LEASING PLC

2020 Annual Report

www.c-ileasing.com

C&I LEASING PLC

Your Preferred
Business Partner

WE ARE
A BUNCH OF
MANY EXPERTS

We are the best 'one stop' service partner you will find for your business support needs in West Africa. Our passion for delighting our customers has found us investing in diversifying our value offers, consequently growing with our clients for over 2 decades and we still have so much room for more.

Visit www.c-ileasing.com to see how we can be of service to you today.

- **CI Marine**
- **CI Fleet Management**
- **Hertz Car Rentals**
- **CI Outsourcing**
- **CItracks**
- **Getajobng**

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Notice of Annual General Meeting

NOTICE OF THE 30TH ANNUAL GENERAL MEETING OF C&I LEASING PLC

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of members of the Company will hold by proxy on 29th June, 2021 by 11.00am prompt at C & I Leasing Plc., 2, C & I Leasing Drive, off Bisola Durosinmi Etti Drive, Off Admiralty Way, Lekki Phase 1, Lagos, to transact the following businesses:

ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended 31st December 2020 together with the reports of the Directors, Independent Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To elect and re-elect Directors.
4. To re-appoint PKF Professional Services (Chartered Accountants) as the Auditors to the company for the year ending 31 December, 2021.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To elect Shareholders-members of the Statutory Audit Committee for the ensuing year.
7. To disclose the remuneration of managers of the company

NOTES

1. ELECTION AND RE-ELECTION OF DIRECTORS

Pursuant to Section 285 of the Companies and Allied Matters Act 2020, at the annual general meeting in every subsequent year one third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest one third shall retire from office.

The Board of Directors being satisfied with the performance of Mr. Chukwuemeka Ndu who presented himself for re-election, proposes that he be re-elected as a Director of the company.

Pursuant to Section 274(1) of the Companies and Allied Matters Act 2020, the Board of Directors shall have power to appoint new directors to fill any casual vacancy arising out of death, resignation, retirement or removal of a Director.

The Board of Directors proposes the approval of the appointment of Alhaji Sadiq Abubakar Adamu, Mrs Florence Okoli, Mr Oluyemi Abaolu-Johnson and Mr Tom Oko Achoda as Non-Executive Directors to fill casual vacancies.

The profiles of all the Directors are contained in the annual report.

2. PROXY

In view of the Covid 19 pandemic, attendance shall only be by proxies. The Company has obtained the approval of the Corporate Affairs Commission to hold the annual general meeting by proxies. A shareholder is entitled to appoint a proxy to exercise all or any of his/her rights to attend and to speak and vote on his/her behalf at the meeting. Shareholders are advised to select their proxies from the list of individuals listed below.

a) Dr. Samuel Maduka Onyishi
b) Mr. Chukwuemeka Ndu
c) Mr. Andrew Otike-Odibi
d) Mr. Omotunde Alao-Olaifa
e) Mr. Babatunde Edun
f) Comrade S.B Adenrele
g) Mr. Fred Oduyemi
h) Mr. Moses Igbrude
i) Chief Timothy Adesiyan

A Proxy Form which may be used to make such appointment shall accompany this notice of meeting and can be downloaded on the Company's website at www.c-ileasing.com. All executed instruments of proxy should be deposited at the office of the Registrar, CENTURION REGISTRARS LIMITED, No. 33C, Cameron Road, Ikoyi, Lagos State or via email to ichijiokeokolo@centurionregistrars.com not later than 48 hours before the time fixed for the meeting.

Notice of Annual General Meeting (continued)

The Company has made arrangements, at its cost, for the stamping of duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

3. LIVE STREAMING OF THE AGM
The AGM will be streamed live online to enable Shareholders and other Stakeholders who will not be able to attend the meeting physically to follow the proceedings. The link for the AGM streaming will be made available on the Company's website at www.c-ileasing.com

4. DIVIDEND
The Board has recommended a dividend of 5Kobo per ordinary share of 50 kobo each, which if approved is payable less withholding tax. If payment of the dividend is approved at the Annual General Meeting, the dividend warrant will be posted on or before close of business on Wednesday, 30th June, 2021 to Shareholders whose names appear on the register of members at the close of business on Friday, 11th June, 2021. The register will be closed from Monday 14th June, 2021 to Wednesday, 16th June, 2021 both days inclusive.

5. E-DIVIDEND MANDATE
Shareholders are kindly requested to open a bank account into which their dividend payment will be credited. Detachable application forms for e-dividend is attached to the annual report to enable all shareholders furnish the particulars of their account to the registrar. The E-Dividend Mandate form can also be downloaded from the Company's website at www.c-ileasing.com.

6. UNCLAIMED DIVIDEND
Some dividend warrants and share certificates have remained unclaimed or are yet to be presented for payment or returned to the Company for revalidation. A list of the unclaimed dividends will be circulated together with the annual report. Affected shareholders are advised to contact the Registrar, CENTURION REGISTRARS LIMITED No 33C, Cameron Road, Ikoyi, Lagos State.

7. CLOSURE OF REGISTER
In compliance with section 114 of the Companies and Allied Matters Act 2020 and post-listing rules of the Nigerian Exchange Limited, the register will be closed from Monday 14th June, 2021 to Wednesday, 16th June, 2021 both days inclusive, to enable the Registrar update the record of members.

8. AUDIT COMMITTEE
Any shareholder may nominate another shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary of the Company at least 21 days before the date of the Annual General Meeting.
The Audit Committee comprises three shareholders and two Directors. Nominees of the Audit Committee should have basic financial literacy and should be able to read and appreciate financial statements. All nominations should be accompanied with a copy of the nominee's curriculum vitae.

9. SHAREHOLDERS' QUESTIONS
Shareholders are entitled to ask questions not only at the Annual General Meeting but prior to the date of the meeting on any matter contained in the Annual Report and Financial Statements. Such questions should be sent to the company secretary on or before 25th June, 2021.

10. Further Information
A copy of this notice and the annual report can be found and downloaded on the Company's website at www.c-ileasing.com and at the Company's Registrar's website at www.centurionregistrars.com

Dated this 29th day of March, 2021
BY ORDER OF THE BOARD

G. MBANUGO UDENZE –
FRC/2014/NBA/00000008124
For: MBANUGO UDENZE & CO.
COMPANY SECRETARY

MISSION, VISION & VALUE STATEMENTS

Our mission

To provide customers with quality leasing and ancillary service solutions to meet their unique needs, supported by appropriate technology, in accordance with world-class systems and procedures.

Our vision

To become through innovation, the leasing and ancillary service company of choice for any discerning Lessee in West Africa.

Our values

Fairness
We believe in fairness and this is evident in all we do. Fairness in relationship with our employees, clients and our suppliers. Fairness in every transaction we undertake.

Integrity
We believe in the highest standards and will uphold the best ethical practices in all our business transactions. We believe that there is no substitute to the truth – we will keep to our commitments and will always keep our word.

Responsibility
C&I leasing Plc is a responsible corporate citizen. As an organization, we take due cognizance of the environment whilst doing business and contribute appropriately towards promoting the health, welfare and economic empowerment of our host communities.

Excellence
We are committed to excellence and this is evident in all we do. Our products and services are designed to be exceptional. We know that our continued success relies on exceeding the expectations of our customers, so we work hard to achieve that.

Safety
C&I Leasing Plc is committed to a safe and healthy environment for all of its employees, customers and visitors.

citrack.support@c-ileasing.com
www.c-ileasing.com

C & I LEASING AT A GLANCE

C & I Leasing

C & I Leasing Plc is still the foremost brand in finance leasing and business logistics support in Nigeria. However, we have evolved to be a leading provider of critical business support services for several multinational and corporate organizations.

C & I Leasing:
C & I Leasing PLC was incorporated in 1990 as a limited liability company, licensed by the Central Bank of Nigeria to offer operating and finance leases and other ancillary services.

Leasafric Ghana:
Leasafric is a subsidiary of C & I Leasing Plc, based in Ghana. It is the largest Leasing company in Ghana and provides professional leases option for individual and corporate bodies.

Epic International FZE:
Epic International FZE, Ras Al Khaimah, U.A.E is currently engaged in the ownership and charter of vessels to companies; primarily its parent company, C & I Leasing Plc. Over the years, the company has enjoyed consistent growth and business expansion that has allowed for it to evolve from a single line business to a multi-line business with interest in key economic sectors in Nigeria.

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

C & I FLEET MANAGEMENT/HERTZ RENT-A- CAR
We are the sole franchisee and operator of the popular Hertz-Rent-A- Car brand in Nigeria and Ghana. The company currently manages over a thousand vehicles and professional chauffeurs; offering pick-up and drop off, airport shuttle and daily rentals services.

CITRACKS
Citrans telematics solution (CITRACKS) is a Nigeria Communication Commission (NCC) licensed provider of unique fleet management solutions to suit various business needs.

C & I OUTSOURCING
C & I Outsourcing is a licensed provider of manpower recruitment, training, personnel outsourcing and human resource consultancy services.

THE SDS TRAINING SERVICE
The SDS training services is a division of C & I Leasing PLC. This service was established in 2011 as a direct response to increase capacity development for over 4200 outsourced employees as part of a continuing professional development program.

Geographical Locations:

We have operational offices in the following locations:
Nigeria –
Lagos | Abuja | Port Harcourt | Enugu | Calabar
Benin
Ghana - Accra
United Arab Emirate, UAE - Ras Al Khaimah

Highlight Of 2020 Results

For The Year Ended 31 December 2020 In Thousands Of Naira	GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**
Gross Earnings	19.416,685	24,958,663	14,709,507	18.265,298
Profit continuing operation before Tax	490,128	1,012,659	419,331	572,659
Income Tax	(168,890)	(73,239)	(149,269)	(96,843)
Profit from discontinued Operations	-	-	-	-
Profit after \tax	**321,238**	**939,422**	**270,062**	**475,816**
Profit attributed to:				
Owners of the Parent	310,508	1,019,313	270,062	475,816
Non-controlling interests	10,730	(79.891)	-	-
	321,238	**939,422**	**270,062**	**475,816**

1990 - C & I Leasing Plc was incorporated in 1990 as a limited liability company. It was licensed by the Central Bank of Nigeria to offer operating and finance leases and other ancillary services. The company commenced full operations in 1991.

1994 - LEASAFRIC Ghana Limited - a subsidiary of C & I Leasing Plc-, the operators of Switch Car Rentals was incorporated in March 1992 and commenced business in April 1994. The Bank of Ghana subsequently licensed it in August 1994 as a non-bank financial institution to carry out the business of finance leasing as its principal business. The company has since then been running an Asset Finance business using the technique of finance leasing as a leading brand in the industry. LEASAFRIC is also into staff outsourcing, staff busing and tracking services. Switch Car Rental Services is a distinct sub-brand designed to provide car rental services to corporate organizations and individuals in Ghana. It was launched in 2018.

1997 - C & I Leasing Plc, concluded a major restructuring and diversification to a public company with its shares listed on the official list of the Nigerian Stock Exchange as the only leasing and rental services company

2010- Our journey into the maritime sector as a service provider for the Oil and Gas industry started with the acquisition of 4 boats through the C & I Petrotech Marine Joint Venture, Over the years, the business has culminated in the ownership of over 20 vessels consisting of crew boats, pilot boats, tug boats, patrol boats and platform support vessels for providing services such as line and hose handling, berthing and escort services, mooring support, fire-fighting, pollution control, security and floating and self-elevating platforms. C & I Leasing Plc concluded the buyout of Petrotech in 2018.

Today
C & I Leasing Plc has enjoyed consistent growth over the years and has expanded its scope of business to cover major sectors of the Nigerian Economy, the West Coast of Africa and the UAE.

Chairman's Statement

Dr. Samuel Maduka
ONYISHI
Chairman, C & I Leasing Plc

Our highly esteemed Shareholders, my colleagues on the Board, distinguished Guests and Observers, Gentlemen of the press, Ladies and Gentlemen, it is my pleasure to welcome you to the 30th Annual General Meeting of our company; C&I Leasing Plc.

I am delighted to present to you the Annual Report and Financial Statements of your company for the year ended 31st December 2020 and to report that the company recorded yet another decent financial performance despite the unprecedentedly challenging and highly volatile operating environment in the year under review.

GLOBAL ECONOMY

The general sentiment towards the end of 2019 was that it had been a challenging year from a macroeconomic perspective given the sharp slowdown in growth and the sharp rise in recession fears. The global economy recorded its lowest growth in the decade (since the world financial crisis of 2008-2009) in the year 2019, falling to 2.3% because of protracted trade disputes and a slowdown in domestic investment.

Analysts had warned that the world might be heading into a recession and expected some of this uncertainty to linger into 2020, with expectations of a more challenging policymaking environment as late-cycle imbalances and slower growth exposed many cracks.

Some analysts on the other hand believed that the bulk of the slowdown had been overcome and that 2020 would see less volatility in economic growth rates as economic activity settles at 2.7% in 2020, from 2.6% in 2019.

However, the sudden and unprecedented emergence of COVID-19 as well as the tumbling

Chairman's Statement
(continued)

global price of crude brought many economies around the globe to a near standstill; as countries imposed tight restrictions on human movement to halt the spread of the virus thus leading to the rise of headline inflation, loss of lives, spike in unemployment rate, devaluation of currencies, significant disruptions of supply chains to domestic and global supply channels. An aftermath of this was the unprecedented winding down of several businesses across the country and globally a resultant impact of the lock down measures implemented to curtail the pandemic spread.
This derailed all expectations and projections whilst ushering in entirely new realities for many families, countries, and businesses across the globe as it soon became obvious that 2020 was going to be one of the most challenging years in recent world history.

DOMESTIC ECONOMY

The year 2020 witnessed its fair share of ups and downturns in the Nigerian economy. Against a backdrop of significant highlights of the preceding year, such as the 2019 elections, the Central Bank's assertive moves towards exchange rate, price stability, as well as direct lending and trade policy. The signing of the long-anticipated Finance Bill and the signing of the African Continental Free Trade Agreement (AfCFTA) also demonstrated the unrelenting efforts of the policy makers to support growth through financial sector intermediation which was envisaged to have a far-reaching impact on the country's move towards achieving a more inclusive economy resilient against heightened external economic head winds in the year 2020.

Before COVID-19 and the Russia-Saudi Oil Price Wars, the outlook for Nigeria in 2020 was relatively positive, with the World Bank projecting a GDP growth of 2.89% for the year and the Federal Government 2020 budget assumption of a 2.93% GDP growth rate. Oil prices were projected to reach $75/barrel in 2020, which was expected to drive continued growth and recovery from the 2016 recession.

All this changed when China announced to the world in January 2020 that a potentially highly virulent virus had been discovered in its Wuhan Province and that it could be a global health hazard. The World Health Organization declared a Public Health Emergency of International Concern by end of January 2020 and by February 27, 2020, the first official case was recorded in Nigeria. By the middle of March 2020, it had become obvious that Nigeria faced an unprecedented situation, and a strong response would be needed from government to safeguard lives. Lockdown restrictions were soon implemented, grinding the entire Nigerian economy to an almost complete halt.

Against this backdrop, the Nigerian economy witnessed a continuous rise in headline inflation within the year, recording its peak in December 2020 at 15.8%. In the same vein the impact of the lock down affected the non-essential goods and services; sector as demand in this sector was greatly subdued. Food inflation and non-food inflation recorded a sharp surge. While the Naira weakened against the dollar, declining to about N500;$1 at the close of the year sliding from N360;1$ at the beginning of the year.

OUR OPERATING RESULTS

The dip in oil prices and the economic effect of the pandemic in no small measure affected the profitability of many companies with the leasing industry not excluded. A substantial number of corporations and companies recorded significant decline in sales due to the constrained purchasing power of most customers and the restriction of both human and trade mobility for most part of the year as occasioned by the enforced lock down. A consequential impact of this on our business was a downward negotiation of rates from some of our client both in the marine and fleet business. A ripple effect of the enforced lock down due to the pandemic was a loss of revenue across our business lines due to the impeded mobility of people, goods and services across the country and the globe.

Amidst the highly volatile macroeconomic environment, the Group remained firm, adapting rapidly to the changing economic clime, and making steady progress towards fulfilling its commitment to creating additional wealth to her numerous shareholders. The Company leveraged technology in creating novel solutions to its clients whilst fortifying its cost-cutting strategies across all its business operations .Management has continued to exhibit ingenuity in seeking viable innovation and are currently implementing various strategies that will return the Company to an increased profitability and likewise improve shareholder's return.

During the year under review, all our core business lines: Fleet Management, Outsourcing and Marine Services remained sustainable while demonstrating a high degree of resilience rising incredibly to the challenging clime by seeking innovative novel technology solution to propagate our business and revenue against the odds powered by our recently launched E-business drive and initiative. Technology solutions birthed in the year under review includes the Skill Central e-learning platform which was launched by the Outsourcing business; 360 Fleet Solution, an end-to-end automated fleet management system and vehicle monitoring initiative launched by the Fleet Management business, and a digitalized marine vessel management solution launched by the Marine business which is also on the verge of being commercialized. The OCS Integrated Services Nigeria Limited (the new joint venture between OCS Services DMCC and C & I Leasing Plc.) launched in the previous year is also being steered in the right direction and the business remains optimistic that this synergy will continue to flourish and have a positive overall impact on the Marine and Personnel Outsourcing business. Meanwhile, the Fleet Management business has continued to achieve operational efficiency by servicing clients' needs and reducing downtime.

In the spirit of continuous improvement, we worked on repositioning the Getajob.ng platform launched last year. A remarkable increase in visibility across a wide demography on the digital space was achieved. This drive is aimed at reinforcing the Company's over 20-year presence/experience in the Human Resources (HR) space and further positioning the outsourcing business in the right trajectory as well as proactively solving the problem of employment and talent mismatch in the country.

Despite these laudable efforts, the gross earnings of the Group declined by 22% from N24.9 billion in 2019 to N 19.4 billion in 2020 due to the adverse impact of the pandemic, while that of the Company declined by 19% from N18.2 billion in 2019 to N14.7 billion in 2020. Likewise, the Group and Company profit before tax recorded a decline during the year. While the profit before tax for the Group declined by 52% from N1 billion profit in 2019 to N490 million in 2020, the Company's profit before tax declined by 27% from N572.6 million in 2019 to N419.3 million in 2020. Similarly, the Group's profit after tax fell by 66% from N939 million profit recorded in 2019 to N314.9 million profit in 2020, while the Company declined by 43% from N475.8 million profit in 2019 to a N270 million profit in 2020.

The Group's total assets declined slightly by 1% from N56.2 billion in 2019 to 55.9Nbillion in 2020 while that of the Company grew by 4% from N42.8 billion in 2019 to N44.5 billion in 2020. The Group's shareholder's fund grew significantly by 36% from 9.8billion in 2019 to 13.42billion in 2020 while the Company's shareholders funds grew by 52% from 4.6 billion to 7billion in 2020.

The Company continues to unearth and drive new solutions by leveraging on technology to improve the efficiency of operations and business acquisition. Despite the harsh and extremely volatile economy, C&I Leasing Group closed with a profit after tax of N 321 million during the year 2020. As challenging as 2020 was, we are buoyed by the prospect of a fruitful 2021 ahead.

DIVIDEND AND CAPITALIZATION

The Board is pleased to recommend for your approval, a dividend pay-out of 5 kobo for every ordinary share of 50 kobo subject to appropriate withholding tax deductions. This recommendation reflects our resilience and tradition of delivering superior value to our shareholders. If the recommendation is approved, the dividend of N88,457,250 will be paid.

Chairman's Statement
(continued)

BOARD DEVELOPMENT

In the year 2020, I was appointed as a Non-Executive Director by the Board and thereafter Chairman. This appointment has hitherto been confirmed by the Central Bank of Nigeria.

THE WAY AHEAD

The operating domestic and global macroeconomic environment in 2021 will be challenging for myriad reasons including the unpredictable pandemic, continuing trade tensions as well as the crashing crude prices. Nevertheless, as a visionary group with sound corporate governance structure, our resolve is to cushion these headwinds by remaining laser focused whilst we continually consolidate past achievements and continue to seek opportunities to expand our operations and markets frontiers. To this effect, the Board has laid down a solid foundation for growth, expansion, and diversification, which is already yielding results as we remain focused on improving the overall wellbeing of the company with initiatives that makes the Company lead within our market space.

In 2021, as an organization we are focused on improvement on all areas of the business and delivering a sterling and sustainable performance that enhances optimal returns to shareholders. The unprecedented economic and social effects of the COVID-19 pandemic have necessitated some revisions to our operating landscape. The Group has identified expanding medical and sales process outsourcing services, digital offerings such as online training and "after-lease" services to a broader client base as some of the opportunities arising from the COVID-19 pandemic fallout. We shall continue our focus on leveraging technology to improve the efficiency of operations and business acquisition based on five pillars: data & analytics, automation, optimizing infrastructure, legacy modernization, and cybersecurity. Cost management is also key to our short-term plans as we continue to thrive under the unprecedented business clime.

In conclusion, although 2020 was a very challenging one for our Company, the collective efforts of all Staff, Management, Audit Committee, and the Board made it possible for us to sustain our superior performance in the year. I am, therefore, very thankful to our shareholders for their support and encouragement; our customers for their unflinching loyalty; our staff and Management whose passion and commitment have sustained our very good performance over the years; and our Board, whose vision and exemplary leadership ensure that our Company does not wane in the pursuit of its mission and objectives.

Ladies and gentlemen, I welcome you to the 2021 financial year with an unwavering assurance of a continued improved performance of our Company.

Thank you and God bless you all.

Dr Samuel Maduka Onyishi

Board of Directors

DR. SAMUEL MADUKA ONYISHI
Chairman

Dr Samuel Maduka Onyishi got a degree in Social Works and Community from the University of Nigeria, Nsukka. He later earned an MBA 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

Mr. Chukwuemeka 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. ANDREW OTIKE-ODIBI
Managing Director / CEO

Mr. Andrew Otike-Odibi is a Chartered Accountant and currently the Managing Director of C & I Leasing Plc. He joined C & I Leasing Plc in 1998 as a Senior Manager and was appointed to the Board in 2007. Prior to joining C & I, Mr. Otike-Odibi was a Branch Manager with Diamond bank Plc. He holds a B. Sc and MBA from the University of Benin. He became the Managing Director of C & I Leasing Plc. in 2016.

Board of Directors

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.

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. His capacity for developing start up business has built several businesses of scale. Mr. Edun is 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 is a Director of Prudential Mortgage Bank, Biswal Limited, Tranos Contracting Limited, Accat (Nigeria) Ltd, Exchange Telecommunications Limited and the Iluburin Development Project Company Limited.

Proposed Directors

ALHAJI SADIQ ABUBAKAR ADAMU
(Non-Executive Director)
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 and obtained a Master of Laws degree from Harvard University Law School in the United States. He

Proposed Directors

equally attended Oxford University College Petroleum and Energy Resources for a postgraduate certificate in advance negotiation.

MRS FLORENCE OKOLI
Mrs. Florence Okoli has over 20 years multi-industry cross functional experience spanning energy, telecommunications and advisory services. She is an alumnus of Harvard Business School and University of Lagos. She previously worked with Arthur Anderson, MTN Nigeria Communication, Mobil Producing Nigeria Unlimited and Shell Petroleum Development Company. She is presently the Executive Director (Commercial) of Eraskorp Nigeria Limited.

MR. OLUYEMI ABAOLU-JOHNSON
Mr. Oluyemi Abaolu-Johnson is an Accountant with years of well-rounded accounting, auditing, tax, finance and risk management experience. He assisted and still assists many multinational companies and public sector entities with their processes. He has attended several skills training and is an Associate of the Institute of Chartered Accountants of Nigeria. He previously worked with Access Bank Plc., Standard Trust Bank Plc., Nigerian Breweries Plc., Deloitte Nigeria, Pricewaterhouse Coopers amongst others. He is currently the Chief Executive Officer of BVS Professional Services.

MR. TOM OKO ACHODA
Mr. Tom Oko Achoda is a graduate of Economics with firm grounding in Business income and process streamlining related expertise. He is an alumnus of the University of South Wales and University of Port Harcourt. He has attended several trainings and has worked with both private and public sectors. He has equally worked in several banks 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

BOARD CHANGES
In December, 2020, Chief Chukwuma Henry Okolo, Sir Patrick Sule Ugboma, Mr. Larry Ademeso and Mr. Alex Mbakogu resigned as Directors of C & I Leasing Plc.

Mr. Mutiu Adio Olaniyi Sunmonu who was appointed in April, 2020 could not take up the position as a result of the provision of 307(2) of CAMA 2020 which restricts the number of companies an individual holds a directorship position to 5.

DIRECTORS RETIRING BY ROTATION
In accordance with the provisions of Section 285(1) of the Companies and Allied Matters Act, 2020, the Director to retire by rotation at this annual general meeting is Mr. Chukwuemeka Ndu and he, being eligible, offers himself for re-election.

The Report of the Directors

The Directors have the pleasure of presenting their report on the affairs of C & I Leasing Plc. and its subsidiaries, together with the financial statements and auditors' report for the year ended 31st December, 2020.

LEGAL FORM

C & I Leasing Plc. was incorporated in 1990 as a limited liability Company and licensed by the Central Bank of Nigeria to provide transportation logistics solutions in the form of car and marine rental, fleet management as well as human resources solutions. Within the last 30 years, C & I Leasing Plc. has grown on a compound annual average basis of 44% over the past 5 years to become a diversified, leasing and business service conglomerate providing support services to various indigenous and multinational blue-chip organizations within the shores of Nigeria, Ghana, and the United Arab Emirates. C & I Leasing Plc. remains the only leasing Company listed on the Nigeria Stock Exchange (NSE) till date.

OUR RESPONSE TO COVID-19

The C&I Leasing Group continues to provide services to customers and external stakeholders with minimal disruptions in a safe environment, supported by effective Information Technology solutions for business continuity. The aim of the company is to ensure that operational efficiency remains a priority while creating value at optimal levels. We value the health and safety of our internal stakeholders as evidenced by our current Work from Home (WFH) model which applies to majority of staff, and the impact on productivity has been positive and keeps improving. For those who work onsite and offshore, all safety and hygiene protocols are fully observed and implemented.

Internal campaigns to sensitize staff and provide on-the-go reports of the COVID-19 situation and the importance of keeping in step with approved health guidelines and preventive measures for the benefit of self and others is an ongoing effort. In the host communities where we operate, we have provided material and humanitarian support to put a smile on faces and give hope to underserved Nigerians. This is also a continuous effort backed by our core values of Fairness, Integrity, Responsibility, Excellence and Safety.

In summary, three (3) principles have held true in C&I Leasing's response to COVID-19:

1. Building trust with all stakeholders

2. Making data-driven decisions

3. Effective collaboration

We reiterate our commitment to provide support to all stakeholders as we collectively fight against and overcome the Covid 19 pandemic.

