LEASING PLC

2022 Annual Report

www.c-ileasing.com

Contents

Leasing House, 2 C&I Leasing Drive,
Off Bisola Durosinmi Etti Drive,
Off Admiralty Way, Lekki Phase 1, Lagos

info@c-ileasing.com
www.c-ileasing.com
+234 903 886 9179 - 88

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of members of C & I Leasing Plc will be held virtually on the 20th day of November 2023 by 1 p.m. prompt via *www.cileasing*.com to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited financial statements for the year ended 31st December 2022 together with the reports of the Directors, Independent Auditors, and the Audit Committee thereon.
2. To re-elect Directors retiring by rotation.
3. To re-appoint Ernst & Young (Chartered Accountants) as the Auditors to the company from the date of this Annual General Meeting to the date of the next Annual General Meeting.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect Shareholder-members of the Statutory Audit Committee for the ensuing year.
6. To disclose the remuneration of managers of the company.

SPECIAL BUSINESSES

1. To approve the remuneration of the Directors for the year ending 31st December 2023
2. To consider and if thought fit, to pass the following as ordinary resolution:

"That all the finance leases and financial services business of the Company is hereby consolidated into C&I Finance Company Limited.

NOTES

1. ELECTION AND RE-ELECTION OF RETIRING 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 Dr Samuel Onyishi, having presented himself for re-election, propose that he be re-elected as a Director of the company.

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

2. UNCLAIMED DIVIDEND

A list of the unclaimed dividends will be circulated together with the annual report. Affected shareholders are advised to complete the e-mandate form in the annual report and contact the Registrar, Cordros Registrars Limited at 21 Norman Williams Street, Ikoyi, Lagos State, or send it via email to *crdrosregistrars@cordros.com*

3. VIRTUAL MEETING LINK

Further to the signing into law of the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The Virtual Meeting Link for the

C&I LEASING PLC

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Annual General Meeting which will be live-streamed will be available on the Company's website at *www.cileasing*.com and other social media platforms for the benefit of Shareholders.

1. PROXY

A shareholder who is unable or does not wish to attend the AGM 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.

A Proxy Form that may be used to make such an appointment shall accompany this notice of the meeting and can be downloaded on the Company's website at *www.cileasing*.com All executed instruments of proxy should be deposited at the office of the Registrar, Cordros Registrars Limited, 21 Norman Williams Street, Ikoyi, Lagos State, or via email to *crdrosregistrars@cordros.com* not later than 48 hours before the time fixed for the meeting. 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.

2. CLOSURE OF REGISTER

In compliance with section 114 of the Companies and Allied Matters Act 2020 and post-listing rules of Nigerian Exchange Limited, the register will be closed from **6th November 2023 to 8th November 2023**, both days inclusive, to enable the Registrar to update the record of members.

3. AUDIT COMMITTEE

A 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 for the Audit Committee should have basic financial literacy and should be able to read and appreciate financial statements. All nominations should be accompanied by a copy of the nominee's curriculum vitae.

4. SHAREHOLDERS' QUESTIONS

Shareholders are entitled to ask questions not only at the Annual General Meeting but before 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 14 November 2023.

5. FURTHER INFORMATION

A copy of this notice and the annual report can be found and downloaded on the Company's website at *www.cileasing*.com and at the Company's Registrar's website at www.cordros.com

BY ORDER OF THE BOARD

Dated this 19th day of June 2023

G. MBANUGO UDENZIE 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.


Secure, Safe & Smart
TRACKING SOLUTIONS
Citracks is an innovative telematics division of C&I Leasing Plc.
Use our cutting edge technology to keep track of all your fixed and mobile assets anywhere in the world
Vessels-Electronic Fuel Monitoring Solutions (EFMS)
Generator Monitoring Solutions
Fleet Management
C&I Leasing Plc HQ
Leasing House, 2 Leasing Drive,
Off Bisola Durosinmi Etti Drive,
Off Admiralty Way, Lekki
Phase 1, Lagos
C&I Leasing Plc PH
C&I Leasing Drive
Off Elekahia-Oginigba Link Road,
Transamadi Industrial Layout
Port Harcourt
C&I Leasing Plc Abuja
2nd Floor Nigerian Reinsurance Building
Plot 784a, Beside Unity Bank
Herbert Macaulay Way,
Central Business District, Abuja

CORPORATE INFORMATION

Directors

Dr. Samuel Maduka Onyishi	Chairman	
Mr. Chukwuemeka Ndu	Vice Chairman	
Mr. Ugoji Lenin Ugoji	Group Managing Director/CEO	Appointed 1 January 2022
Mr. Omotunde Olao-Olaifa	Non-Executive Director	
Mr. Babatunde Edun	Non-Executive Director	
Alhaji Sadiq Abubakar Adamu	Non-Executive Director	
Mrs. Florence Okoli	Non-Executive Director	
Mr. Oluyemi Abaolu-Johnson	Non-Executive Director	
Mr. Tom Oko Achoda	Non-Executive Director	

Management Team

Mr. Ugoji Lenin Ugoji	Group Managing Director/CEO
Mr. Alexander Mbakogu	Deputy Managing Director/COO
Mr. Okechukwu Nnake	Chief Financial Officer
Mr. Babatunde Oguntin	Head - Treasury
Mr Adesoji Aiyeola	Financial Controller
Mr Iyke Chiobi	General Manager - LeasAfric
Mr Mustapha Momoh	General Manager - Marine
Mrs Ruth Nwigwe	Group Head, Corporate Services & Projects
Ms Uche Nwachukwu	Head - Outsourcing
Mr. Ayodele Babatunde	Country Manager - Fleet

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

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

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

RC Number
RC 161070

CBN License Number and date
Fi000185/ 2nd June 1993

C & I LEASING AT A GLANCE

C & I Leasing Plc

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 in 1993 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 one of the largest leasing company in Ghana.

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.

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. 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.

GEOGRAPHICAL LOCATIONS:

We are in the following locations:

Nigeria – Lagos | Abuja | Port Harcourt | Enugu | Calabar

Benin

Ghana - Accra

United Arab Emirate, UAE - Ras Al Khaimah

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 32nd Annual General Meeting of our company; C&I Leasing Plc and to present to you the Annual Report and Financial Statements of your company for the year ended 31st December 2022.

GLOBAL ECONOMY

The year 2022 began with the global economy in a weaker position than projected. We witnessed the spread of the new Omicron Covid-19 variant with some countries reimposing mobility restrictions. Rising energy prices, as well as supply disruptions, also resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging markets and developing economies. On the other hand, the unpredictable invasion of Ukraine by Russia, as well as the sanctions that followed from the western world right from the first quarter of the year, also limited the growth prospects of the global economy.

During Q2 2022 the compounding adverse effect of the pandemic and the Russia-Ukraine conflict continued to affect global economic growth, the aftermath of which was a surge in inflation across the globe. This, in turn, created a risk of stagflation and value erosion, especially for middle and low-income countries. Within the same period, global oil prices surged to a record high since 2008, closing at about $122/barrel at the end of the first half of 2022. High oil prices came in the wake of the Russia-Ukraine conflict.

By Q3 2022, amidst volatile inflation, it became obvious that the global economy would likely not return to pre-coronavirus levels, although the rate of recovery was projected to

Chairman's Statement (Continued)

differ across countries. While some were envisaged to recover in 2022, others were projected to take as much as four years to attain this level. The year also witnessed the rapid spread of the new highly infectious Delta coronavirus variant in the summer.

DOMESTIC ECONOMY

In the Nigerian economy, the new year began on an optimistic but slow note. According to the National Bureau of Statistics (NBS), Gross Domestic Product (GDP) grew by 3.10 per cent in 2022, lower than the 3.40 per cent recorded in 2021. Specifically, GDP grew by 3.11 per cent in Q1 2022, 3.54 per cent in Q2 2022, 2.25 per cent in Q3 2022, and 3.52 in Q4 2022.

Oil prices began an upward glide in Q1 2022, surging past the $90 per barrel mark as supply rigidities and rising demand dragged oil prices up. The Russian-Ukraine crisis further dragged crude oil prices to $139 per barrel. Major activities witnessed during the quarter in the Nigerian economy include the suspension of the planned petrol subsidy removal for eighteen (18) months by the federal government, the dirty petrol saga, and its damaging effects, which ushered in a wave of petrol/diesel scarcity and increased inflationary pressures. The rise of public debt, with the federal government of Nigeria's domestic debt stock totaling N19.2 trillion ($46.2bn), equivalent to 11.1% of 2021 GDP.

During Q2, 2022 , the International Monetary Fund (IMF) revised upward its growth forecast for the Nigerian economy in 2022 to 3.4 per cent from its earlier projection of 2.7 per cent announced in Q1, 2022. It also projected the country's economy to grow by 3.1 per cent by 2023, up from the 2.7 per cent it earlier projected. The foreign exchange market continued to experience pressure in 2022. This was largely due to the high demand for dollars, a rising global inflation rate, and a decline in forex inflow from foreign capital flows, remittances, and oil exports. As of December 2022, the exchange rate stood at NGN461.1/$1 at the Investors' and Exporters' (I&E) Window, while banks continued to sell foreign currencies to retail customers following the ban of Bureau De Change (BDC) Operators by the Central Bank of Nigeria (CBN). To manage demand pressure and maintain exchange rate stability, the CBN continued to implement its managed-float exchange rate regime with regular interventions in the foreign exchange market. On the other hand, the Naira continued its downward trajectory toward N650/$1 on the black market.

OUR OPERATING RESULTS

The upsurge in prices of goods and services, as well as the lingering 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 grappled with the aftermath of the pandemic and the threats imbued by the mutating variants of the virus. An impact of this on our business was the retained downward negotiation of rates from some of our clientele, both in the marine and fleet business.

Despite the lingering nadir in the economy, our unique selling points, among others, remain our high level of resilience and adaptability. We continue to weather the storm by proactively adjusting to change, seeking, and adapting to new diversification initiatives, implementing tight budgetary controls, and leveraging technology to provide novel digital solutions to facilitate clients' businesses across our various business lines. Management has continued to exhibit ingenuity in seeking viable innovation, and are currently implementing various strategies that will return the company to increased profitability and likewise improve shareholder's return.

