - basic, have been computed for each year on the profit after tax attributable to ordinary shareholders and divided by the weighted average number of issued N0.50 ordinary shares during the year. While diluted earnings per share is calculated by adjusting the weighted average ordinary shares outstanding to assume conversion of all diluted potential ordinary shares.

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Profit after tax	**204,422**	**481,775**	**6,743,841**	**307,712**
	Number	**Number**	**Number**	**Number**
Number of shares at year end	781,647	781,646	781,647	781,646
Time weighted average number of shares in issue	781,647	781,646	781,647	781,646
Diluted number of shares	1,769,147	1,769,147	1,769,147	1,769,147
Earnings per share (EPS) (in kobo) - basic	26.15	61.64	862.77	39.37
Earnings per share (EPS) (in kobo) - diluted	11.55	27.23	381.19	17.39

46	**Information regarding Directors and employees**				
46.1.1	**Directors' emoluments**				
	Directors' fees	54,560	50,253	38,545	43,860
	Directors' sitting allowance	12,860	27,290	12,860	27,290
	Other emoluments	280	932	280	932
		67,701	78,475	51,685	72,082
46.1.2	Fees and emoluments disclosed above excluding pension contributions include				
	The Chairman	8,010	2,900	8,010	2,900
	Other Directors	59,691	75,575	43,675	69,182

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

			Group		Company	
			2023	2022	2023	2022
46.1.3 The number of Directors [including the Chairman] who received fees and other emoluments [excluding pension contributions] in the following ranges were:						
N		N				
240,001	-	400,000	-	-	-	-
400,001	-	1,550,000	6	9	-	5
1,550,001	-	5,000,000	7	1	7	-
5,000,000	-	8,000,000	1	1	1	1
8,000,001	-	11,000,000	-	1	-	1
			14	**12**	**8**	**7**

46.2 Employees

46.2.1 The average number of persons employed by the Group during the year was as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
Managerial	12	12	8	8
Senior staff	63	36	53	34
Junior staff	282	272	243	238
	357	**320**	**304**	**280**

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

N		N	Group 2023	Group 2022	Company 2023	Company 2022
250,001	-	370,000	112	105	95	98
370,001	-	420,000	101	94	89	84
430,001	-	580,000	50	46	45	44
580,001	-	700,000	19	16	14	15
700,001	-	750,000	19	12	16	8
840,001	-	850,000	16	11	17	9
1,000,001	-	1,100,000	23	18	16	10
1,100,001	-	1,150,000	5	4	4	3
1,200,001	-	1,400,000	5	4	3	3
1,500,000	-	1,550,000	4	3	2	2
1,650,000	-	2,050,000	3	7	3	4
			357	**320**	**304**	**280**

47 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 consolidated and separate financial statements.

48 Contingent assets/(liabilities)

The Group is not subject to any contingent claims, liabilities nor assets arising in the normal course of the business for the year ended 31 December 2023 (31 December 2022: Nil).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

49 Maturity analyses of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled

Group

As at 31st December 2023

	Within 12 Months	After 12 Months	Total
Assets	**₦'000**	**₦'000**	**₦'000**
Cash and balances with banks	2,154,494		2,154,494
Finance lease receivables	1,192,796		1,192,796
Trade and other receivables	11,356,625		11,356,625
Other assets	11,014,231		11,014,231
Investment securities at fair value through other comprehensive income		26,612	26,612
Investment in subsidiaries	-	-	-
Investment in joint ventures	-	-	
Intangible assets	-	10,767	10,767
Plant and equipment for lease	-	46,922,849	46,922,849
Property, plant and equipment	-	1,771,972	1,771,972
Deferred income tax assets	-	-	-
Total Assets	**25,718,145**	**48,732,200**	**74,450,346**
Liabilities			
Due to banks	1,442,686	-	1,442,686
Commercial notes issued	19,664,527	-	19,664,527
Trade and other payables	9,111,669	-	9,111,669
Current income tax liabilities	-	-	677,757
Loans and borrowings	4,874,349	12,903,616	17,777,964
			48,674,603
Net maturity mismatch	**25,718,145**	**48,732,200**	**25,775,743**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