MAJOR MILESTONES IN THE YEAR

2020 was an eventful year which presented both challenges and opportunities for the Company. Despite this, some notable achievements were recorded:

Birth of E-Business and Corporate Strategy Unit

Following critical analysis of the operating environment and having an eye for a results-driven agenda, the Company established a Corporate Strategy Unit effective 1st January 2020, which is responsible for aligning business strategy with overall targets, objectives, and goals. The unit played to its strength in research and business intelligence with regular feeds and updates to Management to ensure set targets are proactively reviewed daily, weekly, monthly, and annually.

In consolidating all digitization efforts, the 'E-Business' Unit was also birthed in the first quarter of 2020 (Q1 2020). All technology-focused businesses and initiatives under the Group is tunnelled through this well-planned technical architecture to provide additional value to clients and prospects in the business ecosystem we operate in. Indeed, the E-Business unit is primed to be a strategic driver and enabler for faster, efficient, and impactful service delivery.

In intensifying the E-Business drive, the Skill Central e-learning platform was launched by the Outsourcing business to take advantage of the obvious opportunities in the online learning space. The Business Process Outsourcing (BPO) model also gained more prominence in the Outsourcing business and we are growing this niche to cement our position as the preferred business partner for Business Process Outsourcing needs in West Africa.

360 Fleet Solution, an end-to-end automated fleet management system and vehicle monitoring initiative was launched by the Fleet Management business within the review period. This fully automated service is gaining uptake among existing and new clients who appreciate a truly seamless experience in managing their fleet of vehicles. The Marine business has not been left out of this technological transformation agenda. A digitalized marine vessel management solution was developed and is being finetuned for deployment.

During the second half of the year (Q2), the Company embarked on a N7 billion bond issuance exercise, which is currently being marketed to various financiers, subject to regulatory approvals. The Company is positive that the funds raised will enhance the quality of its capital structure as well as aid the Group's strategy for funding thereby eliminating any form of funding mismatch.

Remote Working despite the COVID-19 Pandemic

In the first quarter of the financial year, the company introduced a Remote Work Policy in keeping to the nation-wide lock down orders issued by the federal government. Without missing a beat, the IT team were able to provide needed support to majority of staff who had to work remotely during that period. Business operations went on smoothly without any significant downtime throughout the review period. Post lockdown, the Remote Work Policy remained as an option for approved staff to carry out their duties with increased productivity and work-life balance in mind. The benefits are still being seen across operations.

Launch of C&I Hub

The C&I hub was launched in the fourth quarter (Q4) of the year with a mission to provide conducive, smart workspaces to the teeming public. This initiative is steered by the Facilities unit and it stemmed from the company's rapid response to the dynamic business environment propelled by the work from home business model a resultant impact of the pandemic. The birth of this initiative has allowed for a more efficient use of the company's under-utilised office space.

PRINCIPAL ACTIVITIES

C & I Leasing provides transportation logistics solutions in the form of vehicle and marine rental, fleet management and telematics solutions with a strong foot hold in human resource solutions. These business support services are provided along three major business lines: Fleet Management, Personnel Outsourcing and Marine Services.

Fleet Management

The business provides fleet management services to a wide range of clients across several sectors of the economy. These include but is not limited to banking, fast moving consumer goods (FMCGs), telecommunications, non-governmental organizations (NGOs), and healthcare, etc.

The fleet management service cascades into either long or short-term rental of vehicles. Short term rentals are serviced under the Hertz franchise- a business managed by C&I Leasing Plc for close to two decades. Hertz is the leading car rental brand around the globe. The long-term vehicle rental business is operated through the fleet management brand – C & I Fleet Management. The Company currently manages over 1,300 vehicles which are providing services to various clients across the country.

Our fleet management business is committed to providing superior transportation and mobility solutions driven by technology, to its ever-increasing customers. The business has enjoyed organic growth over the years and has become a visible brand in the industry.

CITRACKS

Citrans Telematic Solutions (Citracks) uses **Information Technology** for remote communication on assets and provides businesses with Telematics Solutions supported by **Artificial Intelligence** and in accordance with world class innovation and procedures. To drive this service wholistically, we strategically partner with two renowned technology companies who are leaders in tracking and fuel monitoring services.

For vehicles, heavy equipment, and generator tracking, Citracks works with Galooli, a leader in vehicle tracking and fuel monitoring services. In the Citracks-Galooli partnership, clients are provided with AI-powered Software as a Service (SaaS) solutions that enable them to make data-driven decisions through full-coverage of stationary and mobile assets operations, on a single smart integrated platform.

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For the marine segment of the telematics business, Citracks partners with Nautical Control Services (NCS), on an Electronic Fuel Management System (EFMS) product called Fueltrax, to monitor fuel data across vessels and to ultimately improve performance of marine operations. This is geared towards reducing the challenges of marine vessel owners and charterers in the oil and gas industry (International Oil Companies {IOCs} and others). In addition to reducing fuel costs, the EFMS helps maintain fuel security as well as lower asset maintenance requirements.

We continue to seek opportunities for expansion and growth for this business as technology trends and customer needs evolve globally.

Personnel Outsourcing

This business provides services in personnel management, human resource outsourcing, Business Process Outsourcing, E–Business, consultancy, personnel evaluation, and training as well as manpower development. These services are provided to various clients by deploying different cadre of personnel ranging from highly- skilled to semi-skilled and unskilled workforce. Hence, our clients can focus on their core businesses while we provide a well-equipped support team from point of initiation to completion. Additionally, we have integrated the medical process outsourcing, sales process outsourcing and business automation into the Business Process Outsourcing Model, for long-term growth service delivery.

Our focus in 2020 was to deploy innovative technology for the purpose of improving customer experience and efficient service delivery. Our E- recruitment platform - GETAJOBNG- which we launched in the fourth quarter (Q4) of 2019 continued to grow, despite the adverse impact of the pandemic on the expected traction in our customer base in the first (Q1) and second (Q2) quarters of the year. The business poises to continue leveraging current and emerging technology to introduce more digital services such as learning management services, payroll services and more. We have also diversified beyond personnel outsourcing into business process outsourcing; a service which is already enjoying the patronage of clients in the telecommunication and financial services sectors with prospects from the FMCG and Agriculture sectors. We have integrated the Business Process Outsourcing that houses the medical process outsourcing, Sales process outsourcing and business automation. We have obtained several certifications to run the E – Business arm of the unit. We continue to maintain our current personnel outsourcing portfolio and it remains vibrant, growing with our long-term clients as we continue to offer them best in class service.To Strengthen the E–Business arm of the unit, we have obtained several certifications- both local and international in line with approved standards. With the certifications and a highly experienced and diverse faculty, we have been successful at deploying relevant e-learning programs to those who are looking to upskill themselves for better career prospects under the Skill central platform. In rendering services to clients looking to match vacancies with the right candidates, "GETAJOBNG," the online recruitment portal and job application/search website is gaining grounds with intense marketing effort and delivering on its mandate to connect employable candidates of the right quality to our clients and other interested corporate bodies at short notice. We intend to improve the skills and quality of an average job seeker by providing basic training to prepare them to meet employer expectations. In the near to long term, this should mitigate rising unemployment rates in the Nigerian economy and the frustration of employers who continually complain of poor quality of employable candidates. We believe this approach will improve the clients' recruitment experience, improve the rate at which vacancies are being filled, bridge the gap between recruiters and candidates and by extension, enhance income streams for the business.

Marine Services

Our marine business offers a wide range of services to both onshore and offshore terminals; taking advantage of the opportunities created by the Nigerian Oil and Gas Industry Development Act for indigenous companies. With efficiency and safety as its watchword, the business has built a strong reputation in the industry, gradually positioning itself as a leading Nigerian content player in the offshore marine vessel space. Our journey into the Maritime sector as a service provider for the Oil and Gas sector started through the C & I Petrotech Marine Joint Venture (JV) in 2010 with six vessels. As of July 2018, we took full ownership through the buy-out of the remaining 27.5% minority stake in the JV. –During that eight-year period and till present, the business has developed significant technical and operational capacity and owns/manages several vessels to carry out an array of services in the maritime subsector of the oil and gas industry. These services include line and hose handling, terminal support and berthing services, security patrol and escort services, mooring support, firefighting, pollution control services, offshore installation supply services, anchor handling services for mooring large tankers during offtake operations, as well as floating and self-elevating platforms services for supporting shallow water operations.

As a result of the COVID-19 pandemic and drop in oil prices a widespread downward negotiation deduction in rates by our international oil companies (IOC) clientele base was recorded. However, by the end of the year we were successful at signing on more contracts as well as getting on board series of spot jobs.

Amidst the hostile business operational clime witnessed during the year, the business took on new initiatives leveraging on technology, such as its vessel technical management service and vessel management software. The unit is positive these initiatives upon crystallization will bolster its revenue.

OUR SUBSIDIARY COMPANIES

The C & I Leasing Group of companies comprises of the following subsidiaries - Leasafric Ghana Limited (70.89% owned) and Epic International FZE (100% owned).

Leasafric Ghana Limited

Leasafric, incorporated in 1992, commenced operations in 1994 when it was licensed by the Bank of Ghana as a non-bank financial institution to carry on finance leasing as its principal business and other ancillary services. It is the largest leasing Company in Ghana with a 40% market share. During the 2020 financial year, the subsidiary through her SWITCH Car Rental Services and Leasing Offers, and under the leadership of a newly appointed Managing Director, provided fleet management solutions to her ever- increasing customers- both walk-in and online. Leasafric currently has a fleet size of about 1,000 vehicles spread across Ghana. Its operations are supported by appropriate technology to ensure cost efficient service is always delivered. The Company also provides personnel outsourcing services and intends to take advantage of the growth opportunities in the oil and gas sector in Ghana.

To gain access to capital for growth, increase visibility, stimulate liquidity, and promote transparency and efficiency, we are considering listing the shares of the business on the Ghana Stock Exchange. The options are currently being reviewed by the directors. The business is also considering issuance of a long-term bond for business expansion at a cost-effective rate during the year.

The company was recently granted approval for Bond by the Bank of Ghana for a period of 5 years, although on hold due to the current nature of the market.
We have also obtained Permit from the Petroleum Commission to enable us actively to participate in the Oil & Gas Space. This Permit is in Conjunction with a local partner. We now have a Joint Venture with SALIDEL for the purpose of contract execution and meeting up with Local Content requirement.

It is pertinent to report that we have not lost any of our major contracts but are engaging both existing and prospective ones with a view to maximize their returns.

Finally, Deloitte & Touche are exiting as the statutory auditor of the company having completed the mandatory tenor stipulated by the company's Act. The group's auditor – PKF has been considered to take over from Deloitte effective 2020.

Epic International FZE

This asset-based subsidiary was incorporated in 2011 as a free trade zone establishment in United Arab Emirates and licensed to trade in ships and boats, their spare parts, components, and automobile assets. It commenced operations fully in 2014 with four vessels. The vessels are chartered through C & I Leasing Plc by the various international oil companies. This arrangement has expanded and helped grow the fleet size of C & I Leasing.

OPERATING RESULTS AT A GLANCE

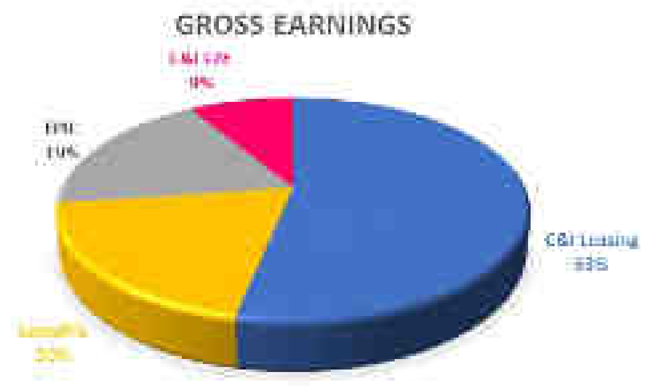
Gross earnings of the group from continuing operations declined from N24.9 billion in 2019 to N19.4 billion in 2020. Similarly, profit on continuing operations before income tax fell to N490milion in 2020 from 1billion in 2019.

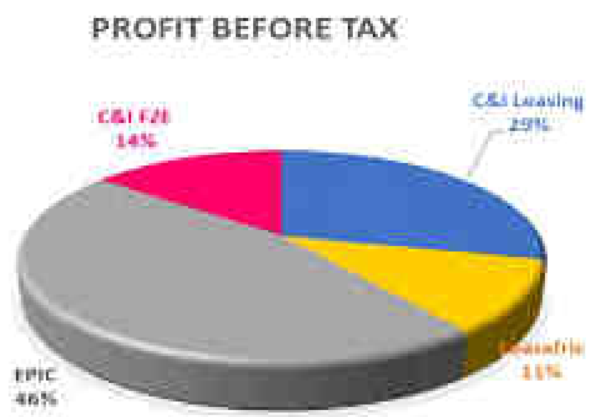
Highlights of the Group's operating results for the year under review are as follows:

For The Year Ended 31 December 2020 In Thousands Of Naira	GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**
Gross Earnings	19.416,685	24,958,663	14,709,507	18.265,298
Profit continuing operation before Tax	490,128	1,012,659	419,331	572,659
Income Tax	(168,890)	(73,239)	(149,269)	(96,843)
Profit from discontinued Operations	-	-	-	-
Profit after \tax	**321,238**	**939,422**	**270,062**	**475,816**
Profit attributed to:				
Owners of the Parent	310,508	1,019,313	270,062	475,816
Non-controlling interests	10,730	(79.891)	-	-
	321,238	**939,422**	**270,062**	**475,816**

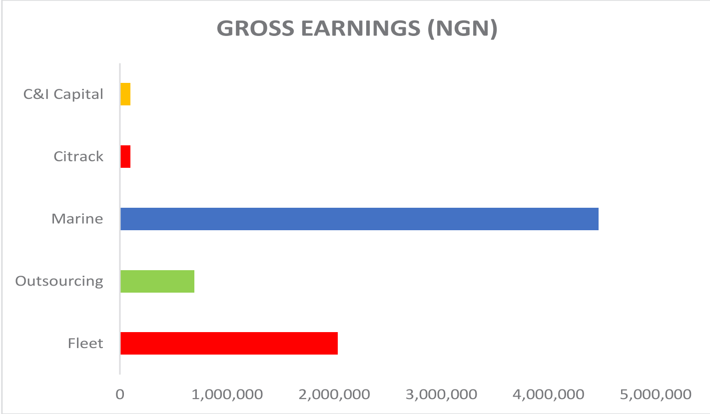
The Group refers to the parent Company, C & I Leasing Plc, and its foreign subsidiaries, Leasafric Ghana Ltd and Epic International FZE while the Company refers to the Nigeria business alone- C & I Leasing Plc.

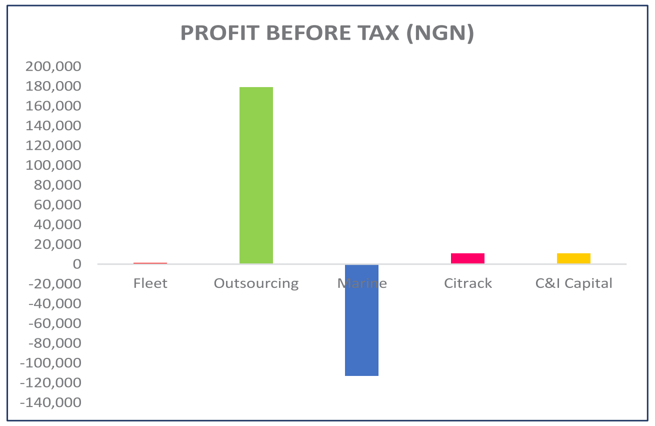
Group's position – December 2020





Company's position – December 2020





FINANCIAL PERFORMANCE AND BUSINESS REVIEW

During the year, the economy continued to show signs of recovery from recession, thereby creating a favourable environment for the Company to achieve better results. We focused on increased visibility and rebranding, detailed process reviews and automation initiatives, some of which are still ongoing. We intend to implement the learning outcomes from the process reviews to position the company as the foremost, biggest, and most preferred within the logistics, transportation telematics, and outsourcing service space with enviable results in all areas of endeavour.

Total assets for the Group declined by 1% to N55.9 billion in 2020 from N56.2 billion in 2019 while shareholders' fund grew by 36% from N9.8 billion in 2019 to N13.4 billion in 2020. Likewise, the total liabilities of the Group also declined by 9% from N46.4 billion in 2019 to N42.5 billion in 2020.

For the Company, total assets grew from N42.7 billion in 2019 to N44.47 billion in 2020 while shareholders' fund rose to N6.97 billion in 2020 from N4.59 billion in 2019. The parent Company's total liabilities declined to N37.5 billion in 2020 from N38.1billion in 2019.

During the year, C & I Leasing Plc received rating reports from both Agusto & Co and Global Credit Rating- GCR as follows:

Agusto & Co:
Rating: Bbb
Outlook: Stable

Global Credit Rating (GCR):
Short term: A3
Long term: BBB
Outlook: Negative

These were investment grade ratings with the long-term business growth potential considered as strong by both agencies.

OUTLOOK FOR 2021 AND BEYOND

Amidst unpredictable monetary, fiscal, other government policies, high interest rate, likely devaluation of the naira, high cost of doing business as well as the recent pandemic, we will continue to seek opportunities for growth and business expansion aimed at improving the profitability of the business and returns on investments to shareholders. Our business shall continue to provide services to our customers with minimal disruption in a safe environment, supported by effective IT solutions. The aim of the company to ensure operational efficiency remains a priority amidst the pandemic situation. As the economy reopens gradually, we are positive on the futuristic outlook of the business and the believe that the year 2021 will steer us into an even stronger position.

As a popular financing tool, leasing provides an important leverage in modern business. Its flexible nature allows it to compete favorably against traditional finance sources such as bank loans, bonds, etc. The leasing industry is expected to blossom, owing to various initiatives of government aimed at supporting the economy and the increasing relevance of leasing to capital formation.

- ➢ Focus on agriculture will create an extensive market for the leasing business as a whole range of equipment would be required across the agriculture value chain, from planting, harvesting, processing and storage to distribution.
- ➢ Special focus on infrastructure will unlock business opportunities for the leasing industry as specialized and general equipment would be needed to support construction projects (rail, roads, power, and housing etc.)
- ➢ The manufacturing sector including the micro, small and medium enterprises (MSMEs) present significant opportunities for leasing, as the demand for assets for productive ventures is expected to continually increase.
- ➢ Another emerging business opportunity lies in the healthcare and education sectors with appreciable in-roads being made in providing school buses as well as ambulance contracts.

We aim to exert determined efforts to retain undisputed leadership within our market space by optimizing cost across all businesses, increasing operational efficiency, improving on the attitude and culture of our people, aligning our strategies to our goals, and ensuring profit maximization in all our core activities.

We engaged the services of a supply chain expert and we are looking to implement transformative initiatives aimed at improving efficiency and process flow within the current period.

Following the successful issuance of the Right Issue we aimed to finalize the process of converting the Abraaj loan stock into equity in Q4 2020.

CAPITALIZATION AND DIVIDEND

The company set out to raise N2.2b through Right Issuance to propel business expansion and recapitalisation of the company's net asset base as well as to avail our esteemed shareholders of more opportunity to exercise their right by gaining more ownership share in the Company. This exercise was successfully completed during the year.

The dividend history is as shown in the table below. In respect of the current year, the Directors propose that a dividend of 5 kobo per ordinary share, amounting to N88,457,250 on the 1,769,145,000 fully paid-up shares be paid to shareholders upon approval at the Annual General Meeting. The payment of dividend is however subject to withholding tax at the rate of 10%.

SHARE CAPITAL HISTORY

S/N	YEAR	SHARE CAPITAL HISTORY
1	1990 (Incorporation)	100,000 shares of N1 each
2	1991	Increased to 5,000,000 by the creation of 4,900,000 shares of N1 each.
3	1992	Increased to N20,000,000 by the creation of 15,000,000 ordinary shares of N1.00 each
4	1995	Increased to N50,000,000 by the creation of 30,000,000 ordinary shares of N1.00 each.
5	February, 1997	Increased to N100,000,000 by the creation of 50,000,000 ordinary shares of N1.00 each.
6	August, 1997	Increased to N200,000,000 by the creation of 100,000,000 ordinary shares of N0.50k each
7	2003	Increased to N500,000,000 by the creation of 300,000,000 ordinary shares of N0.50k each
8	2006	Increased to N1,000,000,000 by the creation of 500,000,000 ordinary shares of N0.50k each
9	2008	Increased to N1,500,000,000 by the creation of 500,000,000 ordinary shares of N0.50k each. The issued and fully paid up shares was 1,617,010,000 shares.
10	2017	The issued shares of the company of N808,505,000 divided into 1,617,010,000 shares of N50kobo was consolidated into N202,126,250 issued shares divided into 404,253,500 units of ordinary shares at 50kobo per share
11.	2019	Rights issue of 539,003,333 ordinary shares of 50kobo each at N6.00 per share on the basis of 4 ordinary shares for every 3 ordinary shares held by shareholders

C & I LEASING PLC DIVIDEND HISTORY

C&I LEASING PLC SHARE CAPITAL HISTORY				
Financial Year End	Share Capital History	Final / Interim	Amount Declared (₦)	Amount Paid (Kobo)
12-Dec-97	4	Final	23,964,627.10	10
12-Dec-98	5	Final	18,000,000.00	15
01-Dec-99	6	Final	24,000,000.00	10
12-Dec-00	7	Interim	12,000,000.00	5
31-Jan-01	8	Final	24,000,000.00	10
31-Jan-02	9	Final	36,170,935.65	15
31-Jan-03	10	Final	36,000,000.00	15
31-Jan-04	11	Final	40,000,000.00	10
31-Jan-05	12	Final	60,000,000.00	10
31-Jan-06	13	Interim	30,000,000.00	5
31-Jan-06	14	Final	60,000,000.00	10
31-Jan-07	15	Final	80,029,700.00	5
31-Jan-08	16	Interim	96,035,640.00	6
31-Jan-08	17	Final	95,792,821.80	6
31-Jan-09	18	Final	191,585,643.60	12
31-Jan-10	19	Final	42,000,000.00	2
31-Jan-12	20	Final	37,328,059.00	2
31-Dec-13	21	Final	64,680,400.00	4
31-Dec-14	22	Final	129,360,800.00	8
31-Dec-15	23	Final	64,680,400.00	4
31-Dec-18	24	Final	104,381,437.50	7.5
31-Dec-19	25	Final	278,350,500.00	20
31-Dec-20	26	Final	88,457,250.00	5

CORPORATE GOVERNANCE FRAMEWORK

At C & I Leasing Plc, we are committed to promoting good corporate governance along with best practices in accordance with applicable laws and regulations in Nigeria and the requirements of the Nigerian Stock Exchange. This is in compliance with the Code of Corporate Governance in Nigeria. In the conduct of our business, we understand that sound corporate governance practices are a must for continued existence and corporate success. The Company complied substantially with major corporate governance principles during the year under review.

THE BOARD OF DIRECTORS

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 out these duty 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:

- Review of the Company's goals as well as the strategy for achieving these goals.
- Review and approval of the Company's financial objectives, plans, actions and significant allocation and expenditure.
- Review and approval of the annual, half-yearly and quarterly financial statements, as well as annual report and reports to shareholders
- Ensuring the integrity of the Group's accounting financial reporting systems by establishing mechanisms for monitoring risk, financial controls, and compliance with applicable laws.
- 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. Dr Onyishi was appointed to the Board during the year.

The Board of Directors held its meetings on the following dates: January 24, 2020, April 30, 2020, July 23, 2020, October 27, 2020, December 10, 2020, December 24, 2020 and January 14, 2021. 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
CHIEF CHUKWUMA HENRY OKOLO	6/7
MR CHUKWUEMEKA E. NDU	7/7
MR ANDREW OTIKE-ODIBI	7/7
SIR PATRICK UGBOMA	6/7
MR TUNDE ALAO-OLAIFA	7/7
MR LARRY OLUGBENGA ADEMESO	6/7
MR ALEXANDER MBAKOGU	6/7
MR ZAHI EL KHATIB	6/7
MR BABATUNDE EDUN	7/7
DR SAMUEL ONYISHI	1/7

COMMITTEES

The Board also performs some of its functions through Board Committees in conformity with 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:

a. Board Operations Committee:

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

The Committee performs oversight functions relating to strategic operational issues and met on January 21, 2020, April 28, 2020, July 21, 2020 and October 26, 2020. 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 NDU	CHAIRMAN	4/4
MR ANDREW OTIKE-ODIBI	MEMBER	4/4
MR LARRY OLUGBENGA ADEMESO	MEMBER	4/4
MR ALEXANDER MBAKOGU	MEMBER	4/4
MR ZAHI EL KHATIB	MEMBER	4/4
MR BABATUNDE EDUN	MEMBER	3/4

b. 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.

Their functions include, but are not limited to the following:

- 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.
- Review of the Company's risk management policy framework, quality and strategy.
- Oversight of management's process for the identification of significant risks across the Company and the capability of prevention, detection and reporting mechanisms.
- Review of the level of compliance with applicable laws and regulatory requirements which may impact on the Company's risk profile.
- 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 five members, comprising two Executive Directors and three Non-executive Directors. The Committee met on January 20, 2020, April 28, 2020 and July 20, 2020. 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 OMOTUNDE ALAO-OLAIFA	CHAIRMAN	3/3
MR ANDREW OTIKE-ODIBI	MEMBER	3/3
MR ALEXANDER MBAKOGU	MEMBER	3/3
MR ZAHI EL KHATIB	MEMBER	3/3
MR BABATUNDE EDUN	MEMBER	2/3

c. 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 2020 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:

- ascertain whether the accounting and reporting policies of the Company follow legal requirements and agreed ethical practices.
- review the effectiveness of the Company's system of accounting and internal control.
- review the scope and planning of audit requirements;
- review the finding on management letters in conjunction with the external auditors and responsible departments;
- authorize the internal auditors to carry out investigation into any of the activities of the Company which may be of concern to the committee;
- 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 January 20, 2020, April 28, 2020, July 20, 2020, October 22, 2020 and December 22 20, 2020. Details of the members' attendance during meetings held in the year are:

ATTENDANCE FOR AUDIT COMMITTEE MEETINGS	POSITION	ATTENDED/NO. OF MEETINGS HELD
COMRADE SULEIMAN. B. ADERENLE	CHAIRMAN (SHAREHOLDER MEMBER)	5/5
MR FEMI ODUYEMI	SHAREHOLDER MEMBER	5/5
MRS CHRISTIE VINCENT UWAKALA	SHAREHOLDER MEMBER	5/5
MR TUNDE ALAO-OLAIFA	DIRECTOR	5/5
MR BABATUNDE EDUN	DIRECTOR	4/5

d. 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 January 21, 2020, April 29, 2020, July 21, 2020 and January 12, 2021. Details of members' attendance

ATTENDANCE FOR NOMINATING REMUNERATION & CORPORATE GOVERNANCE COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS HELD
MR LARRY OLUGBENGA ADEMESO	CHAIRMAN	3/4
MR CHUKWUEMEKA NDU	MEMBER	4/4
MR OMOTUNDE ALAO-OLAIFA	MEMBER	4/4
SIR PATRICK UGBOMA	MEMBER	3/4
MR ZAHI EL KHATIB	MEMBER	3/4

STATEMENT IN RESPECT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as of 31st December 2020, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with the International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- Keeping proper accounting records that disclose reasonable accuracy of the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act 2020.
- Establishing adequate internal controls to safeguard its assets, prevent and detect fraud and other irregularities; and
- Preparing its financial statements using suitable accounting policies supported by reasonable, ~~and~~ prudent judgments and estimates which are consistently applied.