Chairman's Statement (Continued)

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 climate. We sought innovative novel technology solutions to propagate our business and revenue against the odds, with strong support from the E-business initiative. Technology solutions birthed in prior years, such as 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 continue to thrive. Meanwhile, the Fleet Management business has continued to achieve operational efficiency by servicing clients' needs and reducing downtime. We continue to strive to be the most advanced and digitized company in our industry, providing top-notch services to our customers, leveraging technology and our years of experience in positively influencing the rapidly changing, fast paced mobility market.

The gross earnings of the Group decreased slightly by 1% from N18.2 billion in 2021 to N17.9 billion in 2022. In the same vein, that of the Company recorded a decrease of 7% from N15.3 billion in 2021 to N16.3 billion in 2022. While the profit before tax for the Group increased by 87% from N541.9 million profit in 2021 to N1.0 billion in 2022, the Company's profit before tax increased by 216% from N198.5 million in 2021 to a profit of N626.8 million in 2022. Similarly, the Group's profit after tax rose by 1,746% from N31.2m million profit recorded in 2021 to N577.3 million profit in 2022, while the Company also increased by 257% from N196.2 million loss in 2021 to a N307.7million profit in 2022.

The Group's total assets decreased by 1% from N58.1 billion in 2021 to N57.8 billion in 2022 while that of the Company declined by 1% from N48.0 billion in 2021 to N47.5 billion in 2022. The Group shareholders' fund grew slightly by 21% from N13.9 billion in 2021 to N16.7 billion in 2022. Similarly, the Company's shareholders' fund grew by 30% from N6.2 billion in 2021 to N8.0 billion in 2022.

The Company continues to unearth and drive new solutions by leveraging 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 N577.3 million during the year 2022. As challenging as 2022 was, we are buoyed by the prospect of a fruitful 2023 ahead.

DIVIDEND AND CAPITALIZATION

The Board of Directors is proposing no dividend payment for the period due to the low financial performance of the Company during the year.

BOARD DEVELOPMENT

I will also take this opportunity to inform our distinguished shareholders that no significant changes were made at Board level. However, following the change in the helm of management at the end of the year 2021, the Board approved the appointment of Mr Alex Mbakogu as Deputy Managing Director/ Chief Operation Officer to closely work with the Managing Director, Mr Ugoji Lenin Ugoji. To further strengthen the leadership team of the company, Mr. Okechukwu Nnake was appointed as the Group Chief Financial Officer to fill Mr. Mbakogu's erstwhile position in the Company.

THE WAY AHEAD

According to the World Bank's latest Global Economic Prospects report, the damage from the COVID-19 pandemic, along with the Russian invasion of Ukraine magnified the

Chairman's Statement (Continued)

slowdown in the global economy during the period. This is entering what could become a protracted period of feeble growth and elevated inflation. There is a heightened risk of stagflation, which can have potentially harmful consequences for middle and low-income economies. Global growth is expected to slump from 5.7 percent in 2021 to 2.9 percent in 2022— significantly lower than 4.1 percent that was anticipated in January. This lower growth rate is expected to persist around that level over 2023-24, as the on-going conflict in Ukraine disrupts activity, investment, and trade in the near term. Additionally, as demand fades, and fiscal and monetary policy accommodation is withdrawn, it further contributes to the subdued growth. Due to the damage caused by the pandemic and the war, the level of per capita income in developing economies this year will be nearly 5 percent below its pre-pandemic trend.

The operating domestic and global macroeconomic environment in 2023 will be challenging for myriad reasons, including the unpredictable pandemic, conflict between Russia and Ukraine and the attendant sanctions from the western world. Nevertheless, as a visionary group with sound corporate governance structure, our resolve is to cushion these headwinds by remaining laser focused. We will continually consolidate past achievements and 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 well-being of the company with initiatives that position us as leaders within our market space.

In 2023, our organization is focused on achieving all-round improvement in the business and delivering a sterling and sustainable performance that enhances optimal returns to shareholders.

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 remains key to our short-term plans as we continue to thrive under the unprecedented business clime and seeking opportunities to expand into new frontiers.

In conclusion, despite the challenges faced in 2022 our Company has emerged stronger and more resilient, thanks to the collective efforts of all Staff, Management, Audit Committee, and the Board. We have faced the harsh economic climate head-on and have remained a formidable team and Company. I am, therefore, deeply grateful to our shareholders for their unwavering support and encouragement. I also extend my heartfelt appreciation to our customers for their unflinching loyalty. Their continued patronage has been crucial to our growth. I would like to acknowledge the dedication and commitment of our staff and Management. Their passion and commitment have sustained our very good performance over the years. Lastly, I express my gratitude to 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 2023 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

Corporate Governance Report For Full Year Ended 31 December 2022

The Board of C & I Leasing Plc ('the Company) is pleased to present the Corporate Governance Report for the 2022 Financial Year. The report provides insight into the operations of our governance framework and the Board's key activities during the reporting period

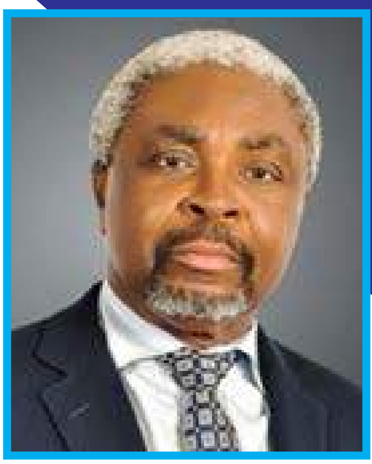
The Board

The Board is led by the Group Chairman and sets the Group's strategy and risk appetite. It also approves capital and operating plans for the attainment of the Group's strategic objectives on the recommendation of Management. The Board's composition during the 2022 financial year is detailed below.

DR. SAMUEL MADUKA ONYISHI

Chairman/ Non Executive Director

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



MR. CHUKWUEMEKA NDU

Vice Chairman/ Non Executive Director

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

Board of Directors (Continued)

MR. UGOJI LENIN UGOJI

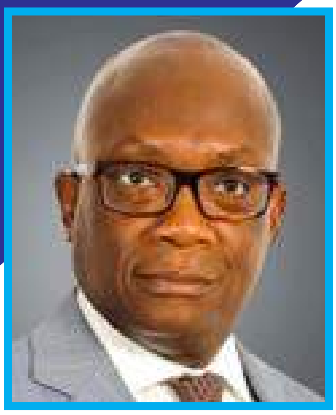
Managing Director / Chief Executive Officer

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

MR. OMOTUNDE ALAO-OLAIFA

Non-Executive Director

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



MR. BABATUNDE OLAKUNLE EDUN

Non-Executive Director

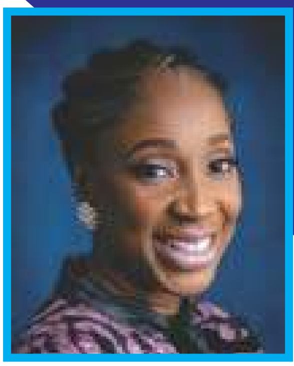
Mr Babatunde Edun is a serial entrepreneur with demonstrated expertise in the Telecommunication, Logistics, and Distributed Power Industries. He has immense capacity for developing start-ups, and has built several businesses of scale. Mr. Edun is a member of the Institute of Directors (IoD), the Lagos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

Board of Directors (Continued)

ALHAJI SADIQ ABUBAKAR ADAMU

(Non-Executive Director – Awaiting regulatory approval)

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



MRS FLORENCE OKOLI

(Non-Executive Director – Awaiting regulatory approval)

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

MR. OLUYEMI ABAOLU-JOHNSON

(Non-Executive Director – Awaiting regulatory approval)

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

MR. TOM OKO ACHODA

(Non-Executive Director – Awaiting regulatory approval)

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

DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of Section 285(1) of the Companies and Allied Matters Act, 2020, the Director to retire by rotation at this Annual General Meeting is Dr. Samuel Onyishi and he being eligible, offer himself for re-election.

BOARD COMPOSITION

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

Responsibilities of the Board

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

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

Record of Directors Attendance at Meeting

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

The Board of Directors held its meetings on the following dates: January 28, 2022, March 28, 2022, April 29, 2022, July 29, 2022, September 19, 2022, September 21, 2022, 20th October 2022 and December 19, 2022. The table below shows the frequency of meetings and Directors' attendance at these meetings during the year under review:

ATTENDANCE FOR BOARD OF DIRECTORS MEETING	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
DR. SAMUEL MADUKA ONYISHI	8/8
MR CHUKWUEMEKA E. NDU	7/8
MR. UGOJI LENIN UGOJI	8/8
MR OMOTUNDE ALAO-OLAIFA	8/8
MR. BABATUNDE EDUN	7/8
ALHAJI SADIQ ADAMU	7/8
MRS FLORENCE OKOLI	8/8
MR. TOM ACHODA	8/8
MR. YEMI ABAOLU-JOHNSON	7/8

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

1. **Board Operations Committee:**

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

Executive Director.
The Committee performs oversight functions relating to strategic operational issues and met on January 26 2022, April 27 2022, May 9 2022, July 27 2022 and December 13 2022. Details of members' attendance at the meetings during the year are as shown below:

ATTENDANCE FOR BOARD OPERATIONS COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
MR CHUKWUEMEKA E. NDU	Chairman	5/5
MR. UGOJI LENIN UGOJI	Member	5/5
MR. BABATUNDE EDUN	Member	5/5
ALHAJI SADIQ ADAMU	Member	5/5
MRS FLORENCE OKOLI	Member	5/5
MR. TOM ACHODA	Member	5/5

2. **Board Risk Committee:**

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

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

i. Review of the effectiveness and competence of the Group's risk management procedures and controls for new products and services and make recommendations for approval to the Board and management.

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

The Board Risk Committee is made up of four members, comprising one Executive Director and three Non- executive Directors. The Committee met on January 24 2022, April 25 2022, July 25 2022 and December 12 2022. A record of their attendance at meetings for the year is as detailed below.