49 Maturity analyses of assets and liabilities-continued

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled

Group

As at 31st December 2022

	Within 12 Months	After 12 Months	Total
Assets	**₦'000**	**₦'000**	**₦'000**
Cash and balances with banks	1,155,208	-	1,155,208
Finance lease receivables	2,112,163	-	2,112,163
Trade and other receivables	8,199,569	-	8,199,569
Other assets	10,211,950	-	10,211,950
Investment securities at fair value through other comprehensive income	-	11,518	11,518
Investment in subsidiaries	-	-	-
Investment in joint ventures	-	3,205,390	3,205,390
Intangible assets	-	25,405	25,405
Plant and equipment for lease	-	31,390,196	31,390,196
Property, plant and equipment	-	623,162	623,162
Deferred income tax assets	-	819,122	819,122
	21,678,890	36,074,794	**57,753,684**
Liabilities			
Due to banks	1,624,473	-	1,624,473
Commercial notes issued	13,554,429	-	13,554,429
Trade and other payables	5,107,710	-	5,107,710
Current income tax liabilities	518,081	-	518,081
Loans and borrowings	5,348,969	14,885,782	20,234,751
	26,153,662	**14,885,782**	**41,039,444**
Net maturity mismatch	**(4,474,771)**	**21,189,012**	**16,714,240**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

49 Maturity analyses of assets and liabilities-continued

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled

Company
As at 31st December 2023

	Within 12 Months	After 12 Months	Total
Assets	₦'000	₦'000	₦'000
Cash and balances with banks	1,913,533	-	1,913,533
Finance lease receivables	1,192,796	-	1,192,796
Trade and other receivables	23,909,404	-	23,909,404
Other assets	12,690,371	-	12,690,371
Investment securities at fair value through other comprehensive income	-	26,612	26,612
Investment in subsidiaries	-	759,467	759,467
Investment in joint ventures	-	4,247,962	4,247,962
Intangible assets	-	9,333	9,333
Plant and equipment for lease	-	16,282,301	16,282,301
Property, plant and equipment	-	1,524,283	1,524,283
Deferred income tax assets	-	-	-
	39,706,104	**22,849,958**	**62,556,062**
Liabilities			
Due to banks	1,442,686	-	1,442,686
Commercial notes issued	19,664,527	-	19,664,527
Trade and other payables	7,508,256	-	7,508,256
Current income tax liabilities	613,690	-	613,690
Loans and borrowings	3,726,556	11,009,729	14,736,285
	32,955,715	**11,009,728**	**43,965,444**
Net maturity mismatch	**6,750,389**	**11,840,230**	**18,590,618**

49 Maturity analyses of assets and liabilities-continued

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled

Company

As at 31st December 2022

	Within 12 Months	After 12 Months	Total
	₦'000	₦'000	₦'000
Assets			
Cash and balances with banks	1,053,647	-	1,053,647
Finance lease receivables	2,112,163	-	2,112,163
Trade and other receivables	11,380,403	-	11,380,403
Other assets	11,193,557	-	11,193,557
Investment securities at fair value through other comprehensive income	-	11,518	11,518
Investment in subsidiaries	-	759,467	759,467
Investment in joint ventures	-	3,205,390	3,205,390
Intangible assets	-	25,414	25,414
Plant and equipment for lease	-	16,511,609	16,511,609
Property, plant and equipment	-	532,143	532,143
Deferred income tax assets	-	749,373	749,373
	25,739,768	**21,794,912**	**47,534,682**
Liabilities			
Due to banks	1,618,276	-	1,618,276
Commercial notes issued	13,554,429	-	13,554,429
Trade and other payables	4,491,343	-	4,491,343
Current income tax liabilities	487,917	-	487,917
Loans and borrowings	5,279,068	14,063,553	19,342,621
	25,431,033	**14,063,554**	**39,494,586**
Net maturity mismatch	308,735	7,731,358	8,040,096

50. Related party transactions

The Group is controlled by C & I Leasing Plc, whose shares 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.