The Directors are of the opinion that the financial statements give a true and fair view of the situation of the Company, of its financial position and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements. Adequate systems of internal financial control as the Directors determine, is necessary to ensure that the financial statements are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern in the year ahead.

DIRECTORS DECLARATION

The directors declare that none of them have:

- ever been convicted of an offence resulting from dishonesty, fraud, or embezzlement.
- ever been declared bankrupt or sequestrated in any jurisdiction; at any time being a party to a scheme of arrangement or made any other form of compromise with their creditors.
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities.
- ever been involved in any receiverships, compulsory liquidations, or creditors' voluntary liquidations.
- ever been barred from entry into a profession or occupation; or
- ever been convicted in any jurisdiction for any criminal offence under any Nigerian legislation.

SHAREHOLDING STRUCTURE.

The analysis of shareholding in the Company as of December 31, 2020 was as follows:

LIST OF SUBSTANTIAL INTEREST IN SHARES AS OF 31 DECEMBER, 2020		
Shareholder	**No. of Shares Held**	**% of Shareholding**
PEACE CAPITAL MARKET LIMITED	136,589,241	17.47%
CIL ACQUICO LIMITED	134,154,681	17.16%
PETRA PROPERTIES LTD	66,304,265	8.48%
GRAND TOTAL	337,048,187	43.12%

Other than the individuals/entities disclosed in the table above, no other individual(s) or entity hold(s) 5% and above of the issued and fully paid shares of the Company and this has been confirmed by the Company's Registrars.

C & I LEASING PLC. DIRECTORS SHAREHOLDING AS OF CLOSE OF BUSINESS 31 DECEMBER 2019

C & I LEASING PLC DIRECTORS SHAREHOLDING AS OF CLOSE OF BUSINESS 31 DECEMBER 2019					
S/No.	NAMES	TOTAL (DEC 2019)	SHAREHOLDING DIRECT (DEC 2019)	SHAREHOLDING INDIRECT (DEC 2019)	INDIRECT HOLDER
1	OKOLO H.C. (CHAIRMAN)	-	-		
2	NDU CHUKWUEMEKA E. - (VICE-CHAIRMAN)	25,663,831	359,566	25,304,265	PETRA PROPERTIES
3	OMOTUNDE ALAO-OLAIFA	35,000,088	-	35,000,088	LEADWAY ASSURANCE CO. LTD
4	LARRY OLUGBENGA ADEMESO	11,227,427		11,227,427	CUSTODIAN AND ALLIED INSUR.
5	KHOLI JACOB	-	-	-	AUREOS WEST AFRICA FUND LLC
6	UGBOMA PATRICK SULE	20,104,166	20,104,166		
7	OTIKE-ODIBI ANDREW - (MANAGING DIRECTOR)	4,553,575	4,553,575		
8	ALEX MBAKOGU	306,250	306,250		
9	BABATUNDE EDUN	-	-		
	DIRECTORS TOTAL	96,855,337	25,323,557	71,531,780	
	% OF TOTAL	23.96%	6.26%	17.69%	
	TOTAL OUTSTANDING SHARES	404,252,500	404,252,500	404,252,500	

C & I LEASING PLC. DIRECTORS SHAREHOLDING AS OF CLOSE OF BUSINESS 31 DECEMBER 2020.

C & I LEASING PLC DIRECTORS SHAREHOLDING AS OF CLOSE OF BUSINESS 31 DECEMBER 2020						
S/No.	NAMES	% TOTAL OUTSTANDING	TOTAL (DEC 2020)	SHAREHOLDING DIRECT (DEC 2020)	SHAREHOLDING INDIRECT (DEC 2020)	INDIRECT HOLDER
1	OKOLO H.C. (CHAIRMAN)	0.00%	-	-		
2	NDU CHUKWUEMEKA E. - (VICE-CHAIRMAN)	8.49%	66,329,264	24,999	66,304,265	PETRA PROPERTIES
5	KHOLI JACOB	0.00%	-	-	-	AUREOS WEST AFRICA FUND LLC
6	UGBOMA PATRICK SULE	2.57%	20,104,166	20,104,166		
3	OMOTUNDE ALAO-OLAIFA	4.48%	35,000,088	-	35,000,088	LEADWAY ASSURANCE CO. LTD
4	LARRY OLUGBENGA ADEMESO	2.78%	11,227,427		11,227,427	CUSTODIAN AND ALLIED INSUR.
7	OTIKE-ODIBI ANDREW - (MANAGING DIRECTOR)	1.30%	10,150,000	10,150,000		
8	ALEX MBAKOGU	0.09%	714,583	714,583		
9	BABATUNDE EDUN	0.24%	1,867,074	1,867,074		
	DIRECTORS TOTAL		145,392,602	32,860,822	112,531,780	
	% OF TOTAL		18.60%	4.20%	14.40%	
	TOTAL OUTSTANDING SHARES		781,646,167	781,646,167	781,646,167	

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.

SHAREHOLDING STRUCTURE AS AT DECEMBER 31, 2020

C & I LEASING PLC RANGE ANALYSIS
AS OF CLOSE OF BUSINESS 31 DECEMBER 2020

Range	No Of Holders	Percent	Unit	Percent
1 - 10000	14,645	89.08	28,571,075	3.66
10001 - 50000	1,381	8.40	29,392,535	3.76
50001 - 100000	161	0.98	11,499,067	1.47
100001 - 500000	190	1.16	37,776,884	4.83
500001 - 1000000	23	0.14	16,721,933	2.14
1000001 - 5000000	19	0.12	34,907,727	4.47
5000001 - 10000000	7	0.04	51,727,295	6.62
10000001 - 50000000	12	0.07	234,001,464	29.94
50000001 - 100000000	1	0.01	66,304,265	8.48
10000001 - 500000000	2	0.01	270,743,922	34.64
Grand Total	**16,441**	**100**	**781,646,167**	**100**

POST BALANCE SHEET EVENTS

There were no significant events after the balance sheet date that could affect the reported amount of assets and liabilities as of balance sheet date.

HUMAN RESOURCES

The company restructured the Human Resources (HR) unit to become a business partner, enabling achievement of business results through deeper employee relations, intentional on-boarding and robust communication. Extensive work was done to update job descriptions, company structure and employee contracts to suit current operation realities and labour requirements. HR also worked with the Information Technology (IT) unit to leverage technology for more credible and automated employee documentation and storage.

Skills and Competencies

There was an extensive review of skills and competencies gaps for the year and HR set out to close these gaps by upskilling existing hires with diverse training interventions and hiring people with the required skills for critical units such as Supply Chain, Marine, Treasury, Outsourcing and IT. The recruitment process was also updated to attract desirable, talented persons with the critical skills and experience required.

Performance Management, Recognition & Rewards

The performance management process was reviewed for improved assessment of employees' deliverables on individual, unit, and company targets. Behavioural competency assessment indices and tools were also strengthened to include leadership competencies aligned to the organization's values and assessment of employees' learning and growth. These all contributed to a budding, talent management process which will eventually lead to recognition and reward for performance - contributing to building a motivated workforce in addition to succession planning.

Employee Wellbeing

Welfare of employees continues to be prioritized with a good HMO scheme for medical care in addition to maintaining other occupational health and safety standards at all office or work locations such as in vehicles and aboard vessels.

Employee Communication

The Company places considerable value on employee engagement and has continued the practice of keeping employees informed on relevant issues through timely electronic communication (via mails, intranet and other electronic channels and employee events or forums. As mentioned earlier, following the pandemic-induced lockdown, a Work from Home (WFH) Policy was instituted to enable majority of staff to work from remote locations to curb the spread of the virus. With this, most meetings, forums, and events including the weekly PEP Talks and other employee-focused events were held successfully via virtual modes (Microsoft Teams and Zoom).

Culture Evolution

To kickstart a culture transformation journey, a culture "speccing" workshop was organised in Q3 2020 to breathe life into key areas that would improve productivity and drive needed change in attitudes and behavioural competencies amongst staff of the company. All departments and units were represented at different levels with participation from team members, supervisor, unit heads and the Executive Directors. Some areas identified for progressive change includes but is not limited to Leadership, Structure, Knowledge Management, Feedback& Candour, and Cultivating the Grapevine.

Health, Safety & Environment

Safeguarding the health and safety of employees, customers and visitors of C&I LEASING PLC is a fundamental concern for all levels of Management. The primary objective of our HSE program is to identify and eliminate all health, safety, and environmental hazards.

The passion, professionalism, and commitment of our Safety and Security team to reducing risk, protecting people and the environment and to saving lives are impressive. We are proud to lead a team dedicated to upholding the core principle that everybody, no matter their job, deserves a safe working environment. Our Safety and Security team played a significant role in supporting the company's effort to tackle the COVID-19 pandemic. Colleagues working together across our organization nationwide have been key in delivering support, reassurance, protection and enforcement where required.

Considering the pandemic in the year under review, the management of C&I leasing through the health and safety unit and corporate communications, designed a sensitization program to improve the overall safety culture of staff and visitors and help define behavior in public places. Increased attention was placed on helping staff and visitors alike prevent the spread of the COVID-19 virus through clear cut communication on posters and signages, mails, intranet, and all mobile platforms. In entrenching the safety culture, trainings, safety inductions, emergency drills, safety inspection and safety audits were carried out regularly while observing all COVID-19 safety protocols.

Some of our key achievements includes, leading and engaging with other units to improve workplace health and safety; providing an effective regulatory framework; securing effective management and control of risk; reducing the likelihood of low-frequency, high-impact catastrophic incidents; enabling improvement through efficient and effective delivery. These were achieved through various well-coordinated programs and activities of the unit.
During the year 2020 we keenly re-strategized for the future in a bid to both to ensure that we remain relevant in an ever-changing world of work and that our activities speak directly to the vision of the company. The unit will pay more attention to achieving the following;

- Improved Inter-agency collaboration with security outfits and other law enforcement agencies.
- Secure a sustainable financial future for Safety and Security operations by improving performance through data, relevant certifications and the use of Information Technology
- Continue to focus our activity on tackling ill health as part of the Heath and Work program
- Do more on staff engagement through trainings, meetings, learning from incidents (LFI), other forms of proactive and effective engagements.
- Engender more cordial relationship with our clients and customers by sharing learning that can influence workplace health safety and security performance.

C&I Leasing Plc is ESG compliant and possesses the required criteria. Environmental, Social and Governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

Information Technology
Digital Transformation
The Company places priority on its Digital first approach to tools and business processes.

The Information Technology (IT) Group is aligned and committed to an immediate realization of business value through technology. In alignment to the vision, IT is executing its plan to digitally transform the business using technology as an enabler.

The anchor of our transformation journey is under five (5) pillars which is reflective of the digital products rolled out in Outsourcing, Marine, Fleet management & C&I Finance.

Five Pillars
- Data and Analytics
- Automation
- Optimizing Infrastructure
- Legacy Modernization
- Cyber Security

Standardization, Regulatory Compliance & Cyber Security
The Company places considerable value on the law of the land and adherence to empowered regulatory standards, global standards, and best practice.
This is demonstrated by adhering to ISO 9001 recommendation for our business process, Information Technology Infrastructure Library (ITIL) for Service management, agile methodology for our Project delivery and modern cyber security tools.

Standards from National Information Technology Development Agency (NITDA), Central Bank of Nigeria (CBN), SEC, NSE, and Nigerian Maritime Administration and Safety Agency (NIMASA) are integral in our product and business process planning.

Business Continuity & Disaster Recovery
At the heart of the company's operation, we have ~~deployed~~ displayed resilience to cope with unexpected service failure or mandatory changes in the mode of operation in times of emergency or a pandemic like the world experienced in 2020.
Backup/restore strategy and cloud services have been deployed to support borderless work and an agile workforce.

Corporate Strategy Unit
C & I Leasing Plc has created a Corporate Strategy unit effective 1st January 2020 to ensure sustainability into the future as she enters her fourth decade of existence.

The unit is charged with formulation and tracking of organizational strategies at the corporate, business, and functional levels and to ensure strategy execution to meet her corporate values and objectives as well as meet customers' and other stakeholders' expectations.

In meeting customers' expectations through our value propositions, the overarching corporate strategy will be cascaded through the strategies of the business units down to functions within the units.

By conducting periodic and regular environmental scans, the Unit will provide market and macroeconomic intelligence and insights that will guide strategic decision making by the organization both at corporate executive level as well as at unit managerial levels. In addition, regular customer engagements will provide insights into the company's various products and services in terms of customer perception, acceptance, status, and prospects.

The Corporate Strategy unit will work in synergy with the support units as well as the Business units in executing its mandate. A robust relationship with the IT, FINCON, Treasury, Audit Risk and Compliance (ARC- formally Internal Audit), Human Resources as well as HSES is critical to the successful discharge of ~~her~~ the unit's duties.

Supply Chain Management
Our supply chain management (SCM) unit has evolved from the traditional purchasing and procurement function to a robust and integrated unit poised to give a very strong business support to the entire operations of C&I Leasing Plc.
Our vision is to transform the supply chain

management of our organization into a world class system to become a safety valve with a view to providing a strong competitive edge in the industry.

The supply chain activities cover all head office functions, remote offices across Nigeria as well as the huge Marine operation. The SCM unit design is tailor-made to support the unique nature of different business units within the group.

Rather than operating in silos, supply chain management of C & I Leasing Plc connects the entire business together [internal/external stakeholders], managing cashflow, instituting quality business processes, efficient inventory management system, fast logistics, efficient communications and information flow, and transparent reporting system to ensure ~~ing~~ value creation across operations. Suppliers are turned to business partners to render meritorious services to delight our customers and our honourable shareholders.

The Supply chain management unit is very important because it increases competitiveness and customer satisfaction and thus plays an integral part in C&I Leasing Plc's success which means we get value for our money.~~In~~ At C & I Leasing, we give attention to transparency of operations, stakeholders alignment and clarity of roles to enhance efficient business processes resulting to ~~a~~ reduced operational cost – both tangible and intangible.

To strongly support the cost optimization drive of the organization especially amidst the turbulent economic environment, the structure of SCM is designed to strike the right balance between strategic and operational functions with strategic function being managed on category basis viz:

1. General supplies/services: Focuses on all non-production activities and selling, general and administrative expenses including head office purchases, services, and fuel. The coverage cuts across all our operating locations in Nigeria with order consolidation as a key working model.
2. Fleet Management: Focuses on vehicle provisions to clients, taking charge of operations, including vehicle maintenance. The current supply chain design is tailored to ensure we always get value for money especially in fleet management category.
3. Marine Operations: Operation is in the Niger Delta which forms the biggest business within C&I Leasing Group. Its uniqueness means a customized supply chain design is required to support the operation which is exactly what is now operational.

The operational aspect of C&I Leasing's supply chain management integrates the logistics functions with warehousing managed by well-trained and experienced professionals. Our warehouses are in two major catchment areas in the country namely Lagos and Abuja, Port Harcourt, and the southern regions.

We are therefore, committed to continuous improvement as we focus on massive future business expansion.

AUDIT, RISK AND COMPLIANCE (ARC)

C & I Leasing Plc has a well - established internal control system for identifying, managing, and monitoring risk. These are designed to provide reasonable assurance that the risks facing the business are being controlled. The corporate internal audit function of the Company plays a key role in providing an objective view and continuing assessment of effectiveness of internal control systems in the business. The system of internal controls is implemented and monitored by appropriately trained personnel and their duties and reporting lines are clearly defined. The reports of the internal Audit are reviewed by the Audit Committee. Internal Audit functions according to a risk-based audit plan approved once a year by the audit committee.

They also perform periodic ad-hoc audits on some certain aspects of the Company which is complemented by the annual audit exercise conducted by the external auditors.

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 ~~e in~~ 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.

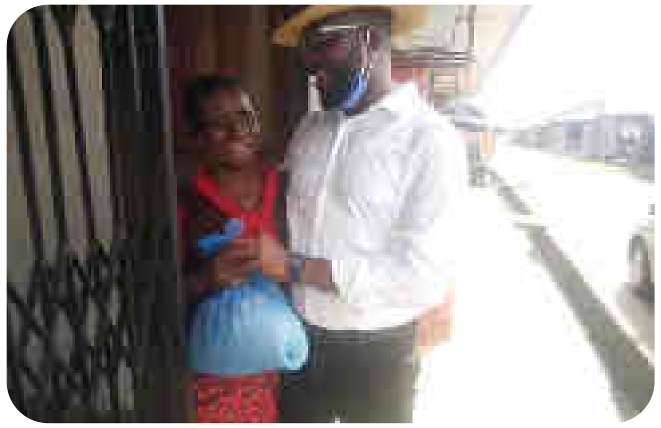
CODE OF CONDUCT ON SECURITIES TRADING: The company has adopted a Conflict of Interest Policy in compliance with the provisions of the Nigerian Stock Exchange Rules and other sister rules on the prohibition of insider dealings. The Directors have also complied with the policy and the provisions of the NSE Rules.

Corporate Social Responsibiity

Supporting Indigent Communities During the Lockdown

In strengthening our social license during the targeted lockdown by the federal government and some state governments, C&I Leasing identified some indigent communities in three (3) of the states where our operations are domiciled- Rivers, Delta, and Akwa-Ibom. Many who hitherto survived on daily wages from subsistence farming, fishing, sales in the market and other forms of low-income jobs were in dire need of cash and in-kind support to make ends meet during that unprecedented time. Between May and June 2020, C&I Leasing employed the support of community liaison officers to distribute much needed food items to families in the EA region (12 communities in four clusters), Oginigba, Bonny/Finima, Onne, and Ogu [all representing Rivers], Escravos [representing Delta] and Eket [representing Akwa-Ibom].

Beneficiaries	State	Amount Paid
		N
OGINIGBA COMMUNITY SCHOLARSHIP INITIATIVE AND TRAINING INTERVENTION	RIVERS	300,000.00
2020/2021 SCHOLARSHIP INITIATIVE FOR BETHESDA CHILD AGENCY	LAGOS	250,000.00
2020/2021 SCHOLARSHIP INITIATIVE FOR STUDENT	ABUJA	50,000.00
COVID 19 PALLIATIVES TO COMMUNITIES	RIVERS	3,100,000.00
ALLOWANCE TO COMMUNITY CLO'S	RIVERS	10,800,000.00
TOTAL		**14,500,000.00**



The distribution was well coordinated to ensure no one was left out of the outreach program. Several letters of heartfelt appreciation were received from community members through their representatives, showing that the practical expression of kindness and care by C&I Leasing left an indelible mark in the minds of the beneficiaries.

Photo Speak: Awards, commendations, and gains amid unprecedented business climes

Although the operating environment in the year 2020 proved to be a challenging one, the business recorded some "firsts" and was recognized and honoured by industry stakeholders.

MD/CEO, C&I Leasing Plc, Mr. Andrew Otike-Odibi, receiving the Businessday Top 25 CEOs Award 2020 usually presented to top performing CEOs of publicly quoted companies in Nigeria

Highest dividend in 22-year history of C&I Leasing's operations was declared at 29th AGM.

Oba Liazim Olumuyiwa Ogunbekun, the Onilekki of Lekki Town, in Ibeju Lekki local government area of Lagos state (2nd Right) commends C&I Leasing Plc for creating jobs and empowering the youths of his community during a courtesy visit by reps of the company in February 2020.

C & I Leasing | **Reports & Statements** / Report of the Directors

INDEPENDENT AUDITORS

A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix the remuneration of the auditors, PKF Professional Services (Chartered Accountants).

Dated March 29, 2021

By Order of the Board

MBANUGO UDENZE & CO.
COMPANY SECRETARY

AUDIT COMMITTEE REPORT TO THE MEMBERS OF C & I LEASING PLC

In accordance with the statutory provisions of Section 404 (1) of the Companies and Allied Matters Act 2004, the members of the Audit Committee of C & I Leasing Plc. report on the Company's Financial Statement for the year ended 31st December 2020.

We confirm that we examined the scope and planning of audit requirements; reviewed the external Auditors' Management Letter for the year ended 31st December 2020 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 unqualified audit report for the year ended December 31, 2020.

Dated this 23rd day of April 2021.

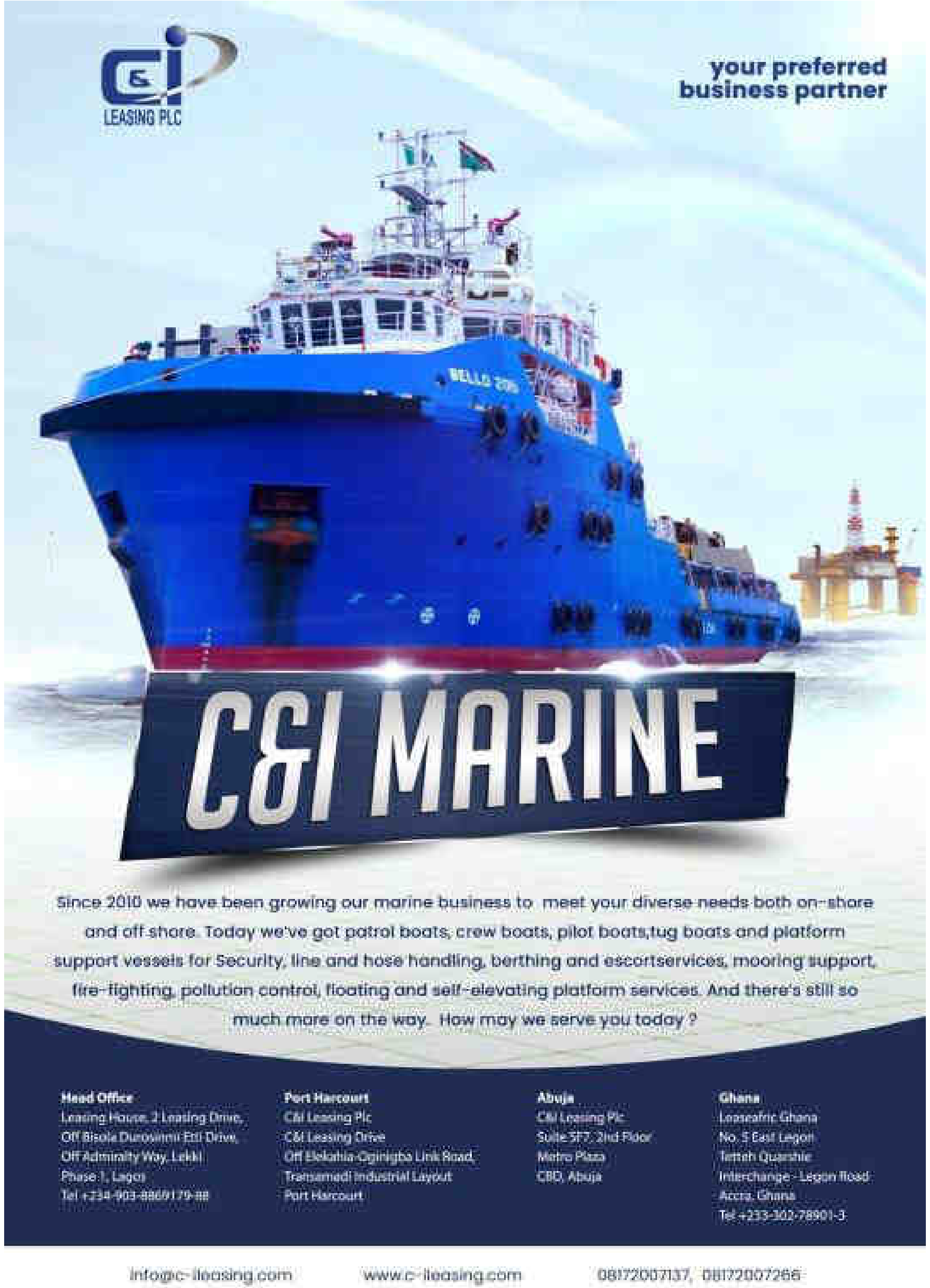
CHRISTIE O. VINCENT-UWALAKA

FRC/2013/ICAN/00000002666

For: Audit Committee

Members of the Audit Committee

Comd. S.B. Adenrele
Mr. Femi Oduyemi
Mrs Christie O. Vincent-Uwalaka
Mr. Omotunde Alao-Olaifa
Mr. Babatunde Edun



LEASING PLC

C & I Leasing Plc

Consolidated Financial Statements 31st Dec. 2020

C & I LEASING PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2020, and the Financial Reporting Council Act No. 6, 2011, the Directors are responsible for the preparation of consolidated financial statements which give a true and fair view of the state of affairs of the Group for the year ended 31 December 2020, 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:

(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;

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

(c) prepares its consolidated 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 financial statements to be prepared on a going concern basis unless it is presumed that the Group will not continue in business.The Directors accept responsibility for the accompanying consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and in manner required by the Companies and Allied Matters Act, Cap C20, LFN 2020.

The Directors are of the opinion that the accompanying consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of the financial performance for the year, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2020, the Banks and Other Financial Institutions Act, CAP B3 LFN and other relevant Central Bank of Nigeria circulars and Guidelines.

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

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

Signed on behalf of the Directors by:

Emeka Ndu
Vice Chairman
FRC/2013/ICAN/00000003955
Dated: 30 April 2020

Andrew Otike-Odibi
Managing Director
FRC/2013/ICAN/00000003945
Dated: 30 April 2020

PKF Professional Services

PKF
Accountants & business advisers

Independent Auditor's Report

To the Shareholders of C&I Leasing Plc

Opinion
We have audited the accompanying consolidated financial statements of C & I Leasing Plc and its subsidiaries (together, "the Group") which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, CAP B3 LFN and other relevant Central Bank of Nigeria circulars and Guidelines.