ATTENDANCE FOR BOARD RISK COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
MR. OLUYEMI ABAOLU-JOHNSON	Chairman	4/4
MR UGOJI LENIN UGOJI	Member	4/4
MR OMOTUNDE ALAO-OLAIFA	Member	4/4
MR. TOM ACHODA	Member	4/4

3. 3 Audit Committee

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

Their statutory functions are as follows:

i. ascertain whether the accounting and reporting policies of the Company follow legal requirements and agreed ethical practices.
ii. review the effectiveness of the Company's system of accounting and internal control.
iii. review the scope and planning of audit requirements.
iv. review the finding on management letters in conjunction with the external auditors and responsible departments.
v. authorize the internal auditors to carry out investigation into any of the activities of the Company which may be of concern to the committee.
vi. make recommendations to the Board as regards the competence of the external and internal auditors, their remuneration and terms of engagement or removal.

The Committee met on January 24 2022, January 31 2022, March 24 2022, April 25th 2022, July 25th 2022 October 28th 2022 and December 12th 2022. Details of the members' attendance during meetings held in the year are:

ATTENDANCE FOR AUDIT COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
COMRADE SULEIMAN ADERENLE	CHAIRMAN (SHAREHOLDER MEMBER)	7/7
MR FEMI ODUYEMI	SHAREHOLDER MEMBER	7/7
MRS CHRISTIE VINCENT UWAKALA	SHAREHOLDER MEMBER	7/7
MR OMOTUNDE ALAO-OLAIFA	DIRECTOR	7/7
MR. OLUYEMI ABAOLU-JOHNSON	DIRECTOR	7/7

4. Nomination, Remuneration and Corporate Governance Committee

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

The Committee met on January 26 2022, April 27 2022, July 27 2022 and December 14 2022. Details of members' attendance at the meetings during the year are as shown below:

ATTENDANCE FOR NOMINATING REMUNERATION & CORPORATE GOVERNANCE COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD
ALHAJI SADIQ ADAMU	CHAIRMAN	4/4
MR CHUKWUEMEKA NDU	MEMBER	4/4
MRS. FLORENCE OKOLI	MEMBER	4/4
MR. OLUYEMI ABAOLU-JOHNSON	MEMBER	4/4

Directors' Remuneration

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

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

Management Committees

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

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

Anti-Money Laundering

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

Whistleblowing Policy

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

Complaints Management Policy

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

Code of conduct on securities trading

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

DIRECTORS' REPORT

The Directors are pleased to present their annual report together with the consolidated and separate financial statements of C & I Leasing Plc ("the Company") and its subsidiaries (together, "the Group") for the year ended 31 December 2022.

Legal form

C & I Leasing Plc, a publicly listed company on the Nigerian Exchange Group (NGX), was incorporated in Nigeria under the Companies Act (now Companies and Allied Matters Act (CAMA) 2020) on 28 December 1990. The Company was licensed by the Central Bank of Nigeria (CBN) as a finance company and is owned by a number of institutional and individual investors. The Company's shares were listed on the Nigerian 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).

Subsidiaries

As at 31 December 2022, the Company has three subsidiary companies namely:
Leasafric Ghana Limited
EPIC International FZE, United Arab Emirates
C & I Leasing FZE, Nigeria

Principal activities

During the year under review, the principal activities of the Group are provision of equipment leasing, logistics solution in the form of car and marine vessel rentals, fleet management and personnel outsourcing through its main operating entity and its subsidiaries.

Results

The results of the Group and the Company for the year ended 31 December 2022 are set out on page 15. The summarised results are presented below.

	Group		Company	
	2022	2021	**2022**	2021
	N'000	N'000	**N'000**	N'000
Gross earnings	**17,937,818**	18,190,660	**16,343,589**	15,314,947
Profit before tax	**1,015,490**	541,896	**626,763**	198,528
Income tax expense	**(438,222)**	(510,617)	**(319,050)**	(394,820)
Profit/(loss) for the year after tax	**577,269**	31,279	**307,712**	(196,292)
Total comprehensive income (net of tax)	**876,683**	1,017,333	**(134,750)**	(193,958)

No dividend was declared by the Directors during the year (2021: Nil)

Shareholding and substantial shareholders

The issued and fully paid-up share capital of the Company as at 31 December 2022 was 781,646,167 ordinary shares of 50kobo each (31 December 2021: 781,646,167 ordinary shares of 50 kobo each). The Register of Members shows that the below held more than 5% of the Company's issued and paid-up share capital as at year

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

The remaining 50.84% of the issued shares were held by other individuals and institutions.
Aside from the aforementioned three companies, no other shareholder held more than 5% of the issued and paid up share capital of the Company as at 31 December 2022.

DIRECTORS' REPORT (Continued)

Shareholding analysis

The Registrars have advised that the range of shareholding as at 31st December 2022 was as follows:

RANGE	No. of Holders	Percent	Unit	Percent
1- 10000	16,133	90.53	27,953,708	3.58
10001- 50000	1,317	7.39	27,928,680	3.57
50001- 100000	140	0.79	10,084,361	1.29
100001- 500000	176	0.988	35,909,696	4.59
500001- 1000000	16	0.090	10,967,171	1.40
1000001- 5000000	19	0.107	34,909,610	4.47
5000001- 10000000	6	0.034	44,442,395	5.69
10000001- 50000000	11	0.062	245,488,945	31.41
100000001- 500000000	2	0.01	343,961,601	44.00
GRAND TOTAL	**17,820**	**100**	**781,646,167**	**100**

Directors

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

Dr. Samuel Maduka Onyishi	Chairman
Mr. Chukwuemeka Ndu	Vice Chairman
Mr. Ugoji Lenin Ugoji	Group Managing Director/CEO Appointed 1 January 2022
Mr. Omotunde Olao-Olaifa	Non-Executive Director
Mr. Babatunde Edun	Non-Executive Director
Alhaji Sadiq Abubakar Adamu	Non-Executive Director
Mrs. Florence Okoli	Non-Executive Director
Mr. Oluyemi Abaolu-Johnson	Non-Executive Director
Mr. Tom Oko Achoda	Non-Executive Director

Directors' interests in shares

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

31 December 2022

	Total	Direct	Indirect	Indirect Holder
Dr. Samuel Maduka Onyishi	209,806,920	-	209,806,920	PMT Global Investments Ltd
Mr. Chukwuemeka Ndu	40,637,832	333,567	40,304,265	Petra Properties Limited
Mr. Ugoji Lenin Ugoji (MD/CEO)	-	-	-	
Mr. Omotunde Olao-Olaifa	35,000,088	-	35,000,088	Leadway Assurance Co. Ltd

DIRECTORS' REPORT (Continued)

Mr. Babatunde Edun	156,322,821	1,867,074	154,455,747	CIL Acquico Limited
Alhaji Sadiq Abubakar Adamu	-	-	-	
Mrs Florence Okoli	-	-	-	
Mr. Oluyemi Abaolu-Johnson	-	-	-	
Mr. Tom Oko Achoda	-	-	-	
Directors' Total	441,767,661	2,200,641	439,567,020	
% of Total	56.52%	0.28%	56.24%	
Total outstanding shares	781,646,167	781,646,167	781,646,167	

31 December 2021

	Total	Direct	Indirect	Indirect Holder
Dr. Samuel Maduka Onyishi	209,806,920	-	209,806,920	PMT Global Investments Ltd
Mr. Chukwuemeka Ndu	40,663,831	359,566	40,304,265	Petra Properties Limited
Mr. Andrew Otike-Odibi (MD/CEO)	10,625,044	10,625,044	-	
Mr. Omotunde Olao-Olaifa	35,000,088	-	35,000,088	Leadway Assurance Co. Ltd
Mr. Babatunde Edun	156,322,821	1,867,074	154,455,747	CIL Acquico Limited
Alhaji Sadiq Abubakar Adamu	-	-	-	
Mrs Florence Okoli	-	-	-	
Mr. Oluyemi Abaolu-Johnson	-	-	-	
Mr. Tom Oko Achoda	-	-	-	
Directors' Total	452,418,704	12,851,684	439,567,020	
% of Total	57.88%	1.64%	56.24%	
Total outstanding shares	781,646,167	781,646,167	781,646,167	

Directors' interests in contracts

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020 to the effect that they were members or held shareholding of some specified companies, which could be regarded as interest in any contracts with which the Company was involved as at 31 December 2022.

Donations and charitable gifts

In accordance with the provisions of Section 43 (2) Companies and Allied Matters Act 2020 the Company did not make any donation or gift to any political party, political association or for any political purpose during the year in review (2021: nil).

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

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

Name	Class	School
Morgan Wogu	Basic 4	Perissos Charis International School
Miracle Weli	SS3	Meved/Model School International School
Ariolu Light	SS3	Virgitab School
Odum Jessy Omasirichi	SS2	Queens Berry International School
Achor-Amadi Chimeka Malvin	JSS2	Lintel International School
Amadi Rejoice	SS1	Mater Misericordiae School, Port Harcourt

Property, plant and equipment

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

Employment of physically challenged persons

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

Employee Involvement and Training

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

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

Health, safety at work and staff welfare

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

Learning and development

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

Report to the CBN on Fraud and Forgeries

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

	2022		2021	
Description	Frequency	Amount Lost	Frequency	Amount Lost
Cash suppresion	1	₦786,886	8	₦4,895,367

Events after the reporting date

There are no events after reporting date which could have a material effect on the consolidated and separate financial statements of the Group and the Company as at 31 December 2022 or the financial performance for the year then ended that have not been adequately provided for or disclosed.

Statutory Audit Committee

In accordance with Section 404 (3) of the Companies and Allied Matters Act 2020, the Statutory Audit Committee of the Company was constituted at the 31st Annual General Meeting held in Lagos, Nigeria on the 20th October 2022, comprising of three (3) shareholders and two (2) Non-Executive Directors namely:

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

Independent Auditor

Messrs. Ernst & Young were appointed auditor to the Company at the last AGM held on 20 October 2022 and have indicated their willingness to continue in office as auditors to the Company in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020.