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

50.1 Intercompany related transactions

The Company has booked various intercompany related transactions with other companies within the Group under agreeable terms that are comparable with other facilities held in the Company's portfolio. Details of these transactions are described below:

			Total transaction value in the period		Balance receivable at:		Balance payable at	
			31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Name of related party	Nature of Relationship	Nature of transaction with related party	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Leasafric Ghana Limited	Subsidiary	Purchases, payments, shared services, loans to and from each party	16,609	13,313	-	-	-	(328,927)
EPIC International FZE United Arab Emirates	Subsidiary	Purchases, payments, shared services, loans to and from each party	(2,448,543)	(703,561)	2,350,942	4,799,485	-	-
C&I Leasing FZE	Subsidiary	Provision of chartered vessels within the Free trade zone.	60,428	373,789	75,326	14,898	-	-
SIFAX	JV with C& I	Joint venture to execute marine vessle services	(42,242)	(734,267)	-	42,242	44,744	-
OCS/C&I JV Current account	JV with C& I	Joint venture to execute marine vessle services	(202)	(925)	70,754	70,956	-	-
			(2,413,951)	(1,051,651)	2,497,022	4,927,581	44,744	(328,927)

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

51. Segment reporting

51.1 Operating Segments

C&I Marine

C&I Marine is a division of C&I Leasing , providing onshore and offshore terminal services including berthing and escort, mooring , line and hose handling, pollution control, floating and self-elevating platforms

C&I Fleet Management/ Hetrz Rent-A- Car

C&I Fleet is the sole franchisee and operator of the popular Hertz-Rent-A car brand in Nigeria. The company currently manages over a thousand vehicles and professional chauffeurs, offering pick-up and drop-off, reservation business, airport shuttle and daily rental services.

C&I Outsourcing

C&I Outsourcing is a licensed provider of manpower recruitment and development, training, business process outsourcing,e-business, personnel outsourcing and human resource consultancy services. These services are provided to various clients by deploying different cadre of personnel ranging from highly skilled to semi-skilled and unskilled workforce.

CITRACKS

Citracks Telematics Solution(Citracks) is a Nigeria Communications Commission(NCC) licensed provider of unique fleet management solutions that uses information technology for remote communication on assets and provides businesses with telematics solutions supported by artificial intelligence.

51.2 Segment results of operations

The segment information provided to the Group management committee for the reportable segments for the year ended 31 December 2023:

	Fleet management N'000	Personnel outsourcing N'000	Marine services N'000	Citrack N'000	Total N'000
Gross earnings	4,241,733	1,175,263	24,311,729	131,607	29,860,332
Operating income	3,740,065	1,065,066	19,199,187	131,491	**24,135,809**
Operating expenses	(2,359,872)	(310,369)	(5,858,997)	(86,279)	**(8,615,517)**
Depreciation and amortisation	(992,673)	(7,066)	(860,784)	(732)	**(1,861,255)**
Personnel expense	(181,706)	(198,324)	(627,622)	(29,061)	**(1,036,713)**
Other operating expenses	(117,963)	(117,532)	(995,418)	(12,051)	**(1,242,964)**
Profit before tax	87,851	431,775	10,856,366	3,368	11,379,360
Total assets employed	2,121,391	2,314,387	25,839,990	77,109	**30,352,877**
Interest expense	(501,668)	(110,195)	(5,112,542)	(116)	**(5,724,521)**
Earnings before interest and tax	589,519	541,972	15,968,907	3,484	**17,103,882**
ROCE (EBIT / Capital Employed)	28%	23%	62%	5%	56%

51.3 Operating Segments - Continued

Geographical information

	31 December 2023 N'000	31 December 2022 N'000
1. Revenue		
Nigeria	14,288,817	13,366,003
Ghana	5,138,834	2,662,982
United Arab Emirates	2,987,451	1,908,833
	22,415,102	17,937,817

	31 December 2023 N'000	31 December 2022 N'000
2. Total assets		
Nigeria	44,341,351	40,971,176
Ghana	7,290,844	2,500,837
United Arab Emirates	26,818,485	14,009,222
C & I Leasing FZE	247,624	272,445
	78,698,305	57,753,680

52. Non audit services

During the year, he Company's external auditors (Ernst & Young) rendered Internal Control over Financial Reporting (ICFR) audit services to the Company. A sum of N5 million was paid for this service.

53. Compliance with regulations

The Company paid N2.8million (2022: N11.6million) as penalty for delayed filing of 2022 and 2021 Audited Financial Statements to the Securities and Exchange Commission (SEC).