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 Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated 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 judgment, were of most significance in our audit of the consolidated financial statements of the current year.These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.The key audit matters below relate to the audit of the consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
Loans and receivables ,finance lease receivables and plant and equipment for lease receivable - Impairments The loans and receivables, finance lease receivables and plant and equipment for lease receivable constitute significant portion of the Group's total assets, as a major component of the Group's financial intermediation function revolves round financial assets. The International Financial Reporting Standards (IFRS 9) - Financial Instruments introduces the expected credit loss model (ECL) for recognizing impairments for financial assets.	We focused our testing of impairment on loans and receivables,finance lease receivables and plant and equipment for lease receivable on the assumptions of management and in line with We reviewed the IT general controls governing the IFRS reporting process employed by the Group in assigning PD's to the financial assets. Our audit procedures included:

PKF
Accountants & business advisers

Key Audit Matter	How the matter was addressed in the audit
The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such • determining criteria for assigning Probabiliy of Default rates (PD Rates) • assessing the relationship between the quantitative factors such as default and qualitative factors such as macro-economic • incorporating forward looking information in the model building process	• Obtained a detailed understanding of the default definition(s) used in the ECL calculation. • Tested the underlying data behind the determination of the probability of default by agreeing same to underlying supporting
• factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD)	• Critically evaluating the determination of the expected cash flows used in assessing and estimating impairments and the reasonableness of any assumptions.
• factors considered in cash flow estimation including timing and amount	• Evaluate whether the model used to calculate the recoverable amount complies with the requirement of IFRS 9.
Given the level of complexity and judgement involved in determining of the ECL, and also the material nature of the balance. We considered the valuation of the loans and receivables, finance lease receivables and plant and equipment for lease receivable impairment allowance to be a key audit matter in the	• Examined the criteria used to allocate loans and receivales from customers ,finance lease receivables and plant and equipment for lease receivable under stages 1, 2 and 3. • For loans and receivables, finance lease receivables and plant and equipment for lease receivable classified under stages 1 and 2, we selected material balances and reviewed the repayment history for possible repayment default. • For loans and receivables, finance lease receivables and plant and equipment for lease receivable classified under stage 3, we tested all the assumptions considered in the estimation of recovery cash flows, the discount factor, and timing of realization. • Tested the disclosures to ensure that the required disclosures under IFRS 9 have been appropriately disclosed.

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Other Information

The directors are responsible for the other information.The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

If based on the work we have performed on the other information that we obtained prior to the date of this auditors 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 and Those Charged with Governance for the consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2020, the Banks and Other Financial Institutions Act, CAP B3 LFN and other relevant Central Bank of Nigeria circulars and Guidelines and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or

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Accountants & business advisers

conditions that may cast significant doubt on the Group'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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated 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 Audit Committee 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 Audit Committee 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, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
ii) Proper books of account have been kept by the Group, in so far as it appears from our examination of those books;
iii) The Group and Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

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

i) No contratvention of the provisions of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circulars was brought to our attention.

ii) Related party transactions and balances are disclosed in Note 52 to the consolidated financial statements in compliance with Central Bank of Nigeria circular BSD/1/2020.

Ayodeji K. Sonukan, FCA
FRC/2013/ICAN/00000002431
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria
Dated: 26 March 2021

C & I LEASING PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		Group		Company	
	Notes	**2020 N'000**	2019 N'000	**2020 N'000**	2019 N'000
Assets					
Cash and balances with banks	9	**1,418,970**	1,989,532	**1,155,040**	513,095
Loans and advances	10	**499,410**	557,587	**481,520**	544,563
Finance lease receivables	11	**2,286,385**	3,090,821	**2,286,385**	2,988,108
Investment securities	12	**7,335**	5,562	**7,335**	5,562
Trade and other receivables	13	**6,556,967**	8,700,509	**9,745,067**	13,327,408
Other assets	14	**7,792,043**	7,544,148	**8,086,456**	7,251,771
Investment in subsidiaries	15	**-**	-	**759,467**	759,467
Investment in joint ventures	16	**2,460,320**	1,334,226	**2,460,320**	1,334,226
Intangible assets	17	**431**	23,190	**-**	-
Plant and equipment for lease	18	**32,631,064**	30,556,351	**17,437,838**	13,986,222
Property,plant and equipment	19	**1,438,021**	1,579,191	**1,204,575**	1,232,294
Deferred income tax assets	23.4	**854,607**	854,607	**854,607**	854,607
Total assets		**55,945,553**	56,235,724	**44,478,610**	42,797,323
Liabilities					
Balance due to banks	20	**928,135**	1,311,860	**918,761**	1,333,775
Commercial notes	21	**15,438,233**	14,333,056	**15,438,232**	14,303,470
Trade and other payables	22	**4,770,861**	7,204,081	**3,551,864**	5,518,432
Current income tax liability	23.2	**220,271**	185,180	**242,613**	96,843
Deposit for shares	24	**1,975,000**	1,975,000	**1,975,000**	1,975,000
Loans and borrowings	25	**19,170,768**	21,335,227	**15,374,818**	14,972,388
Deferred income tax liability	23.5	**13,545**	88,146	**-**	-
Total liabilities		**42,516,813**	46,432,550	**37,501,288**	38,199,908
Equity					
Share capital	26.2	**390,823**	202,126	**390,823**	202,126
Share premium	26.3	**3,361,609**	1,285,905	**3,361,609**	1,285,905
Retained earnings	27	**3,583,738**	3,224,284	**989,146**	682,945
Other reserves:					
- Statutory reserve	28	**1,262,038**	1,234,788	**873,769**	846,763
- Statutory credit reserve	29	**625,728**	858,253	**638,779**	858,253
- Foreign currency translation reserve	30	**2,856,142**	2,020,101	**-**	-
- Fair value reserve	31	**6,706**	4,933	**6,706**	4,933
- Assets revaluation reserve	32	**716,490**	716,490	**716,490**	716,490
		12,803,274	9,546,880	**6,977,322**	4,597,415
Non-controlling interest	33	**625,466**	256,294	**-**	-
Total equity		**13,428,740**	9,803,174	**6,977,322**	4,597,415
Total liabilities and equity		**55,945,553**	56,235,724	**44,478,610**	42,797,323

These consolidated financial statements were approved by the Board of Directors on 26 March 2021 and signed on its behalf by:

Emeka Ndu	**Andrew Otike-Odibi**	**Alexander Mbakogu**
Vice Chairman	**Managing Director**	**Executive Director/CFO**
FRC/2013/ICAN/00000003955	FRC/2013/ICAN/00000003945	FRC/2015/ICAN/00000011740

The accompanying notes and significant accounting policies form an integral part of these consolidated financial statements.

C & I LEASING PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Notes	**2020 N'000**	2019 N'000	**2020 N'000**	2019 N'000
Gross earnings		**19,416,685**	24,958,663	**14,709,507**	18,265,298
Lease income	34	**16,071,637**	22,330,750	**11,047,956**	15,007,742
Lease expense	35	**(6,453,783)**	(10,615,783)	**(5,989,985)**	(10,341,394)
Net lease income		**9,617,854**	11,714,967	**5,057,971**	4,666,348
Net outsourcing income	36	**1,602,430**	1,001,254	**1,602,430**	1,027,216
Tracking income	37	**178,123**	79,187	**178,123**	110,718
Tracking expense	38	**(54,138)**	(61,240)	**(54,138)**	(92,771)
Net tracking income		**123,985**	17,947	**123,985**	17,947
Interest income	38	**109,796**	202,274	**17,593**	56,743
Investment income	39	**567,305**	262,029	**1,117,880**	1,235,739
Other operating income	40	**506,140**	504,148	**364,271**	248,119
Impairment charge/(write back)	41	**(3,206)**	(74,801)	**46,001**	639
Depreciation and amortisation expense	42	**(4,006,717)**	(3,942,596)	**(1,712,618)**	(1,005,365)
Personnel expenses	43	**(1,376,966)**	(1,682,923)	**(1,217,244)**	(1,239,318)
Distribution expenses	44	**(17,378)**	(18,690)	**(16,244)**	(13,334)
Other operating expenses	45	**(1,535,651)**	(1,807,561)	**(1,200,606)**	(1,277,628)
Operating profit		**5,587,592**	6,176,048	**4,183,419**	3,717,106
Finance cost	46	**(5,478,718)**	(5,742,408)	**(4,145,342)**	(3,723,468)
Share of profit from joint venture	16.1	**381,254**	579,021	**381,254**	579,021
Profit on continuing operations before taxation		**490,128**	1,012,661	**419,331**	572,659
Income tax expense	23.1	**(168,890)**	(73,239)	**(149,269)**	(96,843)
Profit for the year after tax		**321,238**	939,422	**270,062**	475,816
Profit attributable to:					
Owners of the parent		**310,508**	1,019,313	**270,062**	475,816
Non-controlling interests	33	**10,730**	(79,891)	**-**	-
		321,238	939,422	**270,062**	475,816
Basic earnings per share [kobo]	47	**40**	252	**35**	118
Diluted earnings per share [kobo]	47	**40**	252	**35**	118
Items that will be subsequently reclassified to profit or loss					
Translation of foreign operations gain/(loss)	30	**1,195,085**	(958,301)	**-**	-
Items that will not be reclassified to profit or loss					
value through other comprehensive income	31	**1,773**	-	**1,773**	-
Other comprehensive income/(loss) (net of tax)		**1,196,858**	(958,301)	**1,773**	-
Total comprehensive income/(loss) (net of tax)		**1,518,096**	(18,879)	**271,835**	475,816
Attributable to:					
Owners of the parent		**1,150,225**	61,012	**271,835**	475,816
Non-controlling interest	33	**367,871**	(79,891)	**-**	-
		1,518,096	(18,879)	**271,835**	475,816

The accompanying notes and significant accounting policies form an integral part of these consolidated financial statements.

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

Group

	Share capital N'000	Share premium N'000	Retained earnings N'000	Statutory reserve N'000	Statutory credit reserve N'000	Foreign currency translation reserve N'000	Fair value reserve N'000	Revaluation reserve N'000	Non-controlling interest N'000	Total equity N'000
At 1 January 2019	202,126	1,285,905	2,767,444	1,187,207	373,682	2,978,402	5,161	716,490	336,185	9,852,602
Changes in equity for the year:										
Profit/(loss) for the year	-	-	1,019,311	-	-	-	-	-	(79,891)	939,420
Other comprehensive income:										
Fair value gain/(loss) for the year	-	-	-	-	-	-	(228)	-	-	(228)
Loss on foreign operations translation	-	-	-	-	-	(958,301)	-	-	-	(958,301)
Total comprehensive income for the year	-	-	1,019,311	-	-	(958,301)	(228)	-	(79,891)	(19,109)
Transactions with owners:										
Transfer between reserves	-	-	(532,152)	47,581	484,571		-	-	-	-
Dividend Paid	-	-	(30,319)	-	-		-	-	-	(30,319)
	-	-	(562,471)	47,581	484,571	-	-	-	-	(30,319)
At 31 December 2019	202,126	1,285,905	3,224,284	1,234,788	858,253	2,020,101	4,933	716,490	256,294	9,803,174
At 1 January 2020	202,126	1,285,905	3,224,284	1,234,788	858,253	2,020,101	4,933	716,490	256,294	9,803,174
Changes in equity for the year										
Profit for the year	-	-	310,508	-	-	-	-	-	8,727	319,235
Other comprehensive income:										
Fair value gain/(loss) for the year	-	-	-	-	-	-	1,773	-	-	1,773
Gain on foreign operations translation	-	-	-	-	-	836,041	-	-	359,044	1,195,085
Total comprehensive income for the year	-	-	310,508	-	-	836,041	1,773	-	367,771	1,516,093
Transactions with owners										
New shares issued during the year	188,697	2,075,704	-	-	-	-	-	-	-	2,264,401
Transfer between reserves	-	-	205,275	27,250	(232,525)	-	-	-	2,003	2,003
Dividend paid	-	-	(156,329)	-	-	-	-	-	(602)	(156,931)
	188,697	2,075,704	48,946	27,250	(232,525)	-	-	-	1,401	2,109,473
At 31 December 2020	390,823	3,361,609	3,583,738	1,262,038	625,728	2,856,142	6,706	716,490	625,466	13,428,740

The accompanying notes and significant accounting policies form an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

Company

	Share capital N'000	Share premium N'000	Retained earnings N'000	Statutory reserve N'000	Statutory credit reserve N'000	Fair value reserve N'000	Revaluation reserve N'000	Total equity N'000
At 1 January 2019	202,126	1,285,905	769,603	799,182	373,682	5,161	716,490	4,152,149
Changes in equity for the year:								
Profit for the year	-	-	475,813	-	-		-	475,813
Other comprehensive income:								
Fair value gain/(loss) for the year	-	-	-	-	-	(228)	-	(228)
Total comprehensive income for the year	-	-	475,813	-	-	(228)	-	475,585
Transactions with owners:								
Transfer between reserves	-	-	(532,152)	47,581	484,571	-	-	-
Dividend paid	-	-	(30,319)	-	-	-	-	(30,319)
	-	-	(562,471)	47,581	484,571	-	-	(30,319)
At 31 December 2019	202,126	1,285,905	682,945	846,763	858,253	4,933	716,490	4,597,415
At 1 January 2020	202,126	1,285,905	682,945	846,763	858,253	4,933	716,490	4,597,415
Changes in equity for the year:								
Profit for the year			270,062		-		-	270,062
Other comprehensive income:								
Fair value gain/(loss) for the year	-	-	-	-	-	1,773	-	1,773
Total comprehensive income for the year	-	-	270,062	-	-	1,773	-	271,835
Transactions with owners:								
New shares issued during the year	188,697	2,075,704	-	-	-	-	-	2,264,401
Transfer between reserves	-	-	192,468	27,006	(219,474)	-	-	-
Dividend paid	-	-	(156,329)	-	-	-	-	(156,329)
	188,697	2,075,704	36,139	27,006	(219,474)	-	-	2,108,072
At 31 December 2020	390,823	3,361,609	989,146	873,769	638,779	6,706	716,490	6,977,322

The accompanying notes and significant accounting policies form an integral part of these consolidated financial statements.

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	**2020**	2019
	Notes	**N'000**	N'000	**N'000**	N'000
Cash flows from operating activities					
Profit after tax		**310,508**	1,019,313	**270,063**	475,816
Adjustment for:					
Depreciation of property,plant and equipment	19	**195,867**	231,167	**45,957**	46,843
Depreciation of Plant and equipment for lease	18	**3,810,033**	3,706,248	**1,666,661**	954,539
Amortisation of intangible assets	17	**817**	5,180	**-**	3,758
Impairment charge/(write back)		**3,206**	74,801	**(46,001)**	(639)
Write back of trade and other receivables	13.2				
Write back of other assets	14.3				
Profit on disposal of property, plant and equipment	39.2	**(206,206)**	(23,115)	**(206,206)**	(1,220)
Profit on disposal of plant and equipment for lease	39.1	**(175,769)**	(128,323)	**-**	(39,113)
Foreign currency translation difference		**1,237,178**	55,951	**-**	-
Loss on sale of investment securities		**-**	15,565	**-**	15,565
Interest income	38	**(109,796)**	(202,274)	**(17,593)**	-
Finance cost	46	**5,478,718**	5,742,408	**4,145,342**	-
Withholding tax credit notes utilised					(300)
Tax expense	23.1	**168,890**	185,179	**149,269**	96,843
		10,713,446	10,682,100	**6,007,492**	1,552,092
Changes in operating assets and liabilities					
Loans and advances		**59,207**	(171,799)	**64,073**	(158,773)
Finance lease receivables		**814,909**	(1,030,230)	**712,196**	(1,155,883)
Trade and other receivables		**1,510,470**	(1,091,573)	**2,998,475**	3,454,978
Other assets		**(269,209)**	(773,361)	**(856,000)**	(824,378)
Commercial notes		**1,105,177**	3,605,899	**1,134,762**	3,598,345
Trade and other payables		**(2,433,222)**	129,109	**(1,966,569)**	(913,646)
Tax paid	23.2	**(175,199)**	(144,493)	**(3,499)**	(85,559)
Net cash from operating activities		**11,325,579**	11,205,652	**8,090,930**	5,467,176
Cash flows from investing activities					
Proceeds from sale of property,plant and equipment	39.2	**207,373**	35,183	**206,206**	1,220
Purchase of property,plant and equipment	19	**(19,579)**	(230,086)	**(18,237)**	(42,514)
Proceeds from sale of plant and equipment for lease	39.1	**223,053**	179,109	**225**	39,113
Purchase of plant and equipment for lease	18	**(5,577,329)**	(3,934,988)	**(5,118,501)**	(943,334)
Transfer of plant and equipment for lease from EPIC	18	**-**	-	**-**	(8,229,457)
Acquisition of intangible assets	17	**(98)**	(332)	**-**	
Additional investment in subsidiaries	15	**-**	-	**-**	(500)
Additional investment in joint ventures		**-**		**-**	-
Proceeds from sale of investment securities		**-**	4,698	**-**	4,698
Management and operational fee from Joint Venture		**(105,162)**		**(105,162)**	
Share of profit from joint ventures	16.1c	**(381,254)**	(579,021)	**(381,254)**	(579,021)
Interest income	38	**109,796**	202,274	**17,593**	-
Net cash used in investing activities		**(5,543,200)**	(4,323,163)	**(5,399,130)**	(9,749,795)
Cash flows from financing activities					
Proceeds from loans and borrowings	25.4	**2,608,470**	12,055,316	**2,120,631**	17,966,561
Repayment of loans and borrowings	25.4	**(5,217,169)**	(13,236,141)	**(1,718,202)**	(15,046,403)
Proceeds from right issued during the year		**2,264,401**	-	**2,264,401**	-
Share of profit/(loss) by non-controlling interest		**10,129**	(79,891)	**-**	-
Dividend paid	27	**(156,329)**	(30,319)	**(156,329)**	(30,319)
Interest paid	46	**(5,478,718)**	(5,742,408)	**(4,145,342)**	-
Net cash from financing activities		**(5,969,216)**	(7,033,443)	**(1,634,841)**	2,889,839
Increase/(decrease) in cash and cash equivalents		**(186,837)**	(150,954)	**1,056,959**	(1,392,780)
Cash and cash equivalents at 1 January		**677,672**	828,626	**(820,680)**	572,100
Cash and cash equivalents at 31 December	9.1	**490,835**	677,672	**236,279**	(820,680)

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

C & I LEASING PLC

STATEMENT OF PRUDENTIAL ADJUSTMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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:

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-distributory 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 2020, by comparing the provision and impairment as determined under both bases. A reconciliation of this amount is provided below:

	Company	
	2020	2019
	N'000	N'000
Total Prudential Impairment Provision (Note 29.2.2)	**861,502**	1,138,526
IFRS impairment provision (Note 29.2.1)	**222,723**	653,863
Difference in impairment provision balances	**638,778**	484,663
Movement in regulatory reserve:		
At 1 January	**858,253**	373,682
Transfer to statutory credit reserve in the year	**(219,474)**	484,571
At 31 December	**638,779**	858,253

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1. The reporting entity

The Company was incorporated on 28 December 1990 and commenced business in June 1991. The Company was licensed by the Central Bank of Nigeria (CBN) as a finance company and is owned by a number of institutional and individuals investors. The Company's shares were listed on the Nigerian Stock Exchange (NSE) in December 1997. The Company is regulated by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), the NIgerian Stock Exchange (NSE); in addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at period end, the Company has three subsidiary companies namely:

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

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

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

These Consolidated financial statements cover the financial period from 1 January 2020 to 31 December 2020.

The consolidated financial statements for the year ended 31 December 2020 were approved for issue by the Board of Directors on 29 March 2021.

2. Basis of preparation

2.1 Statement of compliance with IFRSs

The Group's Consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2020, the Banks and Other Financial Institutions Act, CAP B3 LFN and other relevant Central Bank of Nigeria circulars and Guidelines.

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

2.2 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 financial statements continue to be prepared on the going concern basis.

2.3 Basis of measurement

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

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

2.4 Functional and presentation currency

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

2.5 Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020.

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 and Standards Issued

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 2019, except for the adoption of new standards effective as of 1 January 2020.

Several standards amendments and interpretations apply for the first time in 2020 but did not have an impact on the financial statements of the Company.

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

2.6.1a Amendment to IFRS 3 - Business Combinations

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting periods beginning on or after 1 January, 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

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The Standards outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

The amendment relates to the definition of a "business" and they:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.
- Narrow the definitions of a business and of outputs by focus ng on goods and services provided to customers and by removing the reference to an ability to reduce costs.
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired.
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.
- Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

These amendments did not have any impact on the Company's financial statements.

2.6.1b Amendment to IAS 1 - Presentation of financial statements and IA6 8
Accounting policies, changes in acounting estimates and errors
The amendments are effective for annual reporting periods beginning on or after 1 January 2020, although earlier application was permitted. The purpose for the amendment is to expand on the definition of materiality and bring more clarity to its characteristics.

The revised definition of "Material" is quoted below:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."The amendment emphasises five ways material information can be obscured:

- If the language regarding a material item, transaction or other event is vague or unclear.
- If information regarding a material item, transaction or other event is scattered in different places in the financial statements.
- If dissimilar items, transactions or other events are inappropriately aggregated.
- If similar items, transactions or other events are inappropriately disaggregated.
- If material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendment expands the definition to include:

Obscuring
Obscuring material information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1.

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Could reasonably be expected to influence
The existing definition referred to 'could influence' which the IASB felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote.

Primary users
The existing definition referred only to 'users' which again the IASB feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose.

The amendments to the definition of material did not have a significant impact on the Company's financial statements.

2.6.1c Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

These amendments are effective for annual reporting periods beginning on or after 1 January 2020.

The adoption of phase 1 of the IBOR reform did not lead to a change in the Company's accounting policies and do not have any interest hedge accounting. The Company is currently assessing the impact of the phase 2 amendments.

Amendments to IFRS 9
The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Application of the reliefs is mandatory. The first three reliefs provide for:

- The assessment of whether a forecast transaction (or component thereof) is highly probable.
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss.
- The assessment of the economic relationship between the hedged item and the hedging instrument.

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows are based (whether or not contractually specified) and/or, for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform. The fourth relief provides that, for a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship.

Where hedging instruments and hedged items may be added to or removed from an open portfolio in a continuous hedging strategy, the separately identifiable requirement need only be met when hedged items are initially designated within the hedging relationship.

To the extent that a hedging instrument is altered so that its cash flows are based on an RFR, but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due

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to differences in their changes in fair value. The reliefs continue indefinitely in the absence of any of the events described in the amendments.

When an entity designates a group of items as the hedged item, the requirements for when the reliefs cease are applied separately to each individual item within the designated group of items. The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.

Amendments to IAS 39
The corresponding amendments are consistent with those for IFRS 9, but with the following differences:

- For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.
- For the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.
- For a hedge of a benchmark portion (rather than a risk component under IFRS 9) of interest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge.

2.6.1d Revised Conceptual Framework for Financial Reporting
The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting;
- reinstating prudence as a component of neutrality;
- defining a reporting entity, which may be a legal entity , or a portion of an entity;
- revising the definitions of an asset and a liability;
- removing the probability threshold for recognition and adding guidance on derecognition;
- adding guidance on different measurement basis; and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020.

The conceptual framework did not have any material impact on the Company's financial statements.

2.6.1 e Amendments to IAS 1 and IAS 8 - Definition of Material
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

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The amendments to the definition of material did not have a significant impact on the Company's financial statements.

2.6.2 Standards issued and effective on or after 1 January 2020

2.6.2a IFRS 17 Insurance contracts
A comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required.

However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

IFRS 17 is a comprehensive standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows).
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period).
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period.
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period.
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in profit or loss, but are recognised directly on the statement of financial position.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.IFRS 17 will have no impact on the Company, as it does not issue insurance contract.

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2.6.2b Amendments to IAS 1 - Classification of liabilities as current or non-current
The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clañfy what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's inMentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

The effective date is 1 January 2022 (possibly deferred to 1 January 2023).

The impact of this amendment on the Company financial statements is currently under assessment.
2.6.2c Amendments to IAS 16 - Proceeds before intended use
The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Early application is permitted. It amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The Company does not expect these amendments to have impact on its financial statements when it becomes effective.

2.6.2d Amendments to IAS 37 - Onerous contracts - Cost of fulfilling a contract
The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Early application is permitted.

The changes in Onerous Contracts - Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contractcan either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Company will not be affected by these amendments on the date of transition.

2.6.2e Amendments to IFRS 16 - COVID-19-related rent concessions
The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2020. The amendment is also available for interim reports. The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to:

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they

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were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

The main change from the proposal in the exposure draft is that the IASB had proposed that the practical expedient should only be available for lease payments originally due in 2020. However, after having considered the feedback to the exposure draft, the IASB decided to extend this period to June 2021 to also capture rent concessions granted now and lasting for 12 months.

The Company does not expect these amendments to have impact on its financial statements when they becomes effective.

2.6.2f Amendments to IFRS 3 - Reference to the conceptual framework
Minor amendments were made to îFRS 3 Business Combinatîons to update the reference to the Conceptual Frameworl‹ lor Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provision. Contingent Liabilities and Contingent Aesets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

The effective date is 1 January 2022.

The amendment will have no material effect on the Company's financial statements.**2.6.2g Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

The Company will apply these amendments when they become effective.

2.6.2h Annual Improvementn to IFRS Standards 2018 - 2020
The following Improvements were finalised in May 2020:

- IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases - To remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The effective date is 1 January 2022.

2.7 Significant accounting judgements, estimates and assumptions
The preparation of the Company's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosure, as well as the disclosure of contingent liability about these assumption and estimates that could result in outcome that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

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Management discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

2.7.1 Estimates and assumptions

The key assumption concerning the future and other key sources of estimation uncertainly at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumption and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2.8 Standards issued but not yet effective

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

2.8.1 IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. 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 an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the 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 .

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

IFRS 17 will have no impact on the Group, as it does not issue insurance contract.

3. Summary of significant accounting policies
The significant accounting policies set out below have been applied consistently to all year presented in these Consolidated financial statements, unless otherwise stated.

3.1 Investments in subsidiaries
The Consolidated 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.

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Control is usally present when an entity has:

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

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

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

3.5 Intangible assets

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

Amortization is charged to 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 statement of 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.

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

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

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

The 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 to be 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. W hen 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:

Buildings2%Furniture and fittings20%Plant and machinery20%Motor vehicles/autos and trucks25%Office equipment20%Marine equipment5%Leased assets20%Cranes10%

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.

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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.

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

3.6.6 Leases
Policy subsequent to 1 January 2019
The group and the Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group and the Company as a lessee
The group and the Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The group and the Company recognises lease liabilities to make lease Payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The group and the Company recognises right-of-use assets at the commencement date of the lease (ie, the date the underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and Impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets

Lease Period Office buildings 3 - 5 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities
At the commencement date of the lease, the Group and the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid underresidual value guarantees. The lease

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payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The group and the Company applies the short-term lease recognition exemption to its short-term leases of warehouses and guesthouses (I.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The group and the Company does not have any leased assets categorised as low-value assets (e.g of a value of N2 million). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Leases

Policy prior to 1 January 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the Inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicity specified an arrangement.