BY ORDER OF THE BOARD

Mbanugo Udenze & Co.
Company Secretary
FRC/2014/NBA/00000008124
5 October 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

In accordance with the provisions of the Companies and Allied Matters Act, 2020, the Directors are responsible for the preparation of consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group and the Company for the year ended 31 December 2022, and of the financial performance for the year and of its profit or loss and other comprehensive income for the year. The responsibilities include ensuring that the Group and the Company:

(a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020;
(b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities;.
(c) Prepares its consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
(d) It is appropriate for the consolidated and separate financial statements to be prepared on a going concern basis unless it is presumed that the Group and the Company will not continue in business.

The Directors accept responsibility for the accompanying consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and in manner required by the Companies and Allied Matters Act, 2020.

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

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

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

Signed on behalf of the Directors by:

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

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

Dated: 5 October 2023

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

In line with the provision of Section 405 of Companies and Allied Matters Act 2020, we have reviewed the audited consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2022, and based on our knowledge confirm as follows:

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

(b) The audited consolidated and separate financial statements and all other financial information included in the statements give a true and fair view of the financial condition and results of operation of the Group and the Company as of and for the year ended 31 December 2022.

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

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

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

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

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

Ugoji Lenin Ugoji	**Okechukwu Nnake**
Managing Director	Chief Financial Officer
FRC/2015/NIM/00000012363	FRC/2013/ICAN/00000005362

Dated: 5 October 2023

AUDIT COMMITTEE REPORT TO THE MEMBERS OF C & I LEASING PLC FOR THE YEAR ENDED 31 DECEMBER 2022

In accordance with the statutory provisions of Section 404 (1) of the Companies and Allied Matters Act 2020, the members of the Audit Committee of C & I Leasing Plc. report on the Company's consolidated and separate financial statements for the year ended 31 December 2022.

We confirm that we examined the scope and planning of audit requirements; reviewed the external Auditors' Management Letter for the year ended 31 December 2022 together with the management response which we considered satisfactory. We also ascertained that the accounting policies and reporting policies of the Company for the period under review are in accordance with legal requirements and standard ethical practices.

The External Auditors confirmed that all necessary co-operations were received from management and that the audit of the Company's account was carried out in an independent environment and they have also given an unmodified audit report for the year ended 31 December 2022.

Dated: 5 October 2023

Christie Vincent-Uwalaka
FRC/2013/ICAN/00000002666

For: Audit Committee

Members of the Audit Committee
Comrade S.B. Adenrele
Mr. Femi Oduyemi
Mrs. Christie Vincent-Uwalaka
Mr. Omotunde Alao-Olaifa
Mr. Oluyemi Abaolu-Johnson

TSEDAQAH ATTORNEYS

6th October 2023.

REPORT OF THE PERFORMANCE APPRAISAL OF THE BOARD OF DIRECTORS OF C&I LEASING PLC FOR THE FINANCIAL YEAR-ENDED DECEMBER 31, 2022

Tsedaqah Attorneys (TA) was engaged as Independent External Consultants to C&I Leasing Plc ("the Company") to carry out an evaluation of the performance of the Board of Directors for the year ended December 31, 2022, in line with the provisions of Principle 14.1 of the Nigerian Code of Corporate Governance, 2018, Section 8.1 of the Central Bank of Nigerian (CBN) Code of Corporate Governance for Finance Institutions, 2018 (CBN Code) and global best practices on Corporate Governance practices on Corporate Governance.

The objective of the review was to ascertain the extent of compliance with corporate governance principles and the performance of the Board in general. The Company's corporate governance structures, policies and processes were benchmarked against the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Code of Corporate Governance for Public Companies in Nigeria (SEC-CCG), Securities and Exchange Commission Corporate Governance Guidelines 2021 (SCGG), Companies and Allied Matters Act 2020 (CAMA), CBN Code, Corporate Governance Guidelines, other relevant codes as well as global corporate best practices.

Our review of the corporate governance standards and processes affirms that the Board has substantially complied with the provisions of the Nigerian Code of Corporate Governance and other relevant corporate governance standards. The activities of the Board are also generally in compliance with corporate governance best practice and the individual Directors remain committed to enhancing the Company's growth.

Details of our key findings and recommendations are contained in our Report.

TA is thankful for the opportunity to be of service and looks forward to working with C&I Leasing PLC in the future. Please accept the assurances of our highest regards and esteem.

Yours faithfully,
For: Tsedaqah Attorneys

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF C & I LEASING PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of C & I LEASING Plc("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2022 and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, relevant Central Bank of Nigeria Circulars and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

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

Key Audit Matters

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF C & I LEASING PLC Continued

The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) on trade and other receivables and finance lease receivables Trade and other receivables amount to N8.5 billion (Group) and N11.65 billion (Company), also finance lease receivables amount to N2.11 billion (Group and Company). These balances represent 20% and 29% of total assets of the Group and the Company, respectively. The trade and other receivables and finance lease receivables are carried at amortised cost, less allowance for impairment. Impairment allowance is based on expected credit losses. It is a key area of judgment due to the level of subjectivity inherent in estimating the impact of key assumptions on the recoverable amount of the balances. There are several significant judgments which are required in measuring the ECL under IFRS 9 - Financial Instruments, this includes: - The determination of criteria for Significant Increase in Credit Risk (SICR) for staging purpose. (At origination, financial asset is classified as stage 1, when there is significant increase in credit risk the financial asset is migrated to stage 2 and subsequently to stage 3 when there is a default); - Factoring in future economic assumptions; - Techniques used in determine the Probability of Default ('PD') and Loss Given Default ('LGD'). Given the materiality of the financial assets and the level of complexity and judgement involved in the determination of the ECL, we considered the impairment of financial assets as a key audit matter.	Our audit procedures with respect to the audit of ECL on trade and other receivables and finance lease receivables for the year ended 31 December 2022 were as follows: ▸ We reviewed the IFRS 9 ECL model and other documentation prepared by management for the computation of impairment on trade and other receivables and finance lease receivables at amortised cost in line with the requirements of IFRS 9. ▸ We evaluated the trade and other receivables and finance lease receivables to determine whether all assets were included in the calculations, and whether they met the definition of a financial asset; ▸ We obtained an understanding and tested the key data sources and assumptions used in the ECL models by the Group and the Company. We understood the process of choosing the data points and its relevance for the Group and the Company; ▸ We evaluated management assumptions used, as it relates to forward looking assumptions by using publicly available information; ▸ We reviewed- the appropriateness of theGroup'sand theCompany'sdetermination of SICR in accordance with the standard and the resultant basis for classification of various exposures into various stages; ▸ For a sample of exposures, we tested the accuracy of the Group's and the Company's staging; ▸ For a sample of exposures, we checked the appropriateness of determining the Exposure at Default and the resulting arithmetical calculations; ▸ We reviewed the recovery rate adopted by the Group and the Company in calculating the LGD and then traced it to supportable information so as to gain comfort in its reasonability.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF C & I LEASING PLC Continued

Key Audit Matter -Continued

Key Audit Matter	How the matter was addressed in the audit
TheGroup'sand theCompany'saccounting policy on impairment and related disclosures on credit risk are shown in Notes 3.9.7 and 8.3 to the consolidated and separate financial statements, respectively.	▸ We involved our internal specialists to assist in the review of the models used and to perform an independent recalculation of the impairment provision for the selected portfolios. ▸ We reviewed the qualitative and quantitative disclosures for reasonableness and to ensure conformity with IFRS 7- Financial Instruments: Disclosures.

Other matter

The consolidated and separate financial statements of C & I Leasing Plc for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 24 March 2022.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "C & I LEASING PLC Annual Report and Financial Statements for the year ended 31 December 2022",which includes the Corporate Information, Directors' Report, Statement of Directors Responsibilities in Relation to the Preparation of the Consolidated and Separate Financial Statements, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Audit Committee Report, and Other National Disclosures. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institution Act and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011 and relevant Central Bank of Nigeria Circulars, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF C & I LEASING PLC Continued

Responsibilities of the Directors for the Consolidated and Separate Financial Statements continued

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatements, 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 the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF C & I LEASING PLC Continued

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in ourauditor'sreport 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 requirements of the 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) In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;

iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

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

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

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

Babayomi Ajijola
FRC/2013/ICAN/00000001196

For: Ernst & Young
Lagos, Nigeria

06 October 2023

2022 ANNUAL REPORT

C & I Leasing Plc

Consolidated Financial Statements

31st Dec. 2022

C & I LEASING PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Group		Company	
		31 December	31 December	**31 December**	31 December
		2022	2021	**2022**	2021
	Notes	**N'000**	N'000	**N'000**	N'000
Assets					
Cash and balances with banks	**9**	**1,155,208**	3,190,044	**1,053,647**	2,932,822
Finance lease receivables	**10**	**2,112,163**	1,731,255	**2,112,163**	1,731,255
Investment securities at fair value through other comprehensive income	**11**	**11,518**	9,668	**11,518**	9,668
Trade and other receivables	**12**	**8,199,569**	8,991,978	**11,380,403**	12,911,494
Other assets	**13**	**10,211,950**	8,906,612	**11,193,557**	9,496,614
Investment in subsidiaries	**14**	**-**	-	**759,467**	759,467
Investment in joint ventures	**15**	**3,205,390**	2,857,475	**3,205,390**	2,857,475
Intangible assets	**16**	**25,405**	40,531	**25,414**	40,442
Plant and equipment for lease	**17**	**31,390,196**	30,223,322	**16,511,609**	15,276,079
Property, plant and equipment	**18**	**623,162**	1,291,555	**532,143**	1,164,502
Deferred income tax assets	**22.4**	**819,122**	891,383	**749,373**	854,607
Total assets		**57,753,684**	58,133,823	**47,534,683**	48,034,425
Liabilities					
Due to banks	**19**	**1,624,473**	978,197	**1,618,276**	978,185
Commercial notes issued	**20**	**13,554,429**	11,501,026	**13,554,429**	11,602,430
Trade and other payables	**21**	**5,107,710**	5,919,283	**4,491,343**	5,456,059
Current income tax liabilities	**22.2**	**518,081**	448,326	**487,917**	347,432
Deposit for shares	**26**	**-**	1,975,000	**-**	1,975,000
Loans and borrowings	**23**	**20,234,751**	23,449,435	**19,342,621**	21,475,473
Total liabilities		**41,039,444**	44,271,267	**39,494,586**	41,834,579
Equity					
Share capital	**24.1**	**390,823**	390,823	**390,823**	390,823
Deposit for shares	**26**	**1,975,000**	-	**1,975,000**	-
Share premium	**24.2**	**3,361,609**	3,361,609	**3,361,609**	3,361,609
Retained earnings	**25**	**3,605,439**	3,216,792	**667,433**	467,963
Other reserves:					
- Statutory reserve	**27**	**1,376,717**	1,295,389	**966,083**	873,770
- Regulatory risk reserve	**28**	**361,478**	351,372	**396,080**	380,152
- Foreign currency translation reserve	**29**	**4,520,558**	3,646,958	**-**	-
- Fair value reserve	**30**	**10,890**	9,039	**10,890**	9,039
- Asset revaluation reserve	**31**	**272,178**	716,490	**272,178**	716,490
		15,874,693	12,988,473	**8,040,097**	6,199,846
Non-controlling interests	**32**	**839,547**	874,082	**-**	-
Total equity		**16,714,240**	13,862,555	**8,040,097**	6,199,846
Total liabilities and equity		**57,753,684**	58,133,823	**47,534,683**	48,034,425