54. Events after the reporting date

During the year, the Company commenced the conversion of its loan stock currently classified as deposit for shares amounting to N1.975billion to share capital. An approval from the primary regulator, the Central Bank of Nigeria was obtained on 28 September 2023. Afterwards, the approval of the Securities and Exchange Commission was obtained on January 15, 2024, while the shares were effected in the Register of members subsequently. The Company is in the process of obtaining approval from the Corporate Affairs Commission (CAC) and expect to complete the process in 2024.

Asides the above, there are no events after the reporting date which could have a material effect on the Consolidated and Separate financial statements of the Group and the Company as at 31 December 2023.

55. Initial application of IAS 29- Hyperinflationary Accounting

55.1 Net monetary gain

The calculation of the monetary gain requires subjective and significant estimation. However in line with the requirements of IAS 29 the monetary gain that arises on the carrying amounts of monetary assets and liabilities has been estimated as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income which amount to N733m. The CPI used for this estimation has been sourced from the Ghana statistical services and is disclosed in note 5.5

55.2 Hyperinflationary reserve

Hyperinflation accounting is applied to all of the subsidiary's assets and liabilities before translation. Restated amounts in the subsidiary's financial statements (i.e. assets, liabilities, equity income and expenses) are then translated at the prevailing closing rate.

	Group 31 December 2023 N'000
Owners of the parent	90,812
Non-controlling interests	37,290
	128,102

56. For the purpose of statement of cashflows

		Group 31 December 2023 N'000
Intangible assets	16	471
Plant and equipment for lease	17	806,793
Property, plant and equipment	18	52,398
Deferred income tax assets	22.4	78,495
Gain on net monetary position		(733,158)
Translation difference arising out of hyperinflated share capital		(128,102)
		76,897

OTHER NATIONAL DISCLOSURES

C & I LEASING PLC

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP

	31 December 2023 N'000	%	31 December 2022 N'000	%
Gross income	22,415,102		17,937,818	
Interest expense	(6,359,055)		(4,739,697)	
	16,056,047		13,198,120	
Bought in goods and services:				
- Local	(3,051,069)		(2,876,263)	
- Foreign	-		-	
Value added	**13,004,978**	**100**	**10,321,857**	**100**
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	1,400,869	10	1,481,699	14
To pay government:				
Current income tax expense	343,149	3	283,620	4
To pay shareholders:				
Dividend	-	-	-	-
To pay providers of capital:				
Interest	6,359,055	49	4,739,697	46
Retained for future replacement of assets and expansion of business:				
- Depreciation	4,628,571	36	3,084,971	30
- Profit for the year	273,334	2	577,269	6
	13,004,978	**100**	**10,321,857**	**100**

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

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY

	31 December 2023 N'000	%	31 December 2022 N'000	%
Gross income	29,891,546		16,343,589	
Interest expense	(5,724,521)		(4,398,860)	
	24,167,025		11,944,729	
Bought in goods and services:				
- Local	(8,674,921)		(4,192,113)	
- Foreign	-		-	
Value added	**15,492,104**	**100**	**7,752,616**	**100**
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	1,036,714	7	1,309,656	17
To pay Government:				
Current income tax expense	125,773	1	164,448	2
To pay shareholders:				
Dividend	-	-	-	-
To pay providers of capital:				
Interest	5,724,521	37	4,398,860	57
Retained for future replacement of assets and expansion of business:				
- Depreciation of property, plant and equipment	1,861,255	12	1,571,940	20
- Profit for the year	6,743,841	44	307,712	4
	15,492,104	100	7,752,616	100