The group/ the Company as a lessee

Finance leases that transfer to the Group and the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value the leased property or, If lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achievea constant rate of interest on the remaining balance of the lability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

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

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impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

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

3.9. Financial assets and liabilities

3.9.1. Initial recognition

The Group initially recognises loans and advances ,finance lease receivables, Plant and equipment 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, (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.

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.

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.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

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

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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.

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.

3.9.2. Financial assets - Subsequent measurement 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:

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.

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.

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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".2

3.9.3. Business Model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- the frequency, volume and timing of sales in prior years, the reasons for such sales and its expectations about future sales activity.However, information about sales activity is notconsidered in isolation, but as part of an overall assessment of how the Group's stated objective for managing financial assets is achieved and how cash flows are realized.

3.9.4. SPPI assessment

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money - e.g. periodical rate of interest.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

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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.If such a modification is carried out because of financial difficulties of the Customer, then the gain or loss is presented together with impairment losses. In other cases, it is presented as "Net gains/(losses)".

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, equity 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.

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The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, byconsidering 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 trade receivable 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.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

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.

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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 moreevents 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.

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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.

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.

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 LT ECL since initial recognition in the loss allowance.

3.9.10 Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms: post-employment employee welfare benefits for staff loans, title documents of assets for commercial loans, title documents of assets to be financed for finance leases etc.

The Group's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Group's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on periodic basis as deemed necessary.

3.9.11. Presentation of allowance for ECL

loans and advances , finance lease receivables, Plant and equipment lease receivables allowances for ECL are presented in the statement of financial position as follows:

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- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision, and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

3.9.12. 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.

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

- GDP growth
- Unemployment rates
- 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.

3.9.14. Financial liabilities
Classification and subsequent measurement
In both the current and prior year, 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).

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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.

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.

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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 ccomprehensive 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 statement of 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 furrther 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.

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

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

3.13.1 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 furrther details in note 3.9.

3.13.2 The Group is the lessee
3.13.2.1 Finance leases
Assets held under finance leases are recognised as assets of the Group at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments.

The related liability to the lessor is included in the statement of financial position as a finance lease obligation.

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

Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

3.14 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

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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 periods.

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

Employees contribution of 8% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes 10% to make a total contribution of 18% of the total emoluments as required by the Pension Reform Act 2020. 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 Taxation

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

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

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

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

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

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the statement of profit or loss together with the deferred gain or loss on disposal.

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 period, taking into account the risks and uncertainties surrounding the obligation.

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

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

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

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

Where any of the entity purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Group's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Group's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects. See furrther details in note 3.9.

3.20 Compound financial instruments
At the issue date, the fair value of the liability component of a compound financial instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognised in equity, net of income tax effects, and is not subsequently remeasured. See furrther details in note 3.9.

3.21 Share-based payments
Employee share options are measured at fair value at grant date. The fair value is expensed on a straight- line basis over the vesting period, based on an estimate of the number of options that will eventually vest.At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

3.22 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:

3.22.1 Income from property,plant and equipment for lease

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

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.

3.22.3 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.

3.22.4 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:

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

3.22.5 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.

3.22.6 Rental income
Rental income is recognized on an accrued basis.

3.22.7 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.

3.23 Foreign currency translation
3.23.1 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.

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Exchange differences are recognized in profit or loss in the period in which they arise except for:

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

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

3.23.2 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 arisng on translation for consolidation are recognised in other comprehensive income and accumulated in a separate category of equity.

4. Segment reporting
The Group's operating segments are organized by the nature of the operations and further by geographic location into geographical regions; local and foreign to highlight the contributions of foreign operations to the Group. Due to the nature of the Group, 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.

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

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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 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:

5.2.1 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.

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.

5.2.3 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.

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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. For items measured at amortised cost, changes in value are recognised in the statement of profit or loss. Therefore, the financial instruments carried in the Consolidated statement of financial position are shown based on their classifications in the table below:

6.1 Classes of financial instruments

	Fair value through OCI	Fair value through profit or loss	Amortised Cost	Total carrying amount
	N'000	N'000	N'000	N'000
Group				
At 31 December 2020				
Financial assets				
Cash and balances with banks	**-**	**1,418,970**	**-**	**1,418,970**
Loans and advances	**-**	**-**	**499,410**	**499,410**
Finance lease receivables	**-**	**-**	**2,286,385**	**2,286,385**
Investment securities at fair value through other comprehensive	**7,335**	**-**	**-**	**7,335**
Trade and other receivables	**-**	**-**	**6,556,967**	**6,556,967**
Other assets	**-**	**-**	**7,792,043**	**7,792,043**
	7,335	**1,418,970**	**17,134,805**	**18,561,110**
Financial liabilities				
Balance due to banks	**-**	**928,135**	-	**928,135**
Commercial notes	**-**	-	**15,438,233**	**15,438,233**
Deposit for shares			**1,975,000**	**1,975,000**
Loans and borrowings	**-**	**-**	**19,170,768**	**19,170,768**
Trade and other payables	**-**	**-**	**4,770,861**	**4,770,861**
	-	**928,135**	**41,354,862**	**42,282,997**
Group				
At 31 December 2019				
Financial assets				
Cash and balances with banks	-	1,989,532	-	1,989,532
Loans and advances	-	-	557,587	557,587
Finance lease receivables	-	-	3,090,821	3,090,821
Investment securities at fair value through other comprehensive	5,562	-	-	5,562
Trade and other receivables	-	-	8,700,509	8,700,509
Other assets	-	-	7,544,148	7,544,148
	5,562	**1,989,532**	**19,893,065**	**21,888,159**
Financial liabilities				
Balance due to banks	-	1,311,860	-	1,311,860
Commercial notes	-		14,333,056	14,333,056
Deposit for shares			1,975,000	1,975,000
Loans and borrowings	-	-	21,335,227	21,335,227
Trade and other payables	-	-	7,204,081	7,204,081
	-	**1,311,860**	**44,847,364**	**46,159,224**

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	Fair value through OCI	Fair value through profit or loss	Amortised Costs	Total carrying amount
	N'000	N'000	N'000	N'000
Company				
At 31 December 2020				
Financial assets				
Cash and balances with banks	**-**	**1,155,040**	**-**	**1,155,040**
Loans and advances	**-**	**-**	**481,520**	**481,520**
Finance lease receivables	**-**	**-**	**2,286,385**	**2,286,385**
Investment securities at fair value through other comprehensive	**7,335**	**-**	**-**	**7,335**
Trade and other receivables	**-**	**-**	**9,745,067**	**9,745,067**
Other assets	**-**	**-**	**8,086,456**	**8,086,456**
	7,335	**1,155,040**	**20,599,428**	**21,761,803**
Financial liabilities				
Balance due to banks	**-**	**918,761**	-	**918,761**
Commercial notes	**-**	**-**	**15,438,232**	**15,438,232**
Deposit for shares			**1,975,000**	**1,975,000**
Loans and borrowings	**-**	**-**	**15,374,818**	**15,374,818**
Trade and other payables	**-**	**-**	**3,551,864**	**3,551,864**
	-	**918,761**	**36,339,914**	**37,258,675**
Company				
At 31 December 2019				
Financial assets				
Cash and balances with banks	-	513,095	-	513,095
Loans and advances	-	-	544,563	544,563
Finance lease receivables	-	-	2,988,108	2,988,108
Investment securities at fair value through other comprehensive income	5,562	-	-	5,562
Trade and other receivables	-	-	13,327,408	13,327,408
Other assets	-	-	7,251,771	7,251,771
	5,562	**513,095**	**24,111,850**	**24,630,507**
Financial liabilities				
Balance due to banks	-	1,333,775	-	1,333,775
Commercial notes	-	-	14,303,470	14,303,470
Deposit for shares			1,975,000	1,975,000
Loans and borrowings	-	-	14,972,388	14,972,388
Trade and other payables	-	-	5,518,432	5,518,432
	-	**1,333,775**	**36,769,290**	**38,103,065**

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.

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

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

6.3 Fair value measurements recognised in the statement of financial position
Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

The Group maintains quoted investments in the companies listed in Note 12 and were valued at N28,500,000 (December 2019: N28,500,000) which are categorised as **level 1,** because the securities are listed, however, there are no financial instruments in the level 2 and 3 categories for the year.

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

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

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

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

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

The Group achieved capital adequacy ratio of 23% at the year end 31 December 2020, compared to 15% recorded for the year ended 31 December, 2019.

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.

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		Group		Company	
		31-Dec-20	**31-Dec-19**	**31-Dec-20**	**31-Dec-19**
		N'000	N'000	**N'000**	N'000
Tier 1 capital					
Share capital		**390,823**	202,126	**390,823**	202,126
Share premium		**3,361,609**	1,285,905	**3,361,609**	1,285,905
Retained earnings		**3,583,738**	3,224,284	**989,146**	682,945
Statutory reserve		**1,262,038**	1,234,788	**873,769**	846,763
Statutory credit reserve		**625,728**	858,253	**638,779**	858,253
Non-Controlling Interest		**625,466**	256,294	-	-
Deferred income tax assets		**854,607**	854,607	**854,607**	854,607
Sub-Total		**10,704,009**	7,916,257	**7,108,733**	4,730,599
Less: Intangible assets		**(431)**	(23,190)	**-**	-
Required loan loss reserve		**(625,728)**	(858,253)	**(638,779)**	(858,253)
Deferred income tax assets		**(854,607)**	(854,607)	**(854,607)**	(854,607)
Total qualifying for tier 1 capital		**9,223,243**	6,180,207	**5,615,347**	3,017,739
Tier 2 capital					
Deposit for shares		**1,975,000**	1,975,000	**1,975,000**	1,975,000
Foreign currency translation reserve		**2,856,142**	2,020,101	-	-
Fair value reserve		**6,706**	4,933	**6,706**	4,933
Assets revaluation reserve		**716,490**	716,490	**716,490**	716,490
Total		**5,554,338**	4,716,524	**2,698,196**	2,696,423
Total qualifying for tier 2 capital (Maximum of 33.3% of TIER 1 Capital)		**3,071,340**	2,058,009	**2,698,196**	2,696,423
Total regulatory capital		**12,294,583**	8,238,216	**8,313,543**	5,714,162
Risk-weighted assets					
	%				
Cash in hand	-	**-**	-	**-**	-
Cash and balances with banks	20	**283,794**	397,906	**231,008**	102,619
Loans and advances to customers	100	**499,410**	557,587	**544,563**	544,563
Finance lease receivables	100	**2,286,385**	3,090,821	**2,286,385**	2,988,108
At fair value through other comprehensive income	100	**7,335**	5,562	**7,335**	5,562
Trade and other receivables	100	**6,556,967**	8,700,509	**9,745,067**	13,327,408
other assets	100	**7,792,043**	7,544,148	**8,086,456**	7,251,771
Investment in subsidiaries	100	**-**	-	**759,467**	759,467
Investment in joint venture	100	**2,460,320**	1,334,226	**2,460,320**	1,334,226
Plant and equipment for lease	100	**32,631,064**	30,556,351	**17,437,838**	13,986,222
Property,plant and equipment	100	**1,438,021**	1,579,191	**1,204,575**	1,232,294
Total risk weighted assets		**53,955,339**	53,766,301	**42,763,014**	41,532,240
Risk-weighted Capital Adequacy Ratio (CAR)		**23%**	15%	**19%**	14%

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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 Stock Exchange (NSE). In addition, annual returns must be submitted to Corporate Affairs Commission (CAC) on a regular basis.

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8.2 Operational risl
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

- 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.

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Exposure to risk

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

	Group	
	2020	**2019**
	N'000	N'000
Financial assets		
Cash and balances with banks	**1,418,970**	1,989,532
Loans and advances	**499,410**	557,587
Finance lease receivables	**2,286,385**	3,090,821
Investment securities at fair value through other comprehensive income	**7,335**	5,562
Trade and other receivables	**6,556,967**	8,700,509
Other assets	**7,792,043**	7,544,148
	18,561,110	21,888,159

	Company	
	31-Dec-20	**31-Dec-19**
	N'000	N'000
Financial assets		
Cash and balances with banks	**1,155,040**	513,095
Loans and advances	**481,520**	544,563
Finance lease receivables	**2,286,385**	2,988,108
Investment securities at fair value through other comprehensive income	**7,335**	5,562
Trade and other receivables	**9,745,067**	13,327,408
Other assets	**8,086,456**	7,251,771
	21,761,803	24,630,507

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.

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

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8.3.2 Liquidity risks

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

	Current	**Non-current**	**Total**
	N'000	**N'000**	**N'000**
Group			
At 31 December 2020			
Balance due to banks	**928,135**	**-**	**928,135**
Commercial notes	**15,438,232**	**-**	**15,438,232**
Loans and borrowings	**5,932,620**	**13,238,148**	**19,170,768**
Trade and other payables	**4,770,861**	**-**	**4,770,861**
	27,069,848	**13,238,148**	**40,307,996**
31 December 2019			
Balance due to banks	1,311,860	-	1,311,860
Commercial notes	14,333,056	-	14,333,056
Loans and borrowings	6,415,348	14,919,879	21,335,227
Trade and other payables	7,204,081	-	7,204,081
	29,264,345	**14,919,879**	**44,184,224**
Company			
At 31 December 2020			
Balance due to banks	**918,761**	-	**918,761**
Commercial notes	**15,438,232**	**-**	**15,438,232**
Loans and borrowings	**5,009,949**	**10,364,868**	**15,374,817**
Trade and other payables	**3,551,864**	**-**	**3,551,864**
	24,918,806	**10,364,868**	**35,283,674**
31 December 2019			
Balance due to banks	1,333,775	-	1,333,775
Commercial notes	14,303,470	-	14,303,470
Loans and borrowings	4,120,921	10,851,467	14,972,388
Trade and other payables	5,518,432	-	5,518,432
	25,276,598	**10,851,467**	**36,128,065**

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

The contractual 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.

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

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

The Group is exposed to foreign currency risk as a result of its foreign subsidiary as well as foreign borrowings (usually denominated in US Dollars).

The Group's principal transactions are carried out in Naira and its financial assets are primarily denominated in Nigerian Naira, except for its subsidiaries - Leasafric Ghana Limited and EPIC International FZE, U.A.E; whose transactions are denominated in 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.

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

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

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

8.3.6 Market price risk
Investments by the Group in financial assets fairvalue 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.

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
9. Cash and bank balances				
Cash in hand	**37,215**	14,971	**31,889**	14,958
Bank balances	**1,381,755**	1,952,316	**1,123,151**	475,892
Placement with banks	**-**	22,245	**-**	22,245
	1,418,970	1,989,532	**1,155,040**	513,095
9.1 Cash and cash equivalent per statement of cash flow				
Cash in hand	**37,215**	14,971	**31,889**	14,958
Bank balances	**1,381,755**	1,952,316	**1,123,151**	475,892
Placement with banks	**-**	22,245	**-**	22,245
Bank overdrafts (Note 20)	**(928,135)**	(1,311,860)	**(918,761)**	(1,333,775)
	490,835	677,672	**236,279**	(820,680)
10. Loans and advances				
Lease rental due (Note 10.2)	**465,722**	528,765	**465,722**	528,765
Loans and advances (Note 10.1)	**33,688**	28,822	**15,798**	15,798
Net loans and advances	**499,410**	557,587	**481,520**	544,563
10.1 Loans and advances	**35,452**	30,586	**17,562**	17,562
Impairment allowance on loans and advances (Note 10.1c)	**(1,764)**	(1,764)	**(1,764)**	(1,764)
Net loans and advances	**33,688**	28,822	**15,798**	15,798
10.2 Lease rental due				
Gross finance lease receivable	**477,829**	541,902	**477,829**	541,902
Impairment allowance (Note 10.2a)	**(12,107)**	(13,137)	**(12,107)**	(13,137)
Carrying amount finance lease due	**465,722**	528,765	**465,722**	528,765
10.1a Analysis of Loans and advances by security				
Secured	**-**	-	**-**	-
Otherwise secured	**513,281**	572,488	**495,391**	559,464
	513,281	572,488	**495,391**	559,464
10.1b Loans and advances are further analysed as follows:				
Less than one year	**459,110**	512,068	**463,688**	523,660
More than one year and less than five years	**54,171**	60,420	**31,703**	35,803
More than five years	**-**	-	**-**	-
	513,281	572,488	**495,391**	559,463

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10.1c Impairment allowance on loans and advances

Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to loans and advances is as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Group				
Gross carrying amount as at 1 January 2020	**13,027**	**-**	**17,563**	**30,590**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	**4,865**	-	-	**4,865**
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2020	**17,892**	**-**	**17,563**	**35,455**
ECL impairment allowance as at 1 January 2020	**-**	**1,429**	**335**	**1,764**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2020	**-**	**1,429**	**335**	**1,764**
Group				
Gross carrying amount as at 1 January 2019	391,199	1,541	7,951	400,691
New assets originated or purchased	149,802	15,139	10,656	175,597
Assets derecognised or repaid	(3,797)	-	-	(3,797)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Reclassified (Note 10.2a)	(524,177)	(16,680)	(1,044)	(541,901)
At 31 December 2019	13,027	-	17,563	30,590
ECL impairment allowance as at 1 January 2019	6,834	6,371	335	13,540
New assets originated or purchased	2,252	-	-	2,252
Assets derecognised or repaid	-	(891)	-	(891)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Reclassified (Note 10.2a)	(9,086)	(4,051)	-	(13,137)
At 31 December 2019	-	1,429	335	1,764

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	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Company				
Gross carrying amount as at 1 January 2020	**-**	**-**	**17,563**	**17,563**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2020	**-**	**-**	**17,563**	**17,563**
ECL impairment allowance as at 1 January 2020	**-**	**1,429**	**335**	**1,764**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2020	**-**	**1,429**	**335**	**1,764**
Company				
Gross carrying amount as at 1 January 2019	391,199	1,541	7,951	400,691
New assets originated or purchased	136,775	15,139	10,656	162,570
Assets derecognised or repaid	(3,797)	-	-	(3,797)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Reclassified (Note 10.2a)	(524,177)	(16,680)	(1,044)	(541,901)
At 31 December 2019	-	-	17,563	17,563
ECL impairment allowance as at 1 January 2019	6,834	6,371	335	13,540
New assets originated or purchased	2,252	-	-	2,252
Assets derecognised or repaid	-	(891)	-	(891)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Reclassified (Note 10.2a)	(9,086)	(4,051)	-	(13,137)
At 31 December 2019	-	1,429	335	1,764

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10.2a Impairment allowance on finance lease rental due

Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to finance lease receivables due for recovery is as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Group				
Gross carrying amount as at 1 January 2020	**524,177**	**1,541**	**16,184**	**541,902**
New assets originated or purchased	**(62,304)**	**-**	**(1,770)**	**(64,074)**
Assets derecognised or repaid	**-**	**-**	**-**	**-**
Transfer to stage 1	**(34,344)**	**34,344**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**427,529**	**35,885**	**14,414**	**477,828**
ECL impairment allowance as at 1 January 2020	**6,531**	**5,968**	**638**	**13,137**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	**(1,030)**	**-**	**-**	**(1,030)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**(1,295)**	**(2,712)**	**4,007**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**4,206**	**3,256**	**4,645**	**12,107**
Group				
Gross carrying amount as at 1 January 2019	391,199	1,541	7,951	400,691
New assets originated or purchased	136,775	15,139	10,656	162,570
Assets derecognised or repaid	(3,797)	(15,139)	(2,423)	(21,359)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	524,177	1,541	16,184	541,902
ECL impairment allowance as at 1 January 2019	6,834	6,371	4,543	17,748
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(303)	(403)	(3,905)	(4,611)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	6,531	5,968	638	13,137

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	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Company				
Gross carrying amount as at 1 January 2020	**524,177**	**1,541**	**16,184**	**541,902**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**(62,304)**	**-**	**(1,770)**	**(64,074)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**(34,344)**	**34,344**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**427,529**	**35,885**	**14,414**	**477,828**
ECL impairment allowance as at 1 January 2020	**6,531**	**5,968**	**638**	**13,137**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**(1,030)**	**-**	**-**	**(1,030)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**(1,295)**	**(2,712)**	**4,007**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**4,206**	**3,256**	**4,645**	**12,107**
Company				
Gross carrying amount as at 1 January 2019	391,199	1,541	7,951	400,691
New assets originated or purchased	136,775	15,139	10,656	162,570
Assets derecognised or repaid	(3,797)	(15,139)	(2,423)	(21,359)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	524,177	1,541	16,184	541,902
ECL impairment allowance as at 1 January 2019	6,834	6,371	4,543	17,748
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(303)	(403)	(3,905)	(4,611)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	6,531	5,968	638	13,137

	Group		Company	
	2020 **N'000**	2019 N'000	**2020** **N'000**	2019 N'000
11. Finance lease receivables				
Gross finance lease receivable	**5,302,711**	7,658,112	**5,302,711**	7,554,380
Unearned lease interest/ maintenance (Note 11.1)	**(3,011,660)**	(4,552,151)	**(3,011,660)**	(4,551,132)
Net investment in finance lease not due	**2,291,051**	3,105,961	**2,291,051**	3,003,248
Impairment allowance (Note 11.2)	**(4,666)**	(15,140)	**(4,666)**	(15,140)
Carrying amount	**2,286,385**	3,090,821	**2,286,385**	2,988,108

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11.1 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.

11.2 Impairment allowance on finance lease receivables not due for recovery
Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to finance lease receivables not due for recovery is as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Group				
Gross carrying amount as at 1 January 2020	**3,105,961**	**-**	**-**	**3,105,961**
New assets originated or purchased	**2,579,099**	**-**	**-**	**2,579,099**
Assets derecognised or repaid	**(1,255,231)**	**-**	**-**	**(1,255,231)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Reclassified (Note 13.2)	**(2,138,778)**	**-**	**-**	**-**
At 31 December 2020	**2,291,051**	**-**	**-**	**2,291,051**
ECL impairment allowance as at 1 January 2020	**15,140**	**-**	**-**	**15,140**
New assets originated or purchased	**(7,512)**	**-**	**-**	**(7,512)**
Assets derecognised or repaid	**(1,037)**	**-**	**-**	**(1,037)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Reclassified (Note 13.2)	**(1,925)**	**-**	**-**	**(1,925)**
At 31 December 2020	**4,666**	**-**	**-**	**4,666**
Group				
Gross carrying amount as at 1 January 2019	2,014,387	-	-	2,014,387
New assets originated or purchased	1,091,574	-	-	1,091,574
Assets derecognised or repaid	-	-	-	-
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	3,105,961	-	-	3,105,961
ECL impairment allowance as at 1 January 2019	15,058	-	-	15,058
New assets originated or purchased	82	-	-	82
Assets derecognised or repaid	-	-	-	-
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	15,140	-	-	15,140

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	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Company				
Gross carrying amount as at 1 January 2020	**3,003,248**	**-**	**-**	**3,003,248**
New assets originated or purchased	**2,579,099**	**-**	**-**	**2,579,099**
Assets derecognised or repaid	**(1,152,518)**	**-**	**-**	**(1,152,518)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Reclassified (Note 13.2)	**(2,138,778)**	**-**	**-**	**(2,138,778)**
At 31 December 2020	**2,291,051**	**-**	**-**	**2,291,051**
ECL impairment allowance as at 1 January 2020	**15,140**	**-**	**-**	**15,140**
New assets originated or purchased	**(7,512)**	**-**	**-**	**(7,512)**
Assets derecognised or repaid	**(1,037)**	**-**	**-**	**(1,037)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Reclassified (Note 13.2)	**(1,925)**	**-**	**-**	**(1,925)**
At 31 December 2020	**4,666**	**-**	**-**	**4,666**
Company				
Gross carrying amount as at 1 January 2019	1,847,365	-	-	1,847,365
New assets originated or purchased	1,155,883	-	-	1,155,883
Assets derecognised or repaid	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	3,003,248	-	-	3,003,248
ECL impairment allowance as at 1 January 2019	15,058	-	-	15,058
New assets originated or purchased	82	-	-	82
Assets derecognised or repaid	-	-	-	-
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2019	15,140	-	-	15,140

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
12. Investment securities at fair value through other comprehensive income				
Listed equity (Note 12.1)	**7,335**	5,562	**7,335**	5,562
12.1 Movement in investment securities at fair value through other comprehensive income				
At 1 January	**28,500**	52,425	**28,500**	52,425
Disposal	**-**	(23,925)	**-**	(23,925)
	28,500	28,500	**28,500**	28,500
Fairvlaue loss/Impairment allowance (Note 12.3)	**(21,165)**	(22,938)	**(21,165)**	(22,938)
At 31 December 2020	**7,335**	5,562	**7,335**	5,562
12.2 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
12.3 Movement in fair value reserve/impairment allowance				
At 1 January	**22,938**	26,372	**22,938**	26,372
Write back of fair value gain on	**-**	(3,662)	**-**	(3,662)
Loss from changes in fair value recognised in OCI (Note 31)	**(1,773)**	228	**(1,773)**	228
At 31 December 2020	**21,165**	22,938	**21,165**	22,938
13. Trade and other receivables				
Plant and equipment for lease receivables	**5,640,109**	7,865,479	**4,086,279**	6,254,115
Account receivable others	**483,445**	1,107,152	**176,870**	1,107,152
Receivable from related companies (Note 13.1)	**565,868**	-	**5,573,935**	6,229,303
	6,689,422	8,972,631	**9,837,084**	13,590,570
Impairment allowance (Note 13.2)	**(132,455)**	(272,122)	**(92,017)**	(263,162)
	6,556,967	8,700,509	**9,745,067**	13,327,408

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
13.1 Analysis of receivable from related companies:				
Leasafric Ghana Limited	**-**	-	**(265,087)**	-
Leaseafric Ghana (Logistic)	**121,617**	-	**-**	-
C&I Leasing FZE	**-**	-	**46,596**	93,979
C&I/Sifax JV Current account	**401,090**	-	**401,090**	535,829
OCS/C&I JV Current account	**44,585**	-	**44,585**	37,407
EPIC International FZE, United Arab Emirates	**-**	-	**5,370,928**	5,617,165
Gross receivable from related parties	**567,292**	**-**	**5,598,112**	6,284,380
Impairment allowance	**(1,424)**	-	**(24,177)**	(55,077)
Net receivable from related parties	**565,868**	**-**	**5,573,935**	6,229,303