These consolidated and separate financial statements were approved by the Board of Directors on **5 October 2023** and signed on its behalf by:

Chukwuemeka Ndu
Vice Chairman
FRC/2013/ICAN/00000003955

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

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

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

C & I LEASING PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Notes	**2022 N'000**	2021 N'000	**2022 N'000**	2021 N'000
Gross earnings		**17,937,818**	18,190,660	**16,343,589**	15,314,947
Lease income	33	**13,639,786**	14,387,198	**10,997,982**	10,868,825
Lease expense	34	**(6,443,615)**	(5,812,006)	**(7,385,925)**	(6,824,534)
Net lease income		**7,196,171**	8,575,192	**3,612,057**	4,044,291
Net outsourcing income	35	**1,307,645**	1,178,821	**1,307,645**	1,178,821
Tracking income	36	**134,272**	153,639	**134,272**	153,639
Tracking expense	36	**(62,811)**	(83,202)	**(62,811)**	(83,202)
Net tracking income		**71,461**	70,437	**71,461**	70,437
Interest income	37	**29,182**	37,791	**22,876**	7,508
Investment income	38	**1,955,067**	1,528,874	**3,012,680**	2,084,292
Other operating income	39	**113,950**	312,717	**110,219**	430,243
Impairment charge	40	**(120,955)**	(71,982)	**(123,718)**	(71,982)
Depreciation and amortisation expense	41	**(3,084,971)**	(4,188,723)	**(1,571,940)**	(2,057,542)
Personnel expenses	42	**(1,481,699)**	(1,285,344)	**(1,309,656)**	(1,143,973)
Other operating expenses	43	**(988,577)**	(1,174,197)	**(863,915)**	(754,769)
Operating profit		**4,997,273**	4,983,587	**4,267,708**	3,787,326
Finance cost	44	**(4,739,697)**	(5,033,311)	**(4,398,860)**	(4,180,417)
Share of profit from joint venture	16.1	**757,915**	591,620	**757,915**	591,620
Profit before income tax expense		**1,015,490**	541,896	**626,763**	198,528
Income tax expense	22.1	**(438,222)**	(510,617)	**(319,050)**	(394,820)
Profit/(loss) after tax		**577,269**	31,279	**307,712**	(196,292)
Profit/(loss) attributable to:					
Owners of the parent		**481,775**	(24,432)	**307,712**	(196,292)
Non-controlling interests	32	95,494	55,711	**-**	-
		577,269	31,279	**307,712**	(196,292)
Basic earnings/(loss) per share [kobo]	45	**61.64**	(3.13)	**39.37**	(25.11)
Diluted earnings/(loss) per share [kobo]	45	**27.23**	(1.38)	**17.39**	(11.10)
Other comprehensive income					
Items that will be subsequently reclassified to profit or loss (net of tax)					
Translation of foreign operations gain		**741,875**	983,721	**-**	-
Items that will not be subsequently reclassified to profit or loss (net of tax)					
Loss on investment securities at fair value through other comprehensive income	30	**1,850**	2,333	**1,850**	2,333
Revaluation loss on land and building	31	**(493,680)**	-	**(493,680)**	-
Tax relating to revaluation loss on land & building	31	**49,368**	-	**49,368**	-
Other comprehensive income		**299,414**	986,054	**(442,462)**	2,333
Total comprehensive income/(loss) (net of tax)		**876,683**	1,017,333	**(134,750)**	(193,958)
Attributable to:					
Owners of the parent		**912,914**	770,922	**(134,750)**	(193,958)
Non-controlling interests	32	**(36,231)**	246,411	**-**	-
		876,683	1,017,333	**(134,750)**	(193,958)

Certain prior year transactions were reclassified during the current year to align with the current presentation. See note 47

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

C & I LEASING PLC

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

Group

	Share capital	Deposit for shares*	Share premium	Retained earnings	Statutory reserve	Regulatory risk reserve	Foreign currency translation reserve	Fair value reserve	Asset revaluation reserve	Non-controlling interests	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	**390,823**	**-**	**3,361,609**	**3,583,738**	**1,262,039**	**625,728**	**2,856,142**	**6,706**	**716,490**	**625,466**	**13,428,742**
Changes in equity for the year:											
(Loss)/profit for the year	-		-	(24,432)	-	-	-	-	-	55,712	31,280
Other comprehensive income:											
Fair value gain for the year	-	-	-	-	-	-	-	2,333	-	-	2,333
Gain on foreign operations translation	-	-	-	-	-	-	790,816	-	-	192,905	983,721
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**(24,432)**	**-**	**-**	**790,816**	**2,333**	**-**	**248,616**	**1,017,334**
Transactions with owners:											
Transfer between reserves			-	241,006	33,350	(274,356)	-	-	-	-	(0)
Dividends paid (Note 25)	-		-	(583,520)	-	-	-	-	-	-	(583,520)
	-	-	-	(342,514)	33,350	(274,356)	-	-	-	-	(583,520)
At 1 January 2022	**390,823**	**-**	**3,361,609**	**3,216,792**	**1,295,389**	**351,372**	**3,646,958**	**9,039**	**716,490**	**874,082**	**13,862,555**
Changes in equity for the year											
Profit for the year	**-**		**-**	**481,775**	**-**	**-**	**-**	**-**	**-**	**95,494**	**577,269**
Other comprehensive income:											
Fair value gain for the year	**-**		**-**	**-**	**-**	**-**	**-**	**1,850**	**-**	**-**	**1,850**
Revaluation loss on land and building		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(444,312)**	**-**	**(444,312)**
Gain on foreign operations translation	**-**		**-**	**-**	**-**	**-**	**873,600**	**-**	**-**	**(131,725)**	**741,875**
Total comprehensive income for the year	**-**	**-**	**-**	**481,775**	**-**	**-**	**873,600**	**1,850**	**(444,312)**	**(36,231)**	**876,683**
Transactions with owners											
Reclassification	**-**	**1,975,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,975,000**
Transfers between reserves	**-**	**-**	**-**	**(93,129)**	**81,328**	**10,106**	**-**	**-**	**-**	**1,695**	**-**
	-	**1,975,000**	**-**	**(93,129)**	**81,328**	**10,106**	**-**	**-**	**-**	**1,695**	**1,975,000**
At 31 December 2022	**390,823**	**1,975,000**	**3,361,609**	**3,605,438**	**1,376,717**	**361,478**	**4,520,558**	**10,890**	**272,178**	**839,546**	**16,714,240**

*Deposit for shares was transferred from liabilities to equity. See Note 26 for more details

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

C & I LEASING PLC

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

Company

	Share capital N'000	Deposit for shares* N'000	Share premium N'000	Retained earnings N'000	Statutory reserve N'000	Regulatory risk reserve N'000	Fair value reserve N'000	Asset revaluation reserve N'000	Total equity N'000
At 1 January 2021	**390,823**	**-**	**3,361,609**	**989,148**	**873,770**	**638,779**	**6,706**	**716,490**	**6,977,325**
Changes in equity for the year:									
Loss for the year	-	-	-	(196,292)	-	-		-	(196,292)
Other comprehensive (loss)/income:									
Fair value gain for the year	-	-	-	-	-	-	2,333	-	2,333
Total comprehensive (loss)/income for the year	-	-	-	(196,292)	-	-	2,333	-	(193,958)
Transactions with owners:									
Transfer between reserves	-	-	-	258,627	-	(258,627)	-	-	-
Dividends paid (Note 25)	-	-	-	(583,520)	-	-	-	-	(583,520)
	-	-	-	(324,893)	-	(258,627)	-	-	(583,520)
At 1 January 2022	**390,823**	**-**	**3,361,609**	**467,963**	**873,770**	**380,152**	**9,039**	**716,490**	**6,199,846**
Changes in equity for the year:									
Profit for the year				**307,712**		**-**		**-**	**307,712**
Other comprehensive income:									
Fair value gain for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,850**	**-**	**1,850**
Revaluation loss on land and building	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(444,312)**	**(444,312)**
Total comprehensive income for the year	**-**	**-**	**-**	**307,712**	**-**	**-**	**1,850**	**(444,312)**	**(134,749)**
Transactions with owners:									
Reclassification	**-**	**1,975,000**	**-**	**-**	**-**	**-**	**-**	**-**	**1,975,000**
Transfer between reserves	**-**	**-**	**-**	**(108,242)**	**92,314**	**15,928**	**-**	**-**	**-**
	-	**1,975,000**	**-**	**(108,242)**	**92,314**	**15,928**	**-**	**-**	**1,975,000**
At 31 December 2022	**390,823**	**1,975,000**	**3,361,609**	**667,434**	**966,084**	**396,080**	**10,890**	**272,178**	**8,040,097**