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

C & I LEASING PLC

FIVE-YEAR FINANCIAL SUMMARY - GROUP

31 DECEMBER	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and balances with banks	2,154,494	1,155,208	3,190,044	1,418,970	1,989,532
Finance lease receivables	1,192,796	2,112,163	1,731,255	2,286,385	3,090,821
Trade and other receivables	11,356,625	8,199,569	8,991,978	6,556,968	8,700,509
Other assets	11,014,231	10,211,950	8,906,612	8,280,918	8,101,735
Investment securities at fair value through other	26,612	11,518	9,668	7,335	5,562
Investment in joint ventures	4,247,962	3,205,390	2,857,475	2,470,856	1,334,226
Intangible assets	10,767	25,405	40,531	431	23,190
Plant and equipment for lease	46,922,849	31,390,196	30,223,322	32,631,064	30,556,351
Property, plant and equipment	1,771,972	623,162	1,291,555	1,438,021	1,579,191
Deferred income tax assets	-	819,122	891,383	854,607	854,607
Total assets	**78,698,307**	**57,753,683**	**58,133,823**	**55,945,555**	**56,235,724**
Liabilities					
Due to banks	1,442,686	1,624,473	978,197	928,135	1,311,860
Commercial notes issued	19,664,527	13,554,429	11,501,026	15,438,233	14,333,056
Trade and other payables	9,111,669	5,107,710	5,919,283	4,770,861	7,204,081
Current income tax liability	677,757	518,081	448,326	220,271	185,180
Deferred income tax liability	3,627,499	-	-	13,545	88,146
Deposit for shares	-	-	1,975,000	1,975,000	1,975,000
Loans and borrowings	17,777,964	20,234,751	23,449,435	19,170,768	21,335,227
Total liabilities	**52,302,101**	**41,039,444**	**44,271,267**	**42,516,813**	**46,432,550**
Equity					
Share capital	390,823	390,823	390,823	390,823	202,126
Deposit for shares	1,975,000	1,975,000	-	-	-
Share premium	3,361,609	3,361,609	3,361,609	3,361,609	1,285,905
Retained earnings	3,050,066	3,605,439	3,216,792	3,583,738	3,224,284
- Statutory reserve	2,134,556	1,376,717	1,295,389	1,262,039	1,234,788
- Regulatory risk reserve	361,739	361,478	351,372	625,728	858,253
- Foreign currency translation re	13,790,524	4,520,558	3,646,958	2,856,142	2,020,101
- Fair value reserve	21,456	10,890	9,039	6,706	4,933
- Assets revaluation reserve	272,178	272,178	716,492	716,490	716,490
Hyperinflation reserve	90,812	-	-	-	-
	25,448,763	15,874,692	12,988,474	12,803,275	9,546,880
Non-controlling interests	947,443	839,547	874,082	625,467	256,294
Total equity	26,396,206	16,714,239	13,862,556	13,428,742	9,803,174
Total liabilities and equity	78,698,307	57,753,683	58,133,823	55,945,555	56,235,724

C & I LEASING PLC

FIVE-YEAR FINANCIAL SUMMARY - GROUP

31 DECEMBER	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Statement of profit or loss and other comprehensive income					
Gross earnings	22,415,102	17,937,818	18,190,660	28,009,345	31,912,153
Lease/outsourcing/tracking income	34,862,393	27,541,556	26,025,937	26,826,104	30,943,702
Lease/outsourcing/tracking expense	(22,456,472)	(18,966,277)	(16,201,487)	(15,481,835)	(18,209,534)
Net operating income	12,405,921	8,575,278	9,824,450	11,344,269	12,734,168
Other operating income	911,782	2,098,199	1,879,382	1,183,241	968,451
Impairment charge	(166,552)	(120,955)	(54,799)	(3,206)	(74,801)
Depreciation expenses	(4,628,571)	(3,084,971)	(4,188,723)	(4,006,717)	(3,942,596)
Personnel expenses	(1,400,869)	(1,481,699)	(1,285,344)	(1,376,966)	(1,682,923)
Other operating expenses	(7,794,501)	(5,728,274)	(6,207,508)	(7,031,747)	(7,568,659)
Share of profit from joint venture	1,487,572	757,915	591,620	381,254	579,021
Gain on net monetary position	733,158				
Profit before tax	**1,547,940**	**1,015,493**	**559,078**	**490,128**	**1,012,661**
Income tax expense	(1,274,603)	(438,222)	(510,617)	(168,890)	(73,239)
Profit after tax	**273,337**	**577,272**	**48,461**	**321,238**	**939,422**
Profit from discontinued operation	-	-	-	-	-
	273,337	577,272	48,461	321,238	939,422
Profit attributable to:					
Owners of the parent	204,422	481,775	(24,432)	310,508	1,019,313
Non-controlling interest	68,912	95,494	55,711	10,730	(79,891)
	273,334	577,269	31,279	321,238	939,422
Earnings per share in kobo (basic)	26.15	61.64	(3.13)	39.72	252.00