13.2 Impairment allowance on trade and other receivables

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

	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000
Group				
Gross carrying amount as at 1 January 2020	**8,458,439**	**302,054**	**212,137**	**8,972,630**
New assets originated or purchased	**814,910**	-	-	**814,910**
Assets derecognised or repaid	**(5,198,074)**	**-**	**(38,822)**	**(5,236,896)**
Transfer to stage 1	**-**		**-**	**-**
Transfer to stage 2	**(411,769)**	**411,769**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Reclassified (Note11.2)	**2,138,778**	**-**	**-**	2,138,778
At 31 December 2020	**5,802,284**	**713,823**	**173,315**	**6,689,422**
ECL impairment allowance as at 1 January 2020	**91,298**	**4,828**	**175,996**	**272,122**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**(59,998)**	**-**	**35,069**	**(24,929)**
Amount written off	**(1,925)**	**-**	**(114,738)**	**(116,663)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**(15,955)**	**15,955**	**-**	**-**
Transfer to stage 3	**-**	**-**		**-**
Reclassified (Note11.2)	**1,925**	**-**	**-**	**1,925**
At 31 December 2020	**15,345**	**20,783**	**96,327**	**132,455**

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	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Group				
Gross carrying amount as at 1 January 2019	7,403,528	439,570	177,989	8,021,087
New assets originated or purchased	1,054,911	-	-	1,054,911
Assets derecognised or repaid	-	(137,516)	-	(137,516)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	34,148	34,148
At 31 December 2019	8,458,439	302,054	212,137	8,972,630
ECL impairment allowance as at 1 January 2019	91,298	12,990	162,174	266,462
New assets originated or purchased	-	-	92,509	92,509
Assets derecognised or repaid	-	(8,162)	-	(8,162)
Amount written off	-	-	(78,687)	(78,687)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	91,298	4,828	175,996	272,122

13.2 Impairment allowance on trade and other receivables

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

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Company				
Gross carrying amount as at 1 January 2020	**7,110,179**	**38,951**	**212,137**	**7,361,267**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	**(5,198,074)**	**-**	**(38,822)**	**(5,236,896)**
Transfer to stage 1	**-**		**-**	-
Transfer to stage 2	**(411,769)**	**411,769**	**-**	-
Transfer to stage 3	**-**	**-**	**-**	-
Reclassified (Note11.2)	**2,138,778**	**-**	**-**	2,138,778
At 31 December 2020	**3,639,114**	**450,720**	**173,315**	**4,263,149**
ECL impairment allowance as at 1 January 2020	**81,192**	**5,974**	**175,996**	**263,162**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**(59,998)**	**-**	**35,069**	**(24,929)**
Amount written off	**(1,925)**	**-**	**(146,216)**	**(148,141)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**(15,955)**	**15,955**	**-**	**-**
Transfer to stage 3	**-**	**-**		**-**
Reclassified (Note11.2)	**1,925**	**-**	**-**	**1,925**
At 31 December 2020	**5,239**	**21,929**	**64,849**	**92,017**

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	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Company				
Gross carrying amount as at 1 January 2019	10,210,892	439,570	177,989	10,828,451
New assets originated or purchased	1,054,911	-	-	1,054,911
Assets derecognised or repaid	(4,155,624)	(400,619)	-	(4,556,243)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	34,148	34,148
At 31 December 2019	7,110,179	38,951	212,137	7,361,267
ECL impairment allowance as at 1 January 2019	91,298	12,990	162,174	266,462
New assets originated or purchased	-	-	26,461	26,461
Assets derecognised or repaid	(10,106)	(7,016)	(432)	(17,554)
Amount written off	-	-	(12,207)	(12,207)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	81,192	5,974	175,996	263,162

	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 N'000
14. Other assets				
Prepayments	**415,994**	844,320	**325,619**	758,007
Withholding tax receivables	**5,179,697**	4,375,446	**5,229,174**	4,375,446
Insurance claims receivables	**-**	240,388	**-**	226,494
Value added tax Receivable	**14,638**	-	**-**	-
Dividend receivables	**-**	-	**513,275**	-
Inventories (Note 14.1)	**2,000,910**	2,120,426	**1,981,933**	2,109,574
Deposit for shares (Note 14.2)	**10,535**	-	**10,535**	-
Other debit balances	**206,188**	217,077	**61,839**	35,759
	7,827,962	7,797,657	**8,122,375**	7,505,280
Impairment allowance on other assets (Note 14.3)	**(35,919)**	(253,509)	**(35,919)**	(253,509)
	7,792,043	7,544,148	**8,086,456**	7,251,771
14.1 Analysis of Inventories				
Spare parts	**1,967,216**	1,424,669	**1,951,760**	1,413,817
Tracking devices	**65,734**	67,061	**65,734**	67,061
Fuel Dump-PMS	**20,034**	10,814	**16,513**	10,814
Goods in transit	**-**	669,956	**-**	669,956
	2,052,984	2,172,500	**2,034,007**	2,161,648
Impairment allowance on inventories	**(52,074)**	(52,074)	**(52,074)**	(52,074)
	2,000,910	2,120,426	**1,981,933**	2,109,574

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14.2 This represents deposit made by the company as equity contribution to the joint venture arramgement called OCS/C&I Leasing Joint Venture.

14.3 Impairment allowance on other assets
Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to other assets excluding inventories is as follows:

	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000
Group				
Gross carrying amount as at 1 January 2020	**4,929,308**	**485,670**	**262,253**	**5,677,231**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**625,279**	**-**	**-**	**625,279**
Amount written off	**-**	**-**	**(226,494)**	**(226,494)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**(248,964)**	**-**	**(248,964)**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**5,554,587**	**236,706**	**35,759**	**5,827,052**
ECL impairment allowance as at 1 January 2020	**-**	**14,922**	**238,587**	**253,509**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**17,777**	**-**	**-**	**17,777**
Amount written off	**-**	**-**	**(238,402)**	**(238,402)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**3,035**	**-**	**3,035**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**17,777**	**17,957**	**185**	**35,919**
Group				
Gross carrying amount as at 1 January 2019	4,532,573	81,695	238,587	4,852,855
New assets originated or purchased	396,735	-	-	396,735
Assets derecognised or repaid	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	403,975	-	403,975
Transfer to stage 3	-	-	23,666	23,666
At 31 December 2019	4,929,308	485,670	262,253	5,677,231
ECL impairment allowance as at 1 January 2019	-	25,911	238,587	264,498
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	(10,989)	-	(10,989)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	-	14,922	238,587	253,509

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	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000
Company				
Gross carrying amount as at 1 January 2020	**4,647,783**	**485,670**	**262,253**	**5,395,706**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**1,220,194**	**-**	**-**	**1,220,194**
Amount written off	**-**	**-**	**(226,494)**	**(226,494)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**(248,964)**	**-**	**(248,964)**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**5,867,977**	**236,706**	**35,759**	**6,140,442**
ECL impairment allowance as at 1 January 2020	**-**	**14,922**	**238,587**	**253,509**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	**17,777**	**-**	**-**	**17,777**
Amount written off	**-**	**-**	**(238,402)**	**(238,402)**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**3,035**	**-**	**3,035**
Transfer to stage 3	**-**	**-**	**-**	**-**
At 31 December 2020	**17,777**	**17,957**	**185**	**35,919**
Company				
Gross carrying amount as at 1 January 2019	4,251,048	81,695	238,587	4,571,330
New assets originated or purchased	396,735	-	-	396,735
Assets derecognised or repaid	-	-	-	-
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	403,975	-	403,975
Transfer to stage 3	-	-	23,666	23,666
At 31 December 2019	4,647,783	485,670	262,253	5,395,706
ECL impairment allowance as at 1 January 2019	-	25,911	238,587	264,498
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	(10,989)	-	(10,989)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2019	-	14,922	238,587	253,509

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
15. Investment in subsidiaries				
Leasafric Ghana Limited	**-**	-	**754,736**	754,736
EPIC International FZE, United Arab Emirates	**-**	-	**4,231**	4,231
C&I Leasing FZE, Nigeria	**-**	-	**500**	500
	-	**-**	**759,467**	**759,467**

15.1 Subsidiary undertakings

All shares in subsidiaries undertakings are ordinary shares.

Subsidiary	Principal activities	Country of incorporation	Percentage held	Statutory year end
Leasafric Ghana Limited (Note 15.1.1)	Leasing	Ghana	70.89%	31 December
EPIC International FZE, United Arab Emirates (U.A.E.) (Note 15.1.2)	Trading in ships and boats	United Arab Emirates	100%	31 December
C&I Leasing FZE, Nigeria (Note 15.1.3)	Provision of chartered vessels in Dandote Free Trade Zone.	Nigeria	99%	31 December

15.1.1 Leasafric Ghana Limited

Leasafric Ghana Limited is a company incorporated in Ghana under the Companies Code, 1963 (Act 179) of Ghana as a 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.

15.1.2 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. However, the Enterprise is engaged in the busines of leasing vessels. EPIC FZE was registered on 29 December 2010 under the license no. 5006480 and commenced its operations in 15 June 2011.

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15.1.3 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.

15.2 Condensed results of consolidated entities

The consolidated results of the consolidated entities of C & I Leasing Plc are shown in Note 15.2.1-4.

The C&I Leasing Plc Group in the condensed results includes the results of the under listed entities:
- C&I Leasing Plc
- Leasafric Ghana Limited
- EPIC International FZE, U.A.E.
- C&I Leasing FZE, Nigeria

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15.2.1 Condensed results of consolidated entities

31 December 2020

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Condensed statement of profit or loss and other comprehensive income							
Gross earnings	14,709,507	3,791,230	3,599,758	1,684,602	23,785,098	(4,368,413)	19,416,685
Net operating income	6,784,386	2,672,994	1,670,479	60,974	11,188,834	155,436	11,344,269
Interest income	17,593	92,197	5	-	109,795	-	109,795
Investment income	1,117,880	175,769	-	-	1,293,649	(726,343)	567,305
Other operating income	364,271	25,628	102,118	14,123	506,140	-	506,140
Impairment charge	46,001	(49,207)	-	-	(3,206)	-	(3,206)
Depreciation and amortisation expense	(1,712,618)	(1,520,300)	(773,798)	-	(4,006,716)	-	(4,006,716)
Personnel expenses	(1,217,244)	(156,122)	-	(3,600)	(1,376,966)	-	(1,376,966)
Distribution expenses	(16,244)	(1,134)	-	-	(17,378)	-	(17,378)
Other operating expenses	(1,200,606)	(330,561)	(3,784)	(700)	(1,535,650)	-	(1,535,650)
Operating profit	4,183,419	909,265	995,020	70,798	6,158,502	(570,908)	5,587,594
Finance cost	(4,145,342)	(855,215)	(484,538)	-	(5,485,095)	6,378	(5,478,718)
Share of profit from joint venture	381,254	-	-	-	381,254	-	381,254
Profit before tax	419,331	54,050	510,482	70,798	1,054,661	(564,530)	490,131
Income tax expense	(149,269)	(19,620)	-	-	(168,889)	-	(168,889)
(Loss)/profit after tax	270,062	34,429	510,482	70,798	885,771	(564,530)	321,241

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15.2.2 Condensed statement of financial position

31 December 2020

	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	1,155,040	78,846	185,084	-	1,418,969	-	1,418,969
Loans and advances to customers	481,520	17,890	-	-	499,410	-	499,410
Finance lease receivables	2,286,385	-	-	-	2,286,385	-	2,286,385
At fair value through other comprehensive incom	7,335	121,178	-	-	128,513	(121,178)	7,335
Trade and other receivables	9,745,067	1,424,658	-	778,847	11,948,572	(5,391,603)	6,556,969
Other assets	8,086,456	275,892	-	-	8,362,348	(570,306)	7,792,042
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in joint ventures	2,460,320	-	-	-	2,460,320	-	2,460,320
Current income tax assets	-	-	-	-	-	-	-
Deferred income tax assets	854,607	-	-	-	854,607	-	854,607
Intangible assets	-	432	-	-	432	-	432
Property,plant and equipment for lease	17,437,838	2,220,586	12,972,639	-	32,631,063	-	32,631,063
Property,plant and equipment own	1,204,575	233,445	-	-	1,438,020	-	1,438,020
Total assets	44,478,610	4,372,927	13,157,723	778,847	62,788,107	(6,842,554)	55,945,553
Liabilities and equity							
Balance due to banks	918,761	9,373	-	-	928,134	-	928,134
Commercial notes	15,438,232	-	-	-	15,438,232	-	15,438,232
Trade and other payables	3,551,864	559,688	8,131,567	673,748	12,916,867	(8,146,010)	4,770,858
Current income tax liability	242,613	(22,342)	-	-	220,271	-	220,271
Deferred income tax liability	-	13,545	-	-	13,545	-	13,545
Loans and borrowings	15,374,818	2,774,606	1,148,901	-	19,298,325	(127,555)	19,170,769
Equity and reserves	6,977,322	1,038,056	3,877,255	105,099	11,997,732	1,431,011	13,428,744
Total liabilities and equity	42,503,610	4,372,927	13,157,723	778,847	60,813,107	(6,842,554)	53,970,553

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15.2.3 Condensed results of consolidated entities (Cont'd)

31 December 2019

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Condensed statement of profit or loss and other comprehensive income							
Gross earnings	18,265,298	2,387,355	2,586,320	193,641	23,432,614	1,526,048	24,958,662
Net operating income	5,711,511	2,387,355	2,355,538	193,641	10,648,045	(735,750)	9,912,295
Interest income	56,743	-	-	-	56,743	4,341	61,084
Investment income	1,235,739	-	-	-	1,235,739	-	1,235,739
Other operating income	248,119		230,782	-	478,901	-	478,901
Impairment charge	639	(79,780)	-	-	(79,141)	-	(79,141)
Depreciation and amortisation expense	(1,005,365)	(1,660,589)	(1,276,643)	-	(3,942,597)	-	(3,942,597)
Personnel expenses	(1,239,318)	(439,927)	-	(3,676)	(1,682,921)	-	(1,682,921)
Distribution expenses	(13,334)	(5,356)	-	-	(18,690)	-	(18,690)
Other operating expenses	(1,277,628)	(506,209)	(21,719)	(2,006)	(1,807,562)	-	(1,807,562)
Operating profit	**3,717,106**	**(304,506)**	**1,287,958**	**187,959**	**4,888,517**	**(731,409)**	**4,157,108**
Finance cost	(3,723,468)	-	-	-	(3,723,468)	-	(3,723,468)
Share of profit from joint venture	579,021	-	-	-	579,021	-	579,021
Profit/(loss) before tax	572,659	(304,506)	1,287,958	187,959	1,744,070	(731,409)	1,012,661
Income tax expense	(96,843)	23,604	-	-	(73,239)	-	(73,239)
Profit/(loss) after tax	475,816	(280,902)	1,287,958	187,959	1,670,831	(731,409)	939,422

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15.2.4 Condensed results of consolidated entities (Cont'd)

31 December 2019

Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Assets							
Cash and balances with banks	513,095	1,425,544	51,701	-	1,990,340	-	1,990,340
Loans and advances to customers	544,563	13,024	-	-	557,587	-	557,587
Finance lease receivables	2,988,108	102,712	-	-	3,090,820	-	3,090,820
At fair value through other comprehensive incom	5,562	-	-	-	5,562	-	5,562
Trade and other receivables	13,327,408	966,896	(7,032,246)	941,416	8,203,474	497,034	8,700,508
Other assets	7,251,771	292,376	-	-	7,544,147	-	7,544,147
Investment in subsidiaries	759,467		-	-	759,467	(759,467)	-
Investment in joint ventures	1,334,226		-	-	1,334,226	-	1,334,226
Deferred income tax assets	854,607		-	-	854,607	-	854,607
Intangible assets	-	23,190	-	-	23,190	-	23,190
Property,plant and equipment for lease	13,986,222	3,065,810	13,504,319	-	30,556,351	-	30,556,351
Property,plant and equipment own	1,232,294	346,895	-	-	1,579,189	-	1,579,189
Total assets	**42,797,323**	**6,236,447**	**6,523,774**	**941,416**	**56,498,960**	**(262,433)**	**56,236,527**
Liabilities and equity							
Balance due to banks	1,333,775	11,203	(31,981)	-	1,312,997	(329)	1,312,668
Commercial notes	14,303,470	29,585	-	-	14,333,055	-	14,333,055
Trade and other payables	5,518,432	809,641	764,492	846,937	7,939,502	(735,421)	7,204,081
Current income tax liability	96,843	88,336	-	-	185,179	-	185,179
Deferred income tax liability	-	88,146	-	-	88,146	-	88,146
Loans and borrowings	14,972,388	4,255,374	2,107,462	-	21,335,224	-	21,335,224
Equity and reserves	4,597,415	954,162	3,683,801	94,479	9,329,857	473,313	9,803,170
Total liabilities and equity	**40,822,323**	**6,236,447**	**6,523,774**	**941,416**	**54,523,960**	**(262,437)**	**54,261,523**

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	Group		Company	
	2020 N'000	2019 N'000	**2020 N'000**	2019 N'000
16. Investment in Joint Venture Investment accounted for using equity method - in Joint venture				
Sifax C&I Marine Limited	**1,230,160**	667,113	**1,230,160**	667,113
Sifax C&I Leasing Marine Limited S	**1,230,160**	667,113	**1,230,160**	667,113
	2,460,320	1,334,226	**2,460,320**	1,334,226

16.1 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 (Contract no B140133SDT and B180220SGA) awarded to the parties by the Nigeria LNG Limited.	Nigeria	**12,500,000**	**50%**
2) Sifax C&I Leasing Marine Ltd	Plant and Equipment leasing	Seychelle,East Africa	**1,708,889**	**50%**

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16.1a 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	
	2020 N'000	**2020 N'000**	**2020 N'000**	2019 N'000
Current assets	**2,756,442**	**374,223**	**3,130,665**	2,969,472
Non-current assets	**10,562**	**9,468,416**	**9,478,978**	10,208,605
Total assets	**2,767,004**	**9,842,639**	**12,609,643**	13,178,077
Current liabilities	**1,835,589**	**1,023,510**	**2,859,099**	3,350,832
Non-current liabilities	**-**	**5,401,351**	**5,401,351**	6,045,693
Total liabilities	**1,835,589**	**6,424,861**	**8,260,450**	9,396,525
Net assets	**931,415**	**3,417,778**	**4,349,193**	3,781,552
The following amounts have been included in				
Cash and cash equivalents	**1,900,377**	**-**	**1,900,377**	951,377
Current financial liabilities (excluding trade and other payables and provisions)	**-**	**1,021,230**	**1,021,230**	1,461,201
Non-current financial liabilities (excluding trade and other payables and provisions)	**-**	**5,401,351**	**5,401,351**	6,045,693

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	Sifax C&I Marine Ltd	Sifax C&I Leasing Marine Ltd Seychelles	Total	
	2020	**2020**	**2020**	2019
	N'000	**N'000**	**N'000**	N'000
Revenue	**2,675,565**	**2,218,744**	**4,894,309**	2,319,404
(Loss)/profit from contiuning operat	**(528,087)**	**1,290,595**	**762,508**	470,954
(Loss)/profit for the year	**(528,087)**	**1,290,595**	**762,508**	470,954
Other comprehensive (loss)/income for the year	**-**	**-**	**-**	-
Total comprehensive (loss)/profit for the year	**(528,087)**	**1,290,595**	**762,508**	470,954
The following amounts have been included in the amount above:				
Direct expenses	**(3,163,229)**	**(389,800)**	**(3,553,029)**	(1,470,738)
Other income	**-**	**-**	**-**	42,963
Depreciation expense	**(5,250)**	**(535,690)**	**(540,940)**	(256,288)
Administrative expenses	**22,787**	**(2,280)**	**20,507**	(164,580)

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16.1b Reconciliation of the summarised financial information to the carrying amount of the interest in the joint venture recognised in the Group's financial statements:

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
Net assets of the joint ventures	**4,349,193**	3,781,552	**4,349,193**	3,781,552
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	**2,174,597**	1,890,776	**2,174,597**	1,890,776
Inter company's balances	**285,723**	(556,550)	**285,723**	(556,550)
Carrying amount of the	**2,460,320**	1,334,226	**2,460,320**	1,334,226
16.1c Movement in investment in joint ventures				
At 1 January	**1,890,776**	755,205	**1,890,776**	755,205
Less: Prior year inter	**(556,550)**	-	**(556,550)**	-
Share of (loss)/profit in	**381,254**	579,021	**381,254**	579,021
Total investment holding by C & I Leasing Plc	**1,715,480**	1,334,226	**1,715,480**	1,334,226
Add:				
Management and operational fee from Joint Venture	**105,162**	556,550	**105,162**	556,550
Other inter company's balances	**353,955**	**-**	**353,955**	**-**
At 31 December	**2,174,597**	1,890,776	**2,174,597**	1,890,776

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	Group	Company
	N'000	N'000
17. Intangible assets		
Computer software		
Cost:		
At 1 January 2019	**221,548**	**163,267**
Additions during the period	332	-
Exchange difference	(8,715)	-
At 31 December 2019	213,165	163,267
At 1 January 2020	**213,165**	**163,267**
Addition during the period	**98**	-
Exchange difference	**(32,318)**	-
At 31 December 2020	**180,945**	163,267
Accumulated amortisation and impairment:		
At 1 January 2019	**176,379**	**159,509**
Amortisation charge for the period	5,180	3,758
Exchange difference	8,416	-
At 31 December	**189,975**	**163,267**
At 1 January 2020	**189,975**	**163,267**
Amortisation charge for the period	**817**	-
Exchange difference	**(10,278)**	-
At 31 December 2020	**180,514**	**163,267**
Carrying amount:		
At 31 December 2020	**431**	**-**
At 1 January 2020	23,190	-

17a Amortisation charged in the year is included in other operating expenses.

17b The software is not internally generated.

17c No impairment charge on intangible asset during the period.

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18. Plant and equipment for lease-Group

	Autos and trucks	Office equipment	Marine equipment	Constru-ction in progress	Cranes	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost:						
At 1 January 2019	**12,348,970**	**34,125**	**32,140,553**	**92,871**	**374,875**	**44,991,394**
Additions	2,141,819	2,731	569,267	1,221,171	-	3,934,988
Disposal	(694,354)	-	-	-	-	(694,354)
Exchange difference	(1,026,521)	-	179,239	(92,872)	(9,727)	(949,881)
At 31 December 2019	**12,769,914**	**36,856**	**32,889,059**	**1,221,170**	**365,148**	**47,282,147**
At 1 January 2020	**12,769,914**	**36,856**	**32,889,059**	**1,221,170**	**365,148**	**47,282,147**
Additions	**2,421,713**	**-**	**1,155,130**	**2,000,486**	**-**	**5,577,329**
Disposal	**(942,148)**	**-**	**-**	**-**	**-**	**(942,148)**
Transfer to EPIC International FZE	**-**	**-**	**-**	**-**	**-**	**-**
Exchange difference	**142,678**	**-**	**884,731**	**(545,017)**	**(55,135)**	**427,257**
At 31 December 2020	**14,392,157**	**36,856**	**34,928,920**	**2,676,639**	**310,013**	**52,344,585**
Accumulated depreciation						
At 1 January 2019	**8,011,741**	**27,464**	**5,967,409**	**-**	**298,056**	**14,304,670**
Charge in the period	1,931,590	2,864	1,752,605	-	19,189	3,706,248
Transferred (Note iii)	-	-	-	-	-	-
Disposals	(643,568)	-	-	-	-	(643,568)
Exchange difference	(659,238)	-	27,265	-	(9,581)	(641,554)
At 31 December 2019	**8,640,525**	**30,328**	**7,747,279**	**-**	**307,664**	**16,725,796**
At 1 January 2020	**8,640,525**	**30,328**	**7,747,279**	**-**	**307,664**	**16,725,796**
Charge in the period	**599,152**	**2,740**	**1,818,162**	**-**	**1,389,979**	**3,810,033**
Disposals	**(894,864)**	**-**	**-**	**-**	**-**	**(894,864)**
Transfer to EPIC Internat	**-**	**-**	**-**	**-**	**-**	**-**
Exchange difference	**1,399,606**	**-**	**97,595**	**-**	**(1,424,645)**	**72,556**
At 31 December 2020	**9,744,419**	**33,068**	**9,663,036**	**-**	**272,998**	**19,713,521**
Carrying amount:						
At 31 December 2020	**4,647,738**	**3,788**	**25,265,884**	**2,676,639**	**37,015**	**32,631,064**
At 1 January 2020	4,129,389	6,528	25,141,780	1,221,170	57,484	30,556,351

i) Depreciation charge of N3,810,032,777 (Dec 2019: N3,706,247,889) is included in administrative expenses in the statement of profit or loss and other comprehensive income.

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

iii) This represents transferred from one of the Company's Subsidiaries Epic International FZE during the period.

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18 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 2019	5,231,199	34,125	7,307,541	-	310,013	12,882,878
Additions	455,555	2,731	103,607	381,441	-	943,334
Transfer to EPIC International FZE	-	-	11,027,084	-	-	11,027,084
Disposals	(190,525)	-	-	-	-	(190,525)
At 31 December 2019	5,496,229	36,856	18,438,232	381,441	310,013	24,662,771
At 1 January 2020	5,496,229	36,856	18,438,232	381,441	310,013	24,662,771
Additions	**1,962,887**	**-**	**1,155,130**	**2,000,486**	**-**	**5,118,503**
Disposals	**(199,633)**	**-**	**-**	**-**	**-**	**(199,633)**
Transfer to EPIC International FZE	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	7,259,483	36,856	19,593,362	2,381,927	310,013	29,581,641
Accumulated depreciation:						
At 1 January 2019	4,166,362	27,468	2,687,650	-	233,400	7,114,880
Charge for the period	456,750	2,864	475,736	-	19,189	954,539
Transfer to EPIC International FZE	-	-	2,797,655	-	-	2,797,655
Disposals	(190,525)	-	-	-	-	(190,525)
At 31 December 2019	4,432,587	30,332	5,961,041	-	252,589	10,676,549
At 1 January 2020	4,432,587	30,332	5,961,041	-	252,589	10,676,549
Charge for the period	**599,152**	**2,740**	**1,044,364**	**-**	**20,406**	**1,666,662**
Disposals	**(199,408)**	**-**	**-**	**-**	**-**	**(199,408)**
Transfer to EPIC International FZE	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	4,832,331	33,072	7,005,405	-	272,995	12,143,803
Carrying amount:						
At 31 December 2020	2,427,152	3,784	12,587,957	2,381,927	37,018	17,437,838
At 1 January 2020	1,063,642	6,524	12,477,191	381,441	57,424	13,986,222

i) Depreciation charge of N1,666,661,499 (December 2019: N954,764,035) is included in administrative expenses in the statement of profit or loss and other comprehensive income.
ii) No impairment charge on plant and equipment during the period.
iii) This represents transferred from one of the Company's Subsidiaries Epic International FZE during the period.