*Deposit for shares was transferred from liabilities to equity. See Note 26 for more details

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

C & I LEASING PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		2022	2021	**2022**	2021
	Notes	**N'000**	N'000	**N'000**	N'000
Cash flows from operating activities					
Profit before income tax expense		**1,015,490**	541,896	**626,763**	198,528
Adjustments for:					
Depreciation of property, plant and equipment	18	**90,026**	166,581	**35,111**	44,716
Depreciation of plant and equipment for lease	17	**2,979,844**	4,017,155	**1,521,800**	2,008,178
Amortisation of intangible assets	16	**15,102**	4,986	**15,028**	4,642
Impairment charge	40	**120,955**	71,982	**123,718**	71,982
Profit on disposal of property, plant and equipment	38	**(773,339)**	(1,243,421)	**(773,339)**	(1,058,433)
Profit on disposal of plant and equipment for lease	38	**(1,181,723)**	-	**(1,114,690)**	-
Dividend received from subsidiary company	39	**-**	-	**(1,124,652)**	(740,076)
Proceeds from investment in joint ventures	16.1c	**(757,915)**	(591,620)	**(757,915)**	(591,620)
Management and operational fee from Joint Venture		**(61,219)**	-	**(61,219)**	(159,443)
Foreign currency translation difference		**(461,070)**	(1,668,913)	**-**	-
Interest income	37	**(29,182)**	(37,791)	**(22,876)**	(7,508)
Finance cost	44	**4,739,697**	5,033,310	**4,398,860**	4,180,417
Foreign exchange loss/(gain)		**33,310**	(148,681)	**33,310**	(148,850)
		5,729,978	6,145,484	**2,899,901**	3,802,533
Changes in operating assets and liabilities					
Finance lease receivables	10	**(380,693)**	555,130	**(380,693)**	555,130
Trade and other receivables	12	**1,186,519**	(1,648,212)	**1,922,439**	(2,433,700)
Other assets	13	**(1,382,710)**	(1,336,647)	**(1,774,315)**	(1,436,443)
Commercial notes issued	20	**2,053,403**	(3,937,207)	**1,951,999**	(3,835,802)
Trade and other payables	21	**(811,573)**	1,148,423	**(964,714)**	1,904,192
Dividend received from subsidiary company		**-**	-	**1,124,652**	740,076
		6,394,924	926,971	**4,779,267**	(704,014)
Tax paid	22.2	**(213,864)**	(84,143)	**(23,964)**	(84,143)
Net cash from/(used in) operating activities		**6,181,059**	842,829	**4,755,304**	(788,156)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	38	**900,000**	1,243,561	**900,000**	1,058,433
Purchase of property, plant and equipment	18	**(5,871)**	(39,328)	**(23,093)**	(4,643)
Proceeds from sale of plant and equipment for lease	38	**1,222,087**	1,707,315	**1,141,710**	1,336,037
Purchase of plant and equipment for lease	17	**(3,898,533)**	(1,737,558)	**(2,784,351)**	(1,182,454)
Acquisition of intangible assets	16	**24**	(45,085)	**-**	(45,085)
Interest income	37	**29,182**	37,791	**22,876**	7,508
Net cash (used in)/from investing activities		**(1,753,111)**	1,166,696	**(742,859)**	1,169,796
Cash flows from financing activities					
Proceeds from loans and borrowings	23.5	**2,219,224**	8,912,397	**1,665,611**	8,358,784
Repayment of loans and borrowings	23.5	**(4,588,588)**	(3,584,080)	**(3,798,463)**	(2,258,129)
Dividends paid	25	**-**	(583,520)	**-**	(583,520)
Interest paid	44	**(4,739,697)**	(5,033,310)	**(4,398,860)**	(4,180,417)
Net cash (used in)/from financing activities		**(7,109,062)**	(288,513)	**(6,531,712)**	1,336,718
(Decrease)/Increase in cash and cash equivalents		**(2,681,113)**	1,721,012	**(2,519,267)**	1,718,357
Cash and cash equivalents at 1 January		**2,211,847**	490,835	**1,954,637**	236,280
Cash and cash equivalents at 31 December	9.1	**(469,265)**	2,211,847	**(564,630)**	1,954,637

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

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. The reporting entity

C & I Leasing Plc ('the Company") was incorporated on 28 December 1990 and commenced business in June 1991. The Company was licensed by the Central Bank of Nigeria (CBN) as a finance company, and is owned by a number of institutional and individuals investors. The Company's shares were listed on the Nigerian Exchange (NGX) Limited in December 1997. The Company is regulated by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), and the NIgerian Exchange Limited (NGX). In addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at 31 December 2022, the Company has three subsidiary companies (31 December 2021: 3) namely:

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

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

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

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

These consolidated and separate financial statements cover the financial period from 1 January 2022 to 31 December 2022.

The consolidated and separate financial statements for the year ended 31 December 2022 were approved for issue by the Board of Directors on **5 October 2023**

2. Basis of preparation

2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act, 2020, relevant Central Bank of Nigeria circulars and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, No. 6, 2011.

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

2.2 Going concern consideration

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

2.3 Basis of measurement

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

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

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2.4 Functional and reporting currency

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

2.5 Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022.

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 2021, except for the adoption of new standards effective as of 1 January 2022.

had any material impact on the disclosures or on the amounts reported in these consolidated and separate financial statements.

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

New and amended IFRS Standards

Amendments to the following standard(s) became effective in the annual period starting from 1 January 2022. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

2.6.1.a IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated and separate financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the financial statements of the Group and Company as there were no first-time subsidiaries that arose during the period.

2.6.1.b Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. These amendments had no impact on the financial statements of the Group and Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2.6 Changes in accounting policies and disclosures and Standards Issued - Continued

2.6.1.c Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The impact of these amendments on the financial statements of the Group and Company is being assessed.

2.6.1.d Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of 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 costs of producing those items in profit or loss in accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Group and Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

2.6.1.e IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the financial statements of the Group and Company as it did not have assets in scope of IAS 41 as at the reporting date.

2.6.1.f IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the financial statements of the Group and Company during the period.

2.6.2 New and revised IFRS Standards in issue but not yet effective for the year ending 31 December 2022

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

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2.6.2 New and revised IFRS Standards in issue but not yet effective for the year ending 31 December 2022 - Continued

2.6.2.a 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) which 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:
(i) A specific adaptation for contracts with direct participation features (the variable fee approach)
(ii) 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 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. This standard is not applicable to the Group and Company.

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

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
(i) What is meant by a right to defer settlement.
(ii) That a right to defer must exist at the end of the reporting period.
(iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right.
(iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group and Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

2.6.2.c Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

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

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2.6.2.d Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group and Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements. The amendment is not expected to have a material impact on the Group and Company's financial statements.

2.6.2.e Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Group and Company is currently assessing the impact of the amendments.

2.6.2.f Lease liability in a Sale and Leaseback-Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendments are applicable from the beginning on or after 1 January 2024. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuringmthe lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed.

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2.6.2.f Lease liability in a Sale and Leaseback-Amendments to IFRS 16 - continued

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The Group and Company is currently assessing the impact of the amendments.

3. Summary of significant accounting policies

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

3.1 Investments in subsidiaries

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

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

Control is usually present when an entity has:

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

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

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

3.2 Investments in associates

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

3.3 Investments in joint ventures

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

3.5 Intangible assets

3.5.1 Intangible assets acquired separately

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

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3.5 Intangible assets - Continued

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

Amortization periods and methods are reviewed annually and adjusted if appropriate.

The 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. When significant parts of property, plant and equipment are required to be replaced at intervals, the group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its costs is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria is satisfied.

3.6.2 Subsequent costs

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

3.6.3 Depreciation

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

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

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

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

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3.6 Property, plant and equipment - Continued

3.6.4 Derecognition

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

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

3.7 Inventories

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

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

3.8 Impairment of non-financial assets

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

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

3.9. Financial assets and liabilities

3.9.1. Initial recognition

The Group initially recognises loans and advances ,finance lease receivables, 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 or minus, (for an item not at fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

a. *Day 1 profit or loss*

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

b. *Amortised cost and gross carrying amount*

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

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3.9. Financial assets and liabilities - Continued

c. *Effective interest rate method*

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

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

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

d. *Interest income*

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

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

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

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

Financial assets - Subsequent measurement

a. Debt instruments

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

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

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

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

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

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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 periods, the reasons for such sales and its expectations about future sales activity.However, information about sales activity is not considered 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.

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.

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3.9.7. Impairment of financial assets

Overview of the ECL principles

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

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

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

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

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

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

- **Stage 2:** When a loans and advances , finance lease receivables, Plant and equipment lease receivables has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime expected credit losses (LTECLs). Stage 2 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.

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.

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3.9.7. Impairment of financial assets - continued

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

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

The mechanics of the ECL method are summarised below:

Stage 1

- The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.
- These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.

Stage 2

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

Stage 3

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

POCI

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

Credit-impaired financial assets

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

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

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3.9.7. Impairment of financial assets - continued

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

3.9.8. Debt instruments measured at fair value through OCI

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

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

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

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

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

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.

3.9.11. Write-off

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

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

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

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

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

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3.9.12. Forward looking information

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

- 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.

3.9.13. Financial liabilities

Classification and subsequent measurement

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

Derecognition

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

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

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

Financial guarantee contracts , loans and borrowings and other commitments

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

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

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

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

3.10. Fair value measurement

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

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3.10. Fair value measurement - continued

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.

3.10.1 Write off

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

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

3.10.2 Financial assets measured at fair value through other comprehensive income

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

The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. If in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

3.10.3 Offsetting financial instruments

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

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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.

For the purpose of preparing the statement of cash flows, cash and cash equivalents are reported net of overdrafts.

3.13 Lease contract with lessor

Leases are divided into finance leases and operating leases.

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

3.13.1 The Group is the lessor

3.13.1.1 Operating leases

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

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

3.13.1.2 Finance leases

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. See further details in Note 3.9.