C & I LEASING PLC

FIVE-YEAR FINANCIAL SUMMARY - COMPANY

31 DECEMBER	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and balances with banks	1,913,533	1,053,647	2,932,822	1,155,040	513,095
Finance lease receivables	1,192,796	2,112,163	1,731,255	2,286,385	2,988,108
Trade and other receivables	23,909,404	11,380,403	12,911,494	9,745,067	13,327,408
Other assets	12,690,371	11,193,557	9,496,614	8,557,443	7,796,334
Investment securities at fair value through other comprehensive income	26,612	11,518	9,668	7,335	5,562
Investment in subsidiaries	759,467	759,467	759,467	759,468	759,467
Investment in joint ventures	4,247,962	3,205,390	2,857,475	2,470,854	1,334,226
Intangible assets	9,333	25,414	40,442	-	-
Plant and equipment for lease	16,282,301	16,511,609	15,276,079	17,437,838	13,986,222
Property, plant and equipment	1,524,283	532,143	1,164,502	1,204,575	1,232,294
Deferred income tax assets	-	749,373	854,607	854,607	854,607
Total assets	62,556,062	47,534,682	48,034,425	44,478,612	42,797,323
Liabilities					
Due to banks	1,442,686	1,618,276	978,185	918,761	1,333,775
Commercial notes issued	19,664,527	13,554,429	11,602,430	15,438,232	14,303,470
Trade and other payables	7,508,256	4,491,343	5,456,059	3,551,866	5,518,432
Current income tax liability	613,690	487,917	347,432	242,613	96,843
Deferred income tax liability	3,796,115				
Deposit for shares	-	-	1,975,000	1,975,000	1,975,000
Loans and borrowings	14,736,285	19,342,621	21,475,473	15,374,818	14,972,388
Total liabilities	47,761,559	39,494,586	41,834,579	37,501,290	38,199,908
Equity					
Share capital	390,823	390,823	390,823	390,823	202,126
Deposit for shares	1,975,000	1,975,000	-	-	-
Share premium	3,361,609	3,361,609	3,361,609	3,361,609	1,285,905
Retained earnings	6,731,259	667,433	467,963	989,145	682,945
- Statutory reserve	1,640,015	966,083	873,770	873,770	846,763
- Regulatory risk reserve	402,164	396,080	380,152	638,779	858,253
- Fair value reserve	21,455	10,890	9,039	6,706	4,933
- Assets revaluation reserve	272,178	272,178	716,490	716,490	716,490
Total equity	14,794,503	8,040,096	6,199,846	6,977,322	4,597,415
Total liabilities and equity	62,556,062	47,534,683	48,034,425	44,478,612	42,797,323

C & I LEASING PLC

FIVE-YEAR FINANCIAL SUMMARY - COMPANY

31 DECEMBER	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Statement of profit or loss and other comprehensive income					
Gross earnings	29,891,546	16,343,589	15,314,947	23,348,169	25,193,465
Lease/outsourcing/tracking income	30,122,655	24,899,751	22,507,564	21,802,423	23,652,225
Lease/outsourcing/tracking expense	(23,462,163)	(19,908,588)	(17,214,015)	(15,018,037)	(17,940,714)
Net operating income	6,660,492	4,991,163	5,293,549	6,784,386	5,711,511
Other operating income	13,127,964	3,145,774	2,522,042	1,499,745	1,540,601
Impairment (charge)/writeback	(100,502)	(123,718)	-	46,001	639
Depreciation expenses	(1,861,255)	(1,571,940)	(2,057,542)	(1,712,618)	(1,005,365)
Personel expenses	(1,036,714)	(1,309,656)	(1,143,973)	(1,217,244)	(1,239,318)
Other operating expenses	(6,866,983)	(5,262,775)	(4,935,186)	(5,362,191)	(5,014,430)
Share of profit from joint venture	1,487,572	757,915	591,620	381,254	579,021
Profit before tax	11,410,574	626,763	270,510	419,332	572,659
Income tax expense	(4,666,733)	(319,050)	(394,820)	(149,269)	(96,843)
Profit/(loss) after tax	6,743,841	307,714	(124,310)	270,063	475,816
Profit from discontinued operation	-	-	-	-	-
Profit/(loss) attributable to:					
Owners of the parent	6,743,841	307,714	(124,310)	270,063	475,816
	6,743,841	307,714	(124,310)	270,063	475,816
Earnings/(loss) per share in kobo (basic)	862.77	39.37	(25.11)	34.55	118.00