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19 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 2019	1,084,218	90,138	360,657	59,181	11,133	-	462,649	789,131	77,239	2,934,346
Additions	176,460	8,902	41,060	2,329	-	-	1,335		-	230,086
Reclassification	-	-	-	-	-	-	-	77,239	(77,239)	-
Disposals	(72,525)	(522)	(3,986)	-	-	-	-	-	-	(77,033)
Exchange difference	(120,553)	(2,180)	(5,353)	-	-	-	7,583	(5,636)	-	(126,139)
At 31 December 2019	1,067,600	96,338	392,378	61,510	11,133	-	471,567	860,734	-	2,961,260
At 1 January 2020	1,067,600	96,338	392,378	61,510	11,133	-	471,567	860,734	-	2,961,260
Additions	**-**	**2,117**	**17,323**	**-**	**-**	**140**	**-**	**-**	**-**	**19,580**
Reclassified	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals	**(101,600)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(101,600)**
Exchange difference	**38,502**	**928**	**59,064**	**34,834**	**-**	**9,337**	**(8,918)**	**1,505**	**-**	**135,252**
At 31 December 2020	1,004,502	99,383	468,765	96,344	11,133	9,477	462,649	862,239	-	3,014,492
Accumulated depreciation:										
At 1 January 2019	727,044	72,641	297,289	38,532	2,227	-	165,333	-	-	1,303,066
Charge for the period	179,677	7,822	26,262	6,208	2,227	-	8,971	-	-	231,167
Disposal in the period	(60,060)	(568)	(4,337)	-		-	-	-	-	(64,965)
Exchange difference	(82,131)	(1,668)	(4,132)	-	-	-	732	-	-	(87,199)
At 31 December 2019	764,530	78,227	315,082	44,740	4,454	-	175,036	-	-	1,382,069
At 1 January 2020	764,530	78,227	315,082	44,740	4,454	-	175,036	-	-	1,382,069
Charge for the period	**131,534**	**6,933**	**27,605**	**17,817**	**2,227**	**1,764**	**7,987**	**-**	**-**	**195,867**
Disposal in the period	**(100,433)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(100,433)**
Reclassified	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exchange difference	**27,402**	**522**	**58,931**	**11,765**	**-**	**6,875**	**(6,527)**	**-**	**-**	**98,968**
At 31 December 2020	823,033	85,682	401,618	74,322	6,681	8,639	176,496	-	-	1,576,471
Carrying amount:										
At 31 December 2020	181,469	13,701	67,147	22,022	4,452	838	286,153	862,239	-	1,438,021
At I January 2020	303,070	18,111	77,296	16,770	6,679	-	296,531	860,734	-	1,579,191

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 N195,867,004 (December 2019: N231,168,396) is included in administrative expenses 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 period.

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19. 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	Construction in progress N'000	Total N'000
Valuation/Cost									
At 1 January 2019	262,770	75,603	324,959	59,181	11,133	462,649	751,543	77,239	2,025,077
Additions	-	6,386	33,799	2,329	-	-	-	-	42,514
Reclassification	-	-	-	-	-	-	77,239	(77,239)	-
Disposal	(11,600)	-	-	-	-	-	-	-	(11,600)
At 31 December 2019	251,170	81,989	358,758	61,510	11,133	462,649	828,782	-	2,055,991
At 1 January 2020	251,170	81,989	358,758	61,510	11,133	462,649	828,782	-	2,055,991
Additions	-	2,117	16,121	-	-	-	-	-	18,238
Revaluation surplus	-	-	-	-	-	-	-	-	-
Disposal in the year	(22,200)	-	-	-	-	-	-	-	(22,200)
At 31 December 2020	228,970	84,106	374,879	61,510	11,133	462,649	828,782	-	2,052,029
Accumulated depreciation									
At 1 January 2019	253,122	62,486	271,214	38,532	2,227	160,873	-	-	788,454
Charge for the period	4,720	5,459	20,592	6,209	2,227	7,636	-	-	46,843
Disposal in the period	(11,600)	-	-	-	-	-	-	-	(11,600)
At 31 December 2019	246,242	67,945	291,806	44,741	4,454	168,509	-	-	823,697
At 1 January 2020	246,242	67,945	291,806	44,741	4,454	168,509	-	-	823,697
Charge for the period	1,397	5,284	22,648	6,414	2,227	7,987	-	-	45,957
Disposal in the period	(22,200)	-	-	-	-	-	-	-	(22,200)
At 31 December 2020	225,439	73,229	314,454	51,155	6,681	176,496	-	-	847,454
Carrying amount									
At 31 December 2020	3,531	10,877	60,425	10,355	4,452	286,153	828,782	-	1,204,575
At 31 December 2019	4,928	14,044	66,952	16,769	6,679	294,140	828,782	-	1,232,294

i) Depreciation charge of N45,956,666 (December 2019: N46,842,650) 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 period.

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	Group		Company	
	2020 N'000	2019 N'000	**2020 N'000**	2019 N'000
20. Balance due to banks (Note 20.1)	**928,135**	1,311,860	**918,761**	1,333,775
20.1 Analysis of bank overdrafts is as follows:				
First City Monument Bank Plc	**15,010**	580	**15,010**	580
Access Bank Plc	**40,952**	129,788	**40,952**	129,788
Access bank (formerly Diamond Bank Plc)	**364,023**	664,462	**364,023**	696,443
Stanbic Facility Account	**-**	1,128	**-**	1,128
First Security Discount House	**-**	82	**-**	82
Citi Bank	**-**	31	**-**	31
Fidelity Bank Plc	**498,776**	497,653	**498,776**	497,653
Zenith Bank Plc	**1,166**	8,070	**-**	8,070
United Bank for Africa Ghana	**-**	4,462	-	-
Intercontinental Bank - Cedi	**8,208**	6,412	**-**	-
	928,135	1,311,860	**918,761**	1,333,775

20.2 These are current accounts overdrawn during the period/year by the Group.

	Group		Company	
21. Commercial notes				
Institutional clients	**4,290,820**	3,983,653	**4,300,783**	3,984,661
Individual clients	**11,147,413**	10,349,403	**11,137,449**	10,318,809
	15,438,233	14,333,056	**15,438,232**	14,303,470
21.1 Analysis of commercial notes by tenure				
Current	**15,438,232**	14,333,056	**15,438,232**	14,303,470
Non-current	**-**	-	**-**	-
	15,438,232	14,333,056	**15,438,232**	14,303,471

21.2 These are commercial papers borrowed by the Group during the period/year from individuals and institutions.

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
22. Trade and other payables				
Accounts payable	**3,415,526**	4,428,461	**2,691,217**	3,370,201
Accrued expenses	**417,491**	890,772	**74,347**	536,527
Dividend Payable	**11,301**	13,420	-	**-**
Witholding Taxes Payable	**199,910**	437,954	**177,421**	437,130
Value Added Tax (VAT) Payable	**163,320**	442,913	**101,894**	270,328
Other Statutory deductions (PAYE,NSIT etal)	**196,136**	202,752	**153,420**	116,437
Advance payment received on account	**297,559**	737,202	**297,559**	737,202
Deferred rental income	**17,132**	24,387	**3,520**	24,387
Defined contribution pension plan (Note 22.1)	**43,401**	20,991	**43,401**	20,991
Other payables	**9,085**	5,229	**9,085**	5,229
Total trade and other payables	**4,770,861**	7,204,081	**3,551,864**	5,518,432
22.1 Defined contribution pension plan				
At 1 January	**20,991**	54,251	**20,991**	54,251
Contributions in the period/year (Note 43)	**165,338**	296,941	**157,657**	296,941
Remittances	**(142,928)**	(330,201)	**(135,247)**	(330,201)
At 31 December	**43,401**	20,991	**43,401**	20,991

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

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
23. Taxation				
23.1 Income tax expense				
Income tax	**122,099**	52,314	**102,478**	75,918
Education tax	**24,176**	15,184	**24,176**	15,184
Technology tax	**4,193**	5,712	**4,193**	5,712
Police Trust Fund Levy	**21**	29	**21**	29
Capital gain tax	**18,401**	-	**18,401**	-
Current income tax	**168,890**	73,239	**149,269**	96,843
Deferred tax charge (Note 23.4)	**-**	-	**-**	-
Income tax expense	**168,890**	73,239	**149,269**	96,843
Reconciliation of effective tax rate				
The income tax expense for the period can be reconciled to the				
Profit before tax	**490,128**	1,012,661	**419,331**	572,659
Tax calculated using the domestic corporation tax rate of 30%	**145,125**	303,798	**125,799**	171,797
Effect of tax rates in foreign jurisdictior	**-**	(155,606)	**-**	-
Tax income exempt	**992,552**	-	**992,552**	-
Non-deductible expenses	**(594,160)**	-	**(594,160)**	-
Effect of education tax levy	**24,176**	15,184	**24,176**	15,184
Effect of technology tax levy	**4,193**	5,712	**4,193**	5,712
Effect of minimum tax	**102,478**	-	**102,478**	-
Effect of police trust fund levy	**21**	29	**21**	29
Effect of disposal of items of PPE	**18,401**	-	**18,401**	-
Tax reliefs	**(523,896)**	(95,878)	**(524,191)**	(95,879)
Total income tax expense	**168,890**	73,239	**149,269**	96,843
23.2 Current income tax liability				
At 1 January	**185,180**	144,494	**96,843**	85,559
Charge in the period (Note 23.1)	**168,890**	185,179	**149,269**	96,843
Payments	**(175,198)**	(144,493)	**(3,499)**	(85,559)
Exchange difference	**41,399**	-	**-**	-
At 31 December	**220,271**	185,180	**242,613**	96,843
23.3 Current income tax assets				
At 1 January	**-**	-	**-**	-
At 31 December	**-**	-	**-**	-

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
23.4 Deferred tax assets				
At the end	**(854,607)**	(854,607)	**(854,607)**	(854,607)
23.4.1 Analysis of deferred tax assets				
Property, plant and equipment	**(854,607)**	(854,607)	**(854,607)**	(854,607)
23.5 Deferred tax liability				
At 1 January	**88,146**	129,214	**-**	-
Charge in the period (Note 23.1)	**-**	-	**-**	-
Exchange difference	**(74,601)**	(41,068)	**-**	-
At 31 December	**13,545**	88,146	**-**	-
24. Deposit for shares (Convertible)				
At 1 January	**1,975,000**	1,975,000	**1,975,000**	1,975,000
Exchange difference	**-**	-	**-**	-
At 31 December	**1,975,000**	1,975,000	**1,975,000**	1,975,000

24.1 This represents US$12,486,143.09 unsecured variable coupon convertible notes issued to Aureos Africa Fund L.L.C. (now wholly owned by Abraaj Advisers Nigeria Limited) on 11 January 2010 for a period of five years.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. At 31 December, the Company intended to convert the loan notes to its equity and had elected to include the notes in equity as deposit for shares. The amount outstanding at 31 December is US$10,000,000 (31 Dec 2019: US$10,000,000).

The Company and Aureos Africa Fund L.L.C. in August 2016 agreed to a fixed exchange rate of N197.50 to US$1 while the number of ordinary shares at conversion was also agreed at 987 million ordinary shares.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
25. Loans and borrowings				
Secured amounts:				
Term loans (Note 25.1)	**8,819,019**	7,632,251	**7,797,674**	5,717,862
Finance lease facilities (Note 25.2)	**6,475,584**	7,976,819	**3,700,979**	3,660,159
Redeemable bonds (Note 25.3)	**3,876,165**	5,726,157	**3,876,165**	5,594,367
Total borrowed fund	**19,170,768**	21,335,227	**15,374,818**	14,972,388

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
25.1 Term loans				
First City Monument Bank Plc (Note 25.1.2)	**10,470**	1,124,158	**10,470**	1,124,158
Gorinchem, The Netherlands (Note 25.1.3)	**1,148,901**	2,107,462	**-**	-
Financial Derivative Company Limited (Note 25.1.4)	**1,812,973**	1,451,251	**1,812,973**	1,451,251
Bank of industry (Note 25.1.5)	**3,683,350**	2,213,351	**3,683,350**	2,213,351
Secured lease notes (Note 25.1.6)	**2,163,325**	736,029	**2,290,881**	929,102
	8,819,019	7,632,251	**7,797,674**	5,717,862
25.1.1 Analysis of term loans by tenure				
Current	**1,655,423**	1,432,654	**2,026,063**	1,485,667
Non-current	**7,163,596**	6,199,597	**5,771,611**	4,232,195
	8,819,019	7,632,251	**7,797,674**	5,717,862

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

25.1.3 B.V. Scheepswerf Damen Gorinchem, The Netherlands
Facility represents US $22,185,680 term loan secured from B.V. Scheepswerf Damen Gorinchem, The Netherlands, for a period of five years. The interest on the loan is 4.8% per annum. The facility is required to enable the Company meets its financial obligations on new boat acquisition. The facility was obtained by EPIC International FZE, U.A.E. The loan stood at $2,918,758 as at 31 December, 2020

25.1.4 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.

25.1.5 Bank of Industry
On the 8th of February 2017 C & I Group had entered into financing agreement with Bank of Industry limited (Nigeria) for Long term Loan of $11,880,000 for acquisition of Epic Vessel. The loan is payable in five years inclusive of six months moratorium period. Rate of interest is 6% per annum. Loan is secured by bank guarantee from First City Monument Bank Plc.

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

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
25.2 Finance lease facilities				
Acess Bank (formerly Diamond Bank Plc) (Note 25.2.2)	**1,226,912**	1,492,860	**1,226,912**	1,492,860
Stanbic IBTC Bank (Note Note 25.2.3)	**778,575**	1,275,180	**289,066**	435,284
First Bank of Nigeria Ltd (Note 25.2.4)	**-**	312	**-**	312
Barclays Bank Ghana (Note 25.2.5)	**851,195**	1,284,497	**-**	-
Standby Letter of Credit-FCMB	**26,582**	292,201	**26,582**	292,201
FSDH Merchant Bank Ltd	**556,626**	856,508	**556,626**	856,508
WSTC FIN Serv	**502,459**		**502,459**	-
Growth & Development Ltd	**217,778**	-	**217,778**	-
Intercontinental Bank, Ghana	**-**	16,465	**-**	-
Fidelity Bank Ltd	**-**	222,140	**-**	222,140
Lotus Capital	**831,075**	291,504	**831,075**	291,504
Union Bank Plc	**50,480**	69,350	**50,480**	69,350
Others (Note 25.2.6)	**842,118**	2,175,802	**-**	-
	6,475,584	7,976,819	**3,700,979**	3,660,159
25.2.1 Analysis of finance lease facilities by tenure				
Current	**3,144,929**	3,874,018	**1,851,618**	1,831,196
Non-current	**3,330,655**	4,102,801	**1,849,360**	1,828,963
	6,475,584	7,976,819	**3,700,978**	3,660,159

25.2.2 Access Bank Plc (formerly Diamond Bank Plc)

Facility represents N1.8 billion term loan secured from Access Bank Plc (former Diamond Bank Plc) for a period of 48 months and renew annually to finance lease contracts. The interest is 15% per annum. The loan is secured by the vehicles purchased with the loan.

25.2.3 Stanbic IBTC Bank Plc

Facility represents N700 million finance lease facility secured from Stanbic IBTC Bank Limited in February 2010 for a period of three years. The interest on the facility is 15% per annum. The facility was secured by legal ownership of assets finance under the lease contract.

25.2.4 First Bank of Nigeria Limited

This facility represents N2 billion equipment lease facility secured from First Bank of Nigeria Limited on 10 February 2011 for a period of four years. The interest on the facility is 18% per annum. The facility was secured by corporate guarantee of C&I Leasing Plc. This loan has been fully paid as at 31 December 2020.

25.2.5 Barclays Bank of Ghana

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

25.2.6 Included in the amount is N1,254,304,725 OIKO Credit facility, N762,390,164 United bank of Africa Dollar loans and others.

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
25.3 Redeemable bonds				
FSDH Merchant Bank Ltd (Note 25.3.2)	**-**	283,745	**-**	151,955
Fixed rate 5 years senior secured bond (Note 25.4.3)	**3,876,165**	5,442,412	**3,876,165**	5,442,412
	3,876,165	5,726,157	**3,876,165**	5,594,367
25.3.1 Analysis of redeemable bonds by tenure				
Current	**1,132,268**	1,108,676	**1,132,268**	804,058
Non-current	**2,743,897**	4,617,481	**2,743,897**	4,790,309
	3,876,165	5,726,157	**3,876,165**	5,594,367

25.3.2 FSDH Merchant Bank Ltd

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

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

25.3.3 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**

b) Note

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.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
25.4 Movement in loans and				
At 1 January	**21,335,227**	21,825,128	**14,972,388**	12,052,229
Proceeds of new loans during the year	**2,608,470**	12,055,316	**2,120,632**	17,966,561
Repayment of loans during the year	**(5,217,169)**	(13,236,141)	**(1,718,202)**	(15,046,403)
Exchange difference	**444,240**	690,924	**-**	-
At 31 December	**19,170,768**	21,335,227	**15,374,818**	14,972,388

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
26. Share capital				
26.1 Authorised share capital				
3,000,000,000 ordinary shares of 50k each	**1,500,000**	1,500,000	**1,500,000**	1,500,000
26.2 Issued and fully paid				
781,646,167 (December 2019: 404,252,000) ordinary shares of 50k each				
At 1 January	**202,126**	202,126	**202,126**	202,126
Issued during the year	**188,697**	-	**188,697**	-
At 31 December	**390,823**	202,126	**390,823**	202,126
26.3 Share premium				
At 1 January	**1,285,905**	1,285,905	**1,285,905**	1,285,905
Issued during the period/year less cost	**2,075,704**	-	**2,075,704**	-
At 31 December	**3,361,609**	1,285,905	**3,361,609**	1,285,905

26.4 At the extra ordinary meeting of the Company held on 5 December, 2017, a right issue of 377,393,667 of ordinary shares was issued at N6 per share was approved. The CBN approved 16 June 2019 while SEC on 25 October, 2019.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
27. Retained earnings				
At 1 January	**3,224,284**	2,767,444	**682,945**	769,603
Dividend declared and paid	**(156,329)**	(30,319)	**(156,329)**	(30,319)
Profit for the year	**310,508**	1,019,311	**270,062**	475,813
Transfer to statutory reserve (Note 28)	**(27,250)**	(47,581)	**(27,006)**	(47,581)
Transfer from/(to) statutory credit reserve (Note 29)	**232,525**	(484,571)	**219,474**	(484,571)
At 31 December	**3,583,738**	3,224,284	**989,146**	682,945
28. Statutory reserve				
At 1 January	**1,234,788**	1,187,207	**846,763**	799,182
Transfer from retained earnings (Note 27)	**27,250**	47,581	**27,006**	47,581
At 31 December	**1,262,038**	1,234,788	**873,769**	846,763

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28.1 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 CAP B3 LFN 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	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
29. Statutory credit reserve				
At 1 January	**858,253**	373,682	**858,253**	373,682
Transfer (to)/from retained earnings (Note 27)	**(232,525)**	484,571	**(219,474)**	484,571
At 31 December	**625,728**	858,253	**638,779**	858,253

29.1 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	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
29.2 Summary analysis of IFRS and prudential impairment allowance				
29.2.1 Analysis of IFRS impairment losses				
Loans and advances (Note 10.1)	**1,764**	1,764	**1,764**	1,764
Lease rental due (Note 10.2)	**12,107**	13,137	**12,107**	13,137
Finance lease receivables (Note 11)	**4,666**	15,140	**4,666**	15,140
Trade and other receivables (Note 13)	**132,455**	263,162	**92,017**	263,162
Receivable from related companies (Note 13.1)	**1,424**	55,077	**24,177**	55,077
Other Assets (Note 14)	**35,918**	253,509	**35,918**	253,509
Inventories (Note 14.1)	**52,074**	52,074	**52,074**	52,074
Total IFRS impairment losses	**240,408**	**653,863**	**222,723**	653,863

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
29.2.2 Analysis of provision for loan losses per prudential guidelines				
Loans and advances	**17,652**	17,652	**17,652**	17,652
Lease rental due	**26,451**	26,526	**26,451**	26,526
Finance lease receivables	**8,100**	30,087	**3,466**	30,087
Trade and other receivables	**344,923**	441,150	**344,923**	441,150
Receivable from related companies	**61,515**	55,077	**61,515**	55,077
Other Assets	**355,420**	515,959	**355,420**	515,959
Inventories	**52,075**	**52,075**	**52,075**	52,075
Total prudential provision for losses	**866,136**	**1,138,526**	**861,502**	1,138,526
Statutory credit reserve company only	**625,728**	**484,663**	**638,779**	484,663
30. Foreign currency translation reserve				
At 1 January	**2,020,101**	2,978,402	-	-
Gain/(loss) arising in the year	**836,041**	(958,301)	-	-
At 31 December	**2,856,142**	2,020,101	**-**	-

30.1 This represents net exchange difference arising from translation of reserve balances of foreign entity at the CBN secondary market intervention (SMIS) window rate.The rate used in prior year was the CBN official rate.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
31. Fair value reserve				
At 1 January	**4,933**	5,161	**4,933**	5,161
Loss arising in the year (Note 12.3)	**1,773**	(228)	**1,773**	(228)
At 31 December	**6,706**	4,933	**6,706**	4,933

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

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
32. Revaluation reserve				
At 1 January	**716,490**	716,490	**716,490**	716,490
Arising during the year	**-**	-	**-**	-
At 31 December	**716,490**	716,490	**716,490**	716,490

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32.1 Revaluation reserve relates to surplus arising from the revaluation of land and buildings included in property, plant and equipment. No revaluation was carried out as at the end of the reporting year.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
33. Non-controlling interest				
At 1 January	**256,294**	336,185	**-**	-
Share of profit/(loss) for the year	**8,727**	(79,891)	**-**	-
Share of dividend	**(602)**	-	**-**	-
Share of credit risk transfer	**1,903**	-	**-**	-
Share of transfer to statutory reserve for the year	**100**	-	**-**	-
Share of translation gain for the year	**359,044**	-	**-**	-
At 31 December	**625,466**	256,294	**-**	-
34. Lease income				
Finance lease interest income	**14,513,900**	20,466,757	**11,016,264**	13,640,705
Rental income on plant and equipment for lease	**1,557,737**	1,863,993	**31,692**	1,367,037
	16,071,637	22,330,750	**11,047,956**	15,007,742
35. Lease expenses				
Operating lease maintenance expense	**236,343**	3,784,616	**160,031**	684,109
Finance lease assets maintenance	**5,685,252**	6,304,314	**5,525,322**	9,352,386
Lease insurance expense	**532,188**	526,853	**304,632**	304,899
	6,453,783	10,615,783	**5,989,985**	10,341,394
36. Outsourcing income				
a) Outsourcing rental	**10,576,344**	8,533,765	**10,576,344**	8,533,765
b) Outsourcing service expense	**(8,973,914)**	(7,532,511)	**(8,973,914)**	(7,506,549)
Net outsourcing income	**1,602,430**	1,001,254	**1,602,430**	1,027,216
37. Tracking and tagging income				
a) Tracking income	**178,123**	79,187	**178,123**	110,718
b) Tracking expenses	**(54,138)**	(61,240)	**(54,138)**	(92,771)
Net tracking and tagging income	**123,985**	17,947	**123,985**	17,947

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
38. Interest income				
Placements with banks	**109,796**	180,897	**17,593**	35,366
Loan to EPIC FZE, Dubai	**-**	-	**-**	-
Sinking fund investment on Redeemable Bond	**-**	21,377	**-**	21,377
	109,796	202,274	**17,593**	56,743
39. Investment income				
Gain on sale of finance lease assets	**-**	110,591	**-**	110,591
Gain on sale of plant and equipment for lease (Note 39.1)	**175,769**	128,323	**-**	39,113
Gain on sale of property,plant and equipment (Note 39.2)	**206,206**	23,115	**206,206**	1,220
Capital income	**-**	-	**-**	**-**
Investment income	**76,067**	-	**76,067**	-
Dividends received from EPIC FZE and C&I FZE	**4,101**	-	**575,009**	735,749
Management and operational fee from Joint Venture	**105,162**	**-**	**105,162**	**-**
Management fee from C&I FZE	**-**	**-**	**155,436**	**349,066**
	567,305	262,029	**1,117,880**	1,235,739
39.1 Gain on sale of plant and equipment for lease				
Gross value	**942,148**	694,354	**199,633**	190,525
Accumulated depreciation	**(894,864)**	(643,568)	**(199,408)**	(190,525)
Carrying amount	**47,284**	50,786	**225**	-
Proceeds from sale	**223,053**	179,109	**(225)**	39,113
Profit/(loss) on disposal	**175,769**	128,323	**-**	39,113
39.2 Gain on sale of property, plant and equipment				
Gross value	**101,600**	77,033	**22,200**	11,600
Accumulated depreciation	**(100,433)**	(64,965)	**(22,200)**	(11,600)
Carrying amount	**1,167**	12,068	**-**	-
Proceeds from sale	**207,373**	35,183	**206,206**	1,220
Profit/(loss) on disposal	**206,206**	23,115	**206,206**	1,220

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
40. Other operating income				
Insurance claims received	**4,518**	10,614	**4,518**	10,614
Insurance income on finance leases	**5,450**	1,884	**5,450**	1,884
Credit balances written back	**-**	74,710	**-**	-
Rent received	**20,800**	19,200	**20,800**	19,200
Foreign exchange gain	**125,967**	86,840	**111,062**	-
Profit from the Vehicle Importation/ Commission income	**-**	238,962	**-**	150,382
Miscellanous Income	**349,405**	71,938	**222,441**	66,039
	506,140	504,148	**364,271**	248,119
41. Impairment charges / (write-back)				
41.1 Impairment loss per statement of profit or loss and other comprehensive income:				
Loans and advances (Note 10.1c)	**-**	1,361	**-**	1,361
Finance lease receivables not due for recovery (Note 11.2)	**(10,473)**	82	**(10,473)**	82
Lease rental due for recovery (Note 10.2a)	**(1,030)**	-	**(1,030)**	-
Trade and other receivables (Note 13.2)	**(24,912)**	84,347	**(24,912)**	4,567
Receivable from related companies (Note 13.1)	**(30,900)**	-	**(30,900)**	4,340
Other assets (Note 14.3)	**20,812**	(10,989)	**20,812**	(10,989)
Inventories (Note 14.1)	**49,207**	-	**-**	-
Dormant bank balances	**502**	-	**502**	-
	3,206	74,801	**(46,001)**	(639)
42. Depreciation and amortization expense				
42.1 Depreciation expenses:				
Plant and equipment for lease	**3,810,033**	3,706,248	**1,666,661**	954,764
Property,plant and equipment	**195,867**	231,168	**45,957**	46,843
Right of use assets	**-**	-	**-**	-
42.2 Amortisation of intangible assets:				
Computer software	**817**	5,180	**-**	3,758
	4,006,717	3,942,596	**1,712,618**	1,005,365

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
43. Personnel expenses				
Salaries and allowances	**1,026,764**	1,390,771	**940,098**	1,009,784
Pension contribution expense (Note 22.1)	**165,338**	74,013	**157,657**	67,217
Training and medical	**94,507**	143,470	**82,251**	87,648
Staff Performance Bonus	**-**	25,843	**-**	25,843
Other Staff costs	**90,357**	48,826	**37,238**	48,826
	1,376,966	1,682,923	**1,217,244**	1,239,318
44. Distribution expenses				
Advertising	**17,378**	18,690	**16,244**	13,334
	17,378	18,690	**16,244**	13,334
45. Other operating expenses				
Auditors' remuneration	**35,123**	33,102	**27,034**	24,800
Directors' emoluments	**133,332**	62,741	**90,200**	45,005
Foreign exchange loss	**182,161**	(62,361)	**180,897**	(62,361)
Bank charges	**218,091**	300,515	**190,283**	251,276
Fuel and maintenance	**188,251**	102,614	**45,908**	99,680
Insurance	**104,447**	83,895	**104,447**	83,895
Public relations	**4,040**	11,187	**4,040**	11,187
Travel and entertainment	**91,775**	207,675	**85,172**	186,584
Legal and professional expenses	**228,688**	319,362	**215,535**	276,069
Communications	**110,154**	132,862	**93,892**	107,908
Subscriptions	**76,342**	120,021	**67,770**	110,296
Loss on sale of FVOCI financial assets (Note 45.1)	**-**	15,565	**-**	15,565
Levies	**6,201**	12,487	**5,711**	11,767
Rent - Office	**49,957**	56,023	**23,011**	32,581
Printing and stationery	**6,435**	24,108	**6,195**	16,089
Electricity and other expenses	**29,394**	32,216	**28,861**	30,845
Security expenses	**21,490**	24,946	**21,490**	24,880
Other administrative expenses	**49,770**	330,603	**10,160**	11,562
	1,535,651	1,807,561	**1,200,606**	1,277,628
45.1 Loss on sale of FVTOCI financial assets				
Gross value	**-**	23,925	**-**	23,925
Fair value reserve	**-**	(3,662)	**-**	(3,662)
Net fair value	**-**	20,263	**-**	20,263
Proceeds from sale	**-**	4,698	**-**	4,698
Profit/(loss) on disposal	**-**	(15,565)	**-**	(15,565)

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
46. Finance Costs				
Finance lease	**2,141,852**	1,747,157	**808,476**	854,128
Commercial notes	**1,973,722**	1,725,595	**1,973,722**	1,725,595
Term loans interest	**251,535**	48,197	**251,535**	48,197
Bank of Industry	**113,377**	13,408	**113,377**	13,408
Redeemable bonds	**998,232**	1,082,140	**998,232**	1,082,140
B.V. Schweepswerf Damen loan	**-**	1,125,911	-	-
	5,478,718	5,742,408	**4,145,342**	3,723,468

47. Earnings per share

Earnings per share (EPS) - basic, have been computed for each period 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. There were no potential dilutive shares in the period ended December 2020 (December 2019 : Nil).