3.13.2 The Group is the lessee

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

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

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

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3.13.2 The Group is the lessee - Continued

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

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

– fixed payments, including in-substance fixed payments;

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

3.14 Trade and other payables

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

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

3.15 Borrowing costs

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

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

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3.16 Retirement benefits

3.16.1 Defined contribution plan

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

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

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

3.16.2 Termination benefits

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

3.16.3 Short term employee benefits

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

3.17 Taxation

3.17.1 Current income tax

The tax expense for the year comprises current and deferred taxes. Tax is recognised in the 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.

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3.17.2 Deferred income tax - Continued

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 fair value through OCI investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the statement of profit or loss together with the deferred gain or loss on disposal.

3.18 Provisions

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

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

3.19 Revenue recognition

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

3.19.1 Income from property, plant and equipment for lease

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

3.19.2 Income from finance leases

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

3.19.3 Personnel outsourcing income

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

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3.19.4 Service charge income

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

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

3.19.5 Interest income

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

3.19.6 Rental income

Rental income is recognized on an accrued basis.

3.19.7 Realised gains and losses

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

3.20 Foreign currency translation

3.20.1 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the entities within the Group. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise except for:

• Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs; where those interest costs qualify for capitalization to assets under construction;
• Exchange differences on transactions entered into to hedge foreign currency risks;
• Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.20.2 Foreign operations

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

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

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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 future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the statement of profit or loss in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both.

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

5.1 Measurement of the expected credit loss allowance

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

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

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

5.2 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Group's recognised and unrecognised deferred tax assets and liabilities are as disclosed in Note 32.

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5.3 Judgements

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

5.3.1 Determination of impairment of non-financial assets

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

5.3.2 Determination of impairment of property, plant and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

5.3.3 Depreciable life of property, plant and equipment

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

5.3.4 Determination of exchange rate used for translation

The Group translates and records its foreign currency transactions and balances based on the exchange rate at which the future cash flows represented by the transactions or balances could have been settled, if those cash flows had occurred at the reporting date. The Central Bank of Nigeria Import & Export rate has been used for the translation of foreign currency balances as this remains the main source of foreign currencies for the Company's transactions. Refer to Notes 3.20.1 and 44.

5.4 Statement of prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the expected credit loss model required by IFRS under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

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

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

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

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

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5.4 Statement of prudential adjustments - Continued

In line with the same directive of the CBN, the Company has reconciled the statutory credit reserve as at 31 December 2022, by comparing the provision and impairment as determined under both bases. A reconciliation of this amount is provided below:

	Company	
	31-Dec-22	**31-Dec-21**
Total Prudential Impairment Provision (Note 28.2.2)	**807,625**	665,824
IFRS impairment provision (Note 28.2.1)	**426,942**	311,279
Difference in impairment provision balances	**380,683**	354,545
Movement in regulatory reserve:		
At 1 January	**380,152**	638,779
Transfer to statutory credit reserve in the year	**26,138**	(258,627)
At 31 December	**406,290**	380,152

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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 and separate statements of financial position are shown based on their classifications in the table below:

6.1 Classes of financial instruments

	Fair value through OCI	Amortised Cost	Total carrying amount
	N'000	N'000	N'000
Group			
At 31 December 2022			
Financial assets			
Cash and balances with banks	-	1,155,208	1,155,208
Investment securities at fair value through other comprehensive income	11,518	-	11,518
Trade and other receivables	-	8,199,569	8,199,569
Other assets	-	489,607	489,607
	11,518	**9,844,384**	**9,855,903**
Financial liabilities			
Due to banks	-	1,624,473	1,624,473
Commercial notes issued	-	13,554,429	13,554,429
Loans and borrowings	-	20,234,751	20,234,751
Trade and other payables	-	4,303,631	4,303,631
	-	**39,717,284**	**39,717,284**

	Fair value through OCI	Amortised Cost	Total carrying amount
	N'000	N'000	N'000
Group			
At 31 December 2021			
Financial assets			
Cash and balances with banks	-	3,190,044	3,190,044
Investment securities at fair value through other comprehensive	9,668	-	9,668
Trade and other receivables	-	8,991,978	8,991,978
Other assets	-	301,873	301,873
	9,668	**12,483,895**	**12,493,563**
Financial liabilities			
Due to banks	-	978,197	978,197
Commercial notes issued	-	11,501,026	11,501,026
Loans and borrowings	-	23,449,435	23,449,435
Trade and other payables	-	5,179,926	5,179,926
	-	**41,108,585**	**41,108,585**

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	Fair value through OCI	Amortised Costs	Total carrying amount
	N'000	N'000	N'000
Company			
At 31 December 2022			
Financial assets			
Cash and balances with banks	-	1,053,647	1,053,647
Investment securities at fair value through other comprehensive	11,518	-	11,518
Trade and other receivables	-	11,380,403	11,380,403
Other assets	-	439,920	439,920
	11,518	**12,873,970**	**12,885,488**
Financial liabilities			
Due to banks	-	1,618,276	1,618,276
Commercial notes issued	-	13,554,429	13,554,429
Loans and borrowings	-	19,342,621	19,342,621
Trade and other payables	-	3,775,944	3,775,944
	-	**38,291,271**	**38,291,271**

	Fair value through OCI	Amortised Costs	Total carrying amount
	N'000	N'000	N'000
Company			
At 31 December 2021			
Financial assets			
Cash and balances with banks	-	2,932,822	2,932,822
Investment securities at fair value through other comprehensive income	9,668	-	9,668
Trade and other receivables	-	12,911,494	12,911,494
Other assets	-	236,498	236,498
	9,668	**16,080,814**	**16,090,482**
Financial liabilities			
Due to banks	-	978,185	978,185
Commercial notes issued	-	11,602,430	11,602,430
Loans and borrowings	-	21,475,473	21,475,473
Trade and other payables	-	4,825,708	4,825,708
	-	**38,881,796**	**38,881,796**

6.2 Fair valuation methods and assumptions

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

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

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

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6.3 Fair value measurements recognised in the statement of financial position

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise investment securities at fair value through other comprehensive income.

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

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

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

At 31 December 2022

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

At 31 December 2021

	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Investment securities at FVOCI	11	9,668	-	-	**9,668**
Land and building	18	-	-	1,106,932	**1,106,932**

The Group maintains quoted investments in the companies listed in Note 11 and were valued at N11.5 million (December 2021: N9.7 million) which are categorised as **level 1,** because the securities are actively traded. There are no financial instruments in the level 2 and 3 categories for the year.

6.4 Financial instruments not measured at fair value

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

Group
At 31 December 2022

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	1,155,208	1,155,208	1,155,208
Trade and other receivables	-	-	8,199,569	8,199,569	8,199,569
Liabilities					
Due to banks	-	-	11,193,557	11,193,557	11,193,557
Commercial notes issued	-	-	759,467	759,467	759,467
Trade and other payables	-	-	4,303,631	4,303,631	4,303,631
Loans and borrowings	-	-	16,511,609	16,511,609	16,511,609

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Group
At 31 December 2021

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	3,190,044	3,190,044	3,190,044
Trade and other receivables	-	-	8,991,978	8,991,978	8,991,978
Liabilities					
Due to banks	-	-	978,197	978,197	978,197
Commercial notes issued	-	-	11,501,026	11,501,026	11,501,026
Trade and other payables	-	-	5,179,926	5,179,926	5,179,926
Loans and borrowings	-	-	19,342,621	19,342,621	19,342,621

Company
At 31 December 2022

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	1,053,647	1,053,647	1,053,647
Trade and other receivables	-	-	11,380,403	11,380,403	11,380,403
Liabilities					
Due to banks	-	-	1,618,276	1,618,276	1,618,276
Commercial notes issued	-	-	13,554,429	13,554,429	13,554,429
Trade and other payables	-	-	3,775,944	3,775,944	3,775,944
Loans and borrowings	-	-	19,342,621	19,342,621	19,342,621

Company
At 31 December 2021

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Assets					
Cash and balances with banks	-	-	2,932,822	2,932,822	2,932,822
Trade and other receivables	-	-	12,911,494	12,911,494	12,911,494
Liabilities					
Due to banks	-	-	978,185	978,185	978,185
Commercial notes issued	-	-	11,602,430	11,602,430	11,602,430
Trade and other payables	-	-	4,825,708	4,825,708	4,825,708
Loans and borrowings	-	-	21,475,473	21,475,473	21,475,473

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

i Cash and bank balances with banks
The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

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ii **Trade and other receivables/payables**

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

iii **Due to banks**

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

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

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

7. Capital management

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

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

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

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

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

The Group achieved capital adequacy ratio of 30% at the year end 31 December 2022 (December 2021: 23%).

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

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
Tier 1 capital					
Share capital		**390,823**	390,823	**390,823**	390,823
Deposit for shares		**1,975,000**	-	**1,975,000**	-
Share premium		**3,361,609**	3,361,609	**3,361,609**	3,361,609
Retained earnings		**3,605,439**	3,216,792	**667,433**	467,963
Statutory reserve		**1,376,717**	1,295,389	**966,083**	873,770
Regulatory risk reserve		**361,478**	351,372	**396,080**	380,152
Non-Controlling Interests		**839,547**	874,082	-	-
Deferred income tax assets		**819,122**	891,383	**749,373**	854,607
Sub-Total		**12,729,736**	10,381,451	**8,506,402**	6,328,924
Less: Intangible assets		**(25,405)**	(40,531)	**(25,414)**	(40,442)
Required loan loss reserve		**(361,478)**	(351,372)	**(396,080)**	(380,152)
Deferred income tax assets		**(819,122)**	(891,383)	**(749,373)**	(854,607)
Total qualifying for tier 1 capital		**11,523,730**	9,098,165	**7,335,535**	5,053,723
Tier 2 capital					
Deposit for shares		**-**	1,975,000	**-**	1,975,000
Foreign currency translation reserve		**4,520,558**	3,646,958	**-**	-
Fair value reserve		**10,890**	9,039	**10,890**	9,039
Assets revaluation reserve		**272,178**	716,490	**272,178**	716,490
Total		**4,803,626**	6,347,487	**283,068**	2,700,529
Total qualifying for tier 2 capital (Maximum of 33.3% of TIER 1 Capital)		**3,837,402**	3,029,689	**2,442,733**	1,682,890
Total regulatory capital		**15,361,132**	12,127,854	**9,778,268**	6,736,613
Risk-weighted assets					
	%				
Cash and balances with banks	20%	**231,042**	638,009	**210,729**	586,564
Finance lease receivables	100%	**2,112,163**	1,731,255	**2,112,163**	1,731,255
At fair value through other comprehensive income	100%	**11,518**	11,518	**11,518**	11,518
Trade and other receivables	100%	**8,199,569**	8,991,978	**11,380,403**	12,911,494
other assets	100%	**10,211,950**	8,906,612	**11,193,557**	9,496,614
Investment in subsidiaries	100%	**-**	-	**759,467**	759,467
Investment in joint venture	100%	**3,205,390**	2,857,475	**3,205,390**	2,857,475
Plant and equipment for lease	100%	**31,390,196**	30,223,322	**16,511,609**	15,276,079
Property, plant and equipment	100%	**623,162**	1,291,555	**532,143**	1,164,502
Total risk weighted assets		**55,984,991**	54,651,724	**45,916,980**	44,794,969
Risk-weighted Capital Adequacy Ratio (CAR)		**27%**	22%	**21%**	15%

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

8.2 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

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

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

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8.3 Financial risks

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

Credit risks
Liquidity risks
Market risks

8.3.1 Credit risks

Credit risks arise from a customer delay or outright default of lease rentals; inability to fully meet contractual obligations by customers. Exposure to this risk results from financial transactions with customers.

The Group has policies in place to mitigate its credit risks.

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

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

Exposure to risk

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

	Group	
	31-Dec-22	**31-Dec-21**
	N'000	N'000
Financial assets		
Cash and balances with banks	**1,151,424**	3,182,629
Finance lease receivables	**2,112,163**	1,731,255
Trade and other receivables	**8,199,569**	8,991,978
Other assets	**489,607**	301,873
	11,952,764	14,207,735

	Company	
	31-Dec-22	**31-Dec-21**
	N'000	N'000
Financial assets		
Cash and balances with banks	**1,053,388**	2,932,161
Finance lease receivables	**2,112,163**	1,731,255
Trade and other receivables	**11,380,403**	12,911,494
Other assets	**439,920**	236,498
	14,985,875	17,811,408

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 (Cont'd)

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

Group	Less than 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
At 31 December 2022				
Due to banks	**1,624,473**	**-**	**-**	**1,624,473**
Commercial notes issued	**8,132,657**	**5,421,771**	**-**	**13,554,429**
Loans and borrowings	**5,348,969**	**13,397,204**	**1,488,578**	**20,234,751**
Trade and other payables	**4,303,631**	**-**	**-**	**4,303,631**
	19,409,730	**18,818,976**	**1,488,578**	**20,307,554**
31 December 2021				
Due to banks	978,197	-	-	978,197
Commercial notes issued	6,900,615	4,600,410		11,501,026
Loans and borrowings	3,652,088	17,051,235	2,746,112	23,449,435
Trade and other payables	5,179,926	-	-	5,179,926
	16,710,827	**21,651,645**	**2,746,112**	**24,397,757**

Company	Less than 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
At 31 December 2022				
Due to banks	**1,618,276**	-	**-**	**1,618,276**
Commercial notes issued	**8,132,657**	**5,421,771**	**-**	**13,554,429**
Loans and borrowings	**5,279,068**	**12,574,975**	**1,488,578**	**19,342,621**
Trade and other payables	**3,775,944**	**-**	**-**	**3,775,944**
	18,805,946	**17,996,746**	**1,488,578**	**19,485,325**
31 December 2021				
Due to banks	978,185	-	-	978,185
Commercial notes issued	6,961,458	4,640,972	-	11,602,430
Loans and borrowings	3,168,060	15,561,301	2,746,112	21,475,473
Trade and other payables	4,825,708	-	-	4,825,708
	15,933,411	**20,202,273**	**2,746,112**	**22,948,385**

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.

8.3.3 Market risk

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

8.3.4 Currency risk

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

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

The Group's principal transactions are carried out in Naira and its financial assets are primarily denominated in Nigerian Naira, except for its subsidiaries - Leasafric Ghana Plc and EPIC International FZE, U.A.E.; whose transactions are denominated in Ghanaian Cedi and United Arab Emirates' Dirhams respectively. The exposure to foreign exchange risk as a result of these subsidiaries in the year as a result of translation has been recognised in the statement of other comprehensive income.

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8.3.4 Currency risk - Continued

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		2022 N'000	2021 N'000
USD	420.42	395.54	448.55	411.15	14,025,100	11,862,947
GHc	47.78	66.5	43.37	66.5	2,278,601	3,214,985

Sensitivity analysis – Currency Risk

A reasonably possible strengthening (weakening) of the US Dollar against the Nigerian Naira as at 31 December 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumed that all other variables remain constant and ignore any impact of forecast sales and purchases.

	Operating Profit			
	2022		2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (5%)	701,255	(701,255)	593,147	(593,147)
GHc (5%)	113,930	(113,930)	160,749	(160,749)

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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 consolidated and separate 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.

Sensitivity analysis – Interest rate risk

Group

31 December 2022		Interest rate shock to Profit Before Tax			
N'000	Carrying value	1%	2%	-1%	-2%
Cash and bank balances	1,155,208	11,552	23,104	(11,552)	(23,104)
Balance due to banks	(1,624,473)	(16,245)	(32,489)	16,245	32,489
Commercial notes	(13,554,429)	(135,544)	(271,089)	135,544	271,089
Loans and borrowings	(20,234,751)	(202,348)	(404,695)	202,348	404,695

Group

31 December 2021		Interest rate shock to Profit Before Tax			
N'000	Carrying value	1%	2%	-1%	-2%
Cash and bank balances	3,190,044	31,900	63,801	(31,900)	(63,801)
Balance due to banks	(978,197)	(9,782)	(19,564)	9,782	19,564
Commercial notes	(11,501,026)	(115,010)	(230,021)	115,010	230,021
Loans and borrowings	(23,449,435)	(234,494)	(468,989)	234,494	468,989

Company

31 December 2022		Interest rate shock to Profit Before Tax			
N'000	Carrying value	1%	2%	-1%	-2%
Cash and bank balances	1,053,647	10,536	21,073	(10,536)	(21,073)
Balance due to banks	(1,618,276)	(16,183)	(32,366)	16,183	32,366
Commercial notes	(13,554,429)	(135,544)	(271,089)	135,544	271,089
Loans and borrowings	(19,342,621)	(193,426)	(386,852)	193,426	386,852

Company

31 December 2021		Interest rate shock to Profit Before Tax			
N'000	Carrying value	1%	2%	-1%	-2%
Cash and bank balances	2,932,822	29,328	58,656	(29,328)	(58,656)
Balance due to banks	(978,185)	(9,782)	(19,564)	9,782	19,564
Commercial notes	(11,602,430)	(116,024)	(232,049)	116,024	232,049
Loans and borrowings	(21,475,473)	(214,755)	(429,509)	214,755	429,509

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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.

	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
9. Cash and bank balances				
Cash in hand	**3,784**	7,415	**258**	661
Bank balances	**1,151,424**	992,708	**1,053,388**	775,490
Placement with banks (Note 9.2)	**-**	2,189,921	**-**	2,156,671
	1,155,208	3,190,044	**1,053,647**	2,932,822
9.1 Cash and cash equivalents per statement of cash flows				
Cash in hand	**3,784**	7,415	**258**	661
Bank balances	**1,151,424**	992,708	**1,053,388**	775,490
Placement with banks	**-**	2,189,921	**-**	2,156,671
Balance due to banks (Note 19)	**(1,624,473)**	(978,197)	**(1,618,276)**	(978,185)
	(469,265)	2,211,847	**(564,630)**	1,954,637
9.2 Placement with banks				
Gross investment amount	**-**	2,192,076	**-**	2,158,826
Impairment allowance	**-**	(2,155)	**-**	(2,155)
	-	2,189,921	**-**	2,156,671

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	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
10 Finance lease receivables				
10.1 Finance lease receivable not due				
Gross finance lease receivable	**5,098,481**	3,924,255	**5,098,481**	3,924,255
Unearned lease interest/maintenance (Note 10.2)	**(2,985,005)**	(2,191,472)	**(2,985,005)**	(2,191,472)
Net investment in finance lease not due	**2,113,475**	1,732,782	**2,113,475**	1,732,782
Impairment allowance (Note 10.3)	**(1,312)**	(1,527)	**(1,312)**	(1,527)
Carrying amount finance lease not due	**2,112,163**	1,731,255	**2,112,163**	1,731,255

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

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

10.3 Impairment allowance on finance lease receivables not due

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:

Group	**Stage 1 N'000**	**Stage 2 N'000**	**Stage 3 N'000**	**Total N'000**
Gross carrying amount as at 1 January 2022	**1,732,782**	**-**	**-**	**1,732,782**
New assets originated or purchased	379,468	-	-	379,468
Assets derecognised or repaid	1,225	-	-	1,225
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2022	**2,113,475**	**-**	**-**	**2,113,475**
ECL impairment allowance as at 1 January 2022	**1,527**	**-**	**-**	**1,527**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(215)	-	-	(215)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2022	**1,312**	**-**	**-**	**1,312**
Gross carrying amount as at 1 January 2021	**2,291,051**	**-**	**-**	**2,291,051**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(558,269)	-	-	(558,269)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**1,732,782**	**-**	**-**	**1,732,782**

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ECL impairment allowance as at 1 January 2021	**4,666**	**-**	**-**	**4,666**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(3,139)	-	-	(3,139)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**1,527**	**-**	**-**	**1,527**

Company	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2022	**1,732,782**	**-**	**-**	**1,732,782**
New assets originated or purchased	379,468	-	-	379,468
Assets derecognised or repaid	1,225	-	-	1,225
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2022	**2,113,475**	**-**	**-**	**2,113,475**
ECL impairment allowance as at 1 January 2022	**1,527**	**-**	**-**	**1,527**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	(215)	-	-	(215)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2022	**1,312**	**-**	**-**	**1,312**

Company				
Gross carrying amount as