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
Profit after taxation	**310,508**	1,019,313	**270,062**	475,816
	Number	Number	**Number**	Number
Number of shares at period end	**781,646**	404,252	**781,646**	404,252
Time weighted average number of shares in issue	**781,646**	404,252	**781,646**	404,252
Diluted number of shares	**781,646**	404,252	**781,646**	404,252
Earnings per share (EPS) (kobo) - basic	**40**	252	**35**	118
Earnings per share (EPS) (kobo) - diluted	**40**	252	**35**	118

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	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
48. Information regarding Directors and employees				
48.1 Directors				
48.1.1 Directors' emoluments				
Fees	**71,147**	38,796	**28,015**	21,060
Other emoluments	**62,185**	23,945	**62,185**	23,945
	133,332	62,741	**90,200**	45,005
48.1.2 Fees and emoluments disclosed above excluding pension contributions include amounts paid to:				
The Chairman	**2,900**	2,900	**2,900**	2,900
Other Directors	**130,432**	59,841	**87,300**	42,105

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

N		N	Group 2020	Group 2019	Company 2020	Company 2019
240,001	-	400,000	**-**	-	**-**	-
400,001	-	1,550,000	**10**	10	**6**	7
1,550,001	-	5,000,000	**1**	1	**-**	-
5,000,000	-	8,000,000	**-**	-	**1**	1
8,000,001	-	11,000,000	**1**	1	**1**	1
			12	12	**8**	9

48.2 Employees

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

	Group 2020	Group 2019	Company 2020	Company 2019
Managerial	**15**	26	**13**	17
Senior staff	**32**	32	**27**	28
Junior staff	**305**	479	**270**	417
	352	537	**310**	462

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48.2.2 '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 **2020 Number**	Group 2019 Number	Company **2020 Number**	Company 2019 Number
250,001	-	370,000	**124**	196	**109**	187
370,001	-	420,000	**98**	181	**93**	150
430,001	-	580,000	**52**	75	**48**	58
580,001	-	700,000	**19**	21	**19**	22
700,001	-	750,000	**13**	13	**9**	9
840,001	-	850,000	**13**	14	**11**	12
1,000,001	-	1,100,000	**13**	14	**7**	7
1,100,001	-	1,150,000	**5**	6	**4**	5
1,200,001	-	1,400,000	**4**	5	**3**	4
1,500,000	-	1,550,000	**4**	5	**3**	4
1,650,000	-	2,050,000	**7**	7	**4**	4
			352	537	**310**	462

49. Reclassification of comparative figures

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

50. 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 financial statements.

51. Contingent assets/(liabilities)

The Group is not subject to any claim and other liabilities nor assets arising in the normal course of the business for the year ended 31 December 2020 (31 December 2019 : Nil).

52. 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 period end, and related expenses and incomes for the year are as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

52.1 Intercompany related transactions

The Company 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 2020	31 December 2019	**31 December 2020**	31 December 2019	**31 December 2020**	31 December 2019
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	**60,479**	173,256	**-**	-	**265,087**	204,608
EPIC International FZE United Arab Emirates	Subsidiary	Purchases, payments, shared services, loans to and from each party	**(246,237)**	3,031,798	**5,370,928**	5,617,165	**-**	-
C&I Leasing FZE	Subsidiary	Provision of chartered vessels within the Free trade zone.	**(47,383)**	125,801	**46,596**	93,979	**-**	125,801
SIFAX	JV with C& I	Joint venture to execute marine vessle services	**(134,739)**	535,829	**401,090**	535,829	**-**	642,649
OCS/C&I JV Current account	JV with C& I	Joint venture to execute marine vessle services	**7,178**	37,407	**44,585**	37,407	**-**	-
Cordros Capital Limited	Common Director	Financial Advisers and investment in commercial papers	**-**	125,890	**-**	-	**-**	237,236
Emeka Ndu	Non-Executive Director	Director's fees and Sitting allowance	**-**	4,220,000	**-**	-	**-**	-
			(360,702)	8,249,981	**5,863,199**	6,284,380	**265,087**	1,210,293

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 N'000	2019 N'000
53.1 Segment results of operations (Cont'd)		
Geographical information		
.1 Revenue		
Nigeria	**10,341,094**	19,791,346
Ghana	**3,791,230**	2,387,355
United Arab Emirates	**3,599,758**	2,586,320
C & I Leasing FZE	**1,684,602**	193,641
	19,416,685	24,958,662
.2 Total assets		
Nigeria	**37,636,056**	42,534,890
Ghana	**4,372,927**	6,236,447
United Arab Emirates	**13,157,723**	6,523,774
C & I Leasing FZE	**778,847**	941,416
	55,945,553	56,236,527

54. Events after the reporting date

There are no events after reproting date which could have a material effect on the financial statements of the Company as at 31 December 2020 or the financial performance for the year ended that have not been adequately provided for or disclosed

55. Material disclosure on the impact of COVID-19

The COVID-19 pandemic which started in China in December 2019 and rapidly spread across the world is impacting all aspects of life in a manner that is unprecedented. The impact cuts across businesses, the economy and social interactions. These impacts seem like they will remain for the foreseeable future. In a bid to curtail the spread the virus, the Federal Government of Nigeria imposed movement restrictions while various state governments established protocols to combat the spread of the virus.

In adapting to the government's response to COVID-19, the Group responded appropriately by activating its Business Continuity Plan to ensure continuous service to customers and safety of employees and other stakeholders. This was mostly achieved through the deployment of necessary secured technology for remote working and the observance of universally accepted Covid 19 protocols.

Impact of COVID-19 on Impairment (Expected Credit Loss) of Financial Assets

The Company does not see a significant impairment impact on its financial assets as a result of COVID-19. The Company's financial assets are predominantly finance lease recivables, trade and other receivables and cash and cash equivalents and are subsequently classified appropriately between stage 1, 2 and 3. The stage allocation remains unchanged as there is no significant increase in credit risk. The impact of forward looking information has also been considered in assessing the impact of COVID-19 on impairment of financial assets. These include GDP growth, exchange rate, country rating, bank rating, inflation and oil price. Whilst COVID-19 could potentially negatively impact all of the forward looking information, other variables in the computation ensured that the impact remains minimal.

Going Concern Assessment

The Company will continue to assess the status of the fight against the pandemic and its impact on the Company's business. However, based on current assessment and result for the year just concluded, the Directors are confident that the Going Concern of the Comapny will not be threatened and would be able to continue to operate post COVID-19 and in the foreseeable future.

56. Distribution proposed

The Directors proposed a dividend of N88,457,308 (5kobo per ordinary share of 50kobo each) for the financial year 2020.

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STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2020

GROUP

	2020 N'000	%	2019 N'000	%
Gross income	**19,416,685**		24,958,663	
Interest expense	**(5,478,718)**		(5,742,408)	
	13,937,967		19,216,255	
Bought in goods and services:				
- Local	**(2,429,109)**		(6,805,348)	
- Foreign	**-**		-	
Value added	**11,508,858**	**100**	12,410,907	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**1,376,966**	**12**	1,682,923	14
To pay government:				
Current income tax	**168,890**	**1**	73,239	1
To pay shareholders:				
Dividend	**156,329**	**1**	30,319	0
To pay providers of capital:				
Interest	**5,478,718**	**48**	5,742,408	46
Retained for future replacement of assets and expansion of business:				
- Depreciation	**4,006,717**	**35**	3,942,596	32
- Deferred income tax	**-**	**-**	-	-
- Profit for the year	**321,238**	**3**	939,422	8
	11,508,858	**100**	12,410,907	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.

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STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY

	2020 N'000	%	2019 N'000	%
Gross income	**14,709,507**		18,265,298	
Interest expense	**(4,145,342)**		(3,723,468)	
	10,564,165		14,541,830	
Bought in goods and services:				
- Local	**(2,913,301)**		(7,970,701)	
- Foreign	**-**		-	
Value added	**7,650,864**	**100**	6,571,129	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**1,217,244**	**16**	1,239,318	19
To pay Government:				
Current income tax	**149,269**	**2**	96,843	1
To pay shareholders:				
Dividend	**156,329**	**2**	30,319	0
To pay providers of capital:				
Interest	**4,145,342**	**54**	3,723,468	57
Retained for future replacement of assets and expansion of business:				
- Depreciation of property, plant and equipment	**1,712,618**	**22**	1,005,365	15
- Deferred income tax			-	
- Profit for the year	**270,062**	**4**	475,816	7
	7,650,864	**100**	6,571,129	100

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

C & I LEASING PLC

FINANCIAL SUMMARY - GROUP
31 December

	2020	2019	2018	2017	2016
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and balances with banks	**1,418,970**	1,989,532	1,712,543	1,239,836	983,183
Loans and advances	**499,410**	557,587	387,148	351,957	226,512
Finance lease receivables	**2,286,385**	3,090,821	1,999,330	1,515,030	1,728,632
Investment securities at fair value through other comprehensive	**7,335**	5,562	26,053	26,180	20,044
Trade and other receivables	**6,556,967**	8,700,509	7,754,625	6,584,292	6,056,406
Other assets	**7,792,043**	7,544,148	6,759,800	5,533,727	4,450,264
Investment in joint ventures	**2,460,320**	1,334,226	755,205	52,634	-
Current income tax assets	**-**	-	-	55,178	26,556
Intangible assets	**431**	23,190	45,169	15,955	27,631
Right-of-use-assets	**-**	-	-	-	-
Plant and equipment for lease	**32,631,064**	30,556,351	30,686,724	27,167,387	22,521,767
Property,plant and equipment	**1,438,021**	1,579,191	1,631,281	1,584,522	1,479,740
Deferred income tax assets	**854,607**	854,607	854,607	854,607	850,965
Total assets	**55,945,553**	56,235,724	52,612,485	44,981,305	38,371,700
Liabilities					
Balance due to banks	**928,135**	1,311,860	883,917	1,120,306	910,963
Commercial notes	**15,438,233**	14,333,056	10,727,157	9,672,506	7,060,371
Trade and other payables	**4,770,861**	7,204,081	7,074,974	6,655,024	5,337,672
Current income tax liability	**220,271**	185,180	144,494	139,275	102,392
Deferred income tax liability	**13,545**	88,146	129,214	168,082	167,732
Deposit for shares	**1,975,000**	1,975,000	1,975,000	2,283,312	2,466,012
Loans and borrowings	**19,170,768**	21,335,227	21,825,128	18,125,421	16,699,543
Total liabilities	**42,516,813**	46,432,550	42,759,884	38,163,926	32,744,685
Equity					
Share capital	**390,823**	202,126	202,126	808,505	808,505
Share premium	**3,361,609**	1,285,905	1,285,905	679,526	679,526
Retained earnings	**3,583,738**	3,224,284	2,767,444	1,960,108	511,859
- Statutory reserve	**1,262,038**	1,234,788	1,187,206	1,121,580	1,039,228
- Statutory credit reserve	**625,728**	858,253	373,682	160,600	626,343
- Foreign currency translation reserv	**2,856,142**	2,020,101	2,978,402	1,126,805	1,097,318
- Fair value reserve	**6,706**	4,933	5,161	5,288	(848)
- Assets revaluation reserve	**716,490**	716,490	716,490	683,400	643,246
	12,803,274	9,546,880	9,516,416	6,545,812	5,405,177
Non-controlling interest	**625,466**	256,294	336,185	271,567	221,838
Total equity	**13,428,740**	9,803,174	9,852,601	6,817,379	5,627,015
Total liabilities and equity	**55,945,553**	56,235,724	52,612,485	44,981,305	38,371,700
	-	-	-	-	-

C & I LEASING PLC

FINANCIAL SUMMARY - GROUP
31 December

	2020	2019	2018	2017	2016
	N'000	N'000	N'000	N'000	N'000
Statement of profit or loss and other comprehensive income					
Gross earnings	**19,416,685**	24,958,663	27,674,198	21,390,439	17,015,799
Lease/outsourcing/tracking income	**26,826,104**	30,943,702	26,711,504	21,335,872	17,015,799
Lease/outsourcing/tracking expense	**(15,481,835)**	(18,209,534)	(15,069,602)	(14,002,757)	(11,304,440)
Net operating income	**11,344,269**	12,734,168	11,641,902	5,711,359	5,711,359
Other operating income	**1,183,241**	968,451	962,694	54,567	-
Impairment charge	**(3,206)**	(74,801)	(6,483)	(235,325)	(604,798)
Depreciation expenses	**(4,006,717)**	(3,942,596)	(3,782,011)	(3,037,925)	(2,147,560)
Personnel expenses	**(1,376,966)**	(1,682,923)	(1,438,454)	(1,227,219)	(788,638)
Distribution expenses	**(17,378)**	(18,690)	(15,218)	-	-
Other operating expenses	**(7,014,369)**	(7,549,969)	(6,329,991)	(1,591,105)	(1,134,140)
Share of profit from joint venture	**381,254**	579,021	507,794	20,531	-
Profit/(loss) before tax	**490,128**	1,012,661	1,540,233	(305,117)	1,036,223
Income tax expense	**(168,890)**	(73,239)	(342,470)	(162,783)	(115,357)
Profit/(loss) after tax	**321,238**	939,422	1,197,763	(467,900)	920,866
Profit from discontinued operation	-	-	-	15,294	-
	321,238	939,422	1,197,763	(452,606)	920,866
Profit/(loss) attributable to:					
Owners of the parent	**310,508**	1,019,313	1,133,146	1,064,854	875,968
Non-controlling interest	**10,730**	(79,891)	64,617	49,729	44,899
	321,238	939,422	1,197,763	1,114,583	920,867
Earnings per share in kobo (basic)	**40**	252	280	66	54

C & I LEASING PLC

FINANCIAL SUMMARY - COMPANY
31 December

	2020	2019	2018	2017	2016
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and balances with banks	**1,155,040**	513,095	1,419,542	466,607	255,259
Loans and advances	**481,520**	544,563	387,151	334,507	226,512
Finance lease receivables	**2,286,385**	2,988,108	1,832,307	1,508,560	1,724,539
Investment securities at fair value through other comprehensive	**7,335**	5,562	26,053	26,180	20,044
Trade and other receivables	**9,745,067**	13,327,408	16,791,293	13,987,462	12,625,054
Other assets	**8,086,456**	7,251,771	6,416,405	5,331,628	4,254,261
Investment in subsidiaries	**759,467**	759,467	758,967	758,967	758,967
Investment in joint ventures	**2,460,320**	1,334,226	755,205	52,634	-
Intangible assets	**-**	-	3,758	8,855	24,472
Right-of-use-assets	**-**	-	-	-	-
Plant and equipment for lease	**17,437,838**	13,986,222	5,767,999	4,764,096	5,124,241
Property,plant and equipment	**1,204,575**	1,232,294	1,236,624	1,186,743	1,144,951
Deferred income tax assets	**854,607**	854,607	854,607	854,607	854,607
Total assets	**44,478,610**	42,797,323	36,249,911	29,280,846	27,012,907
Liabilities					
Balance due to banks	**918,761**	1,333,775	847,441	1,062,622	803,740
Commercial notes	**15,438,232**	14,303,470	10,705,125	9,643,606	7,337,187
Trade and other payables	**3,551,864**	5,518,432	6,432,407	5,991,895	4,706,818
Current income tax liability	**242,613**	96,843	85,559	139,274	102,393
Deferred income tax liability	**-**	-	-	-	-
Deposit for shares	**1,975,000**	1,975,000	1,975,000	2,283,312	2,466,012
Loans and borrowings	**15,374,818**	14,972,388	12,052,228	6,444,123	8,377,788
Total liabilities	**37,501,288**	38,199,908	32,097,760	25,564,832	23,793,938
Equity					
Share capital	**390,823**	202,126	808,505	808,505	808,505
Share premium	**3,361,609**	1,285,905	679,526	679,526	679,526
Retained earnings	**989,146**	682,945	769,604	657,899	(176,753)
Other reserves:					
- Statutory reserve	**873,769**	846,763	799,182	733,555	651,203
- Statutory credit reserve	**638,779**	858,253	373,682	147,842	613,585
- Fair value reserve	**6,706**	4,933	5,161	5,287	(848)
- Assets revaluation reserve	**716,490**	716,490	716,491	683,400	643,751
Total equity	**6,977,322**	4,597,415	4,152,151	3,716,014	3,218,969
Total liabilities and equity	**44,478,610**	42,797,323	36,249,911	29,280,846	27,012,907
	-	-	-	-	-

C & I LEASING PLC

FINANCIAL SUMMARY - COMPANY
31 December

	2020	*2019*	*2018*	*2017*	*2016*
	N'000	N'000	N'000	N'000	N'000
Statement of profit or loss and other comprehensive income					
Gross earnings	**14,709,507**	18,265,298	20,016,781	16,098,362	13,906,493
Lease/outsourcing/tracking income	**21,802,423**	23,652,225	19,269,576	16,279,121	14,511,291
Lease/outsourcing/tracking expense	**(15,018,037)**	(17,940,714)	(13,641,944)	(12,390,188)	(11,633,297)
Net operating income	**6,784,386**	5,711,511	5,627,632	3,888,933	2,877,994
Other operating income	**1,499,744**	1,540,601	561,340	54,567	-
Impairment (charge)/writeback	**46,001**	639	185,865	(235,326)	(604,798)
Depreciation expenses	**(1,712,618)**	(1,005,365)	(985,393)	(814,978)	(556,474)
Personel expenses	**(1,217,244)**	(1,239,318)	(1,058,617)	(88,042)	(714,557)
Distribution expenses	**(16,244)**	(13,334)	(11,816)	(23,818)	-
Other operating expenses	**(5,345,948)**	(5,001,096)	(4,158,464)	(2,294,955)	(963,785)
Share of profit from joint venture	**381,254**	579,021	507,794	20,531	-
Profit before tax	**419,331**	572,659	668,341	506,912	38,380
Income tax expense	**(149,269)**	(96,843)	(230,827)	(70,949)	(48,592)
Profit/(loss) after tax	**270,062**	475,816	437,514	435,963	(10,212)
Profit from discontinued operation	-	-	-	15,294	-
Profit/(loss) attributable to:					
Owners of the parent	**270,062**	475,816	437,514	451,257	(10,212)
	270,062	475,816	437,514	451,257	(10,212)
Earnings/(loss) per share in kobo (basic)	**35**	118	108	28	(1)

Notes

PROXY FORM

RC No: 161070

THE 30TH ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY WILL HOLD BY PROXY ON 29TH JUNE, 2021 BY 11.00AM PROMPT AT C & I LEASING PLC., 2, C & I LEASING DRIVE, OFF BISOLA DUROSINMI ETTI DRIVE, OFF ADMIRALTY WAY, LEKKI PHASE 1, LAGOS

Please indicate with an "X" in the appropriate space how you wish your votes to be cast in resolutions set out below

I/We --

(Name of shareholder(s) in block letter)

Being member/members of C&I Leasing Plc. hereby appoint** --

(Name of Proxy in Block Letters)

as my proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 29th day of June, 2021 at 11:00 a.m. and at any adjournment thereof:

Details of Proxies are:

a. Dr. Samuel Maduka Onyishi
b. Mr. Chukwuemeka Ndu
c. Mr. Andrew Otike-Odibi
d. Mr. Omotunde Alao-Olaifa
e. Mr. Babatunde Edun
f. Comrade S. B Adenrele
g. Mr. Fred Oduyemi
h. Chief Timothy Adesiyan
i. Mr. Moses Igbrude
j. Mr. Kenneth Nwosu

(Please select One)

Dated this ------ day of -------------- 2021.

Signature(s) of Shareholder(s) ----------------------

RESOLUTIONS	FOR	AGAINST
To receive the Financial Statements for the year ended 31st December, 2020 together with the report of the Directors, independent Auditors and the Audit Committee thereon		
To declare a dividend		
To re-elect Mr. Chukwuemeka Ndu as a Director of the Company		
To approve the appointment of Alhaji Sadiq Abubakar Adamu as a Director of the Company		
To approve the appointment of Mrs. Florence Okoli as a Director of the Company		
To approve the appointment of Mr. Tom Oko Achoda as a Director of the Company		
To approve the appointment of Mr. Oluyemi Peter Abaolu-Johnson as a Director of the Company		
To re-appoint PKF Professional Services (Chartered Accountants) as the Auditors of the Company for the year ending for the year ending December, 2021		
To authorize directors to fix the remuneration of the Auditors.		
To elect members of the Statutory Audit Committee for the ensuing year.		
To disclose the remuneration of managers of the company		

BEFORE POSTING THE ABOVE FORM, TEAR OFF THIS PART AND RETAIN FOR ADMISSION TO THE MEETING

ADMISSION CARD

Name of Shareholder (in block letters) ____

(Surname) (Other names)

Number of Shares ____________________

IMPORTANT INFORMATION

A member who is unable to attend this Annual General Meeting is allowed by law to vote on a poll or by a proxy. The above proxy form has been prepared to enable you exercise your right to vote in case you cannot personally attend the meeting.

Following the normal practice, the names of two Directors of the Company have been entered on the form to ensure that someone will be at the meeting to act as your proxy but if you wish, you may insert in the blank space on the form (marked **) the name of any person, whether a member of the company or not, who will attend the meeting and vote on your behalf instead of one of the Directors.

A completed proxy form must be stamped with the Federal Inland Revenue Service and forwarded to the company at its registered address not later than 48 hours before the time for holding the meeting. If executed by a corporate body, the proxy form should be sealed with the common seal of the corporate body.

This admission card must be produced by the Shareholder or his proxy, who need not be a member of the Company, in order to obtain entrance to the Annual General Meeting.

Signature of person attending: ----------------------------------

Notes

CENTURION
REGISTRARS

Affix
Current Passport
(To be stamped by Bankers)

Write your name at the back of your passport photograph

E-DIVIDEND MANDATE ACTIVATION FORM

Instructions Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar
Centurion Registrars
33C, Cameron Road,
Ikoyi
Lagos State

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my / our bank detailed below:

Bank Verification Number

Bank Name

Account No

Shareholder Account Information

SURNAME | FIRSTNAME

OTHER NAMES

ADDRESS

CITY | STATE | COUNTRY

PREVIOUS ADDRESS (IF ANY)

CHN (IF ANY)

MOBILE TELEPHONE 1 | MOBILE TELEPHONE 2

EMAIL ADDRESS

SHAREHOLDERS' SIGN | COMPANY SEAL (IF ANY)

JOINT\COMPANY'S SIGNATORIES | Authorised Signatory & Stamp of Banker

"This service costs N150.00 per approved mandate per company"

TICK	NAME OF COMPANY	SHARE A/C NO.(S)
	C & I LEASING PLC	
	LINKAGE ASSURANCE PLC	
	VITAL PRODUCTS LTD	
	NIGERIAN WIRES INDUSTRIES	
	UNION DICON SALT PLC	

Help Desk: [illegible]
Centurion Registrars Limited, 33C Cameron Road, Ikoyi, Lagos. Tel no: [illegible]
Web: www.centurionregistrars.com // e-mail: customercare@centurionregistrars.com

Notes

Hertz
We're here to get you there.
EXCLUSIVE
CAR RENTAL
Rated
Get amazing offers and value for your pick up/drop off, staff bus/school bus, airport transfers, travels and tours plus escort and protocol services. Your comfort, discretion and safety are guaranteed.
Hertz Franchise is owned and managed by C & I Leasing PLC in Nigeria.
09060004026; 09060004025; 09060004024

LEASING PLC

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+234-906-000-4026

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Reinsurance Building, Plot 784A,
Beside Unity Bank, Herbert
Macauley Way, CBD Abuja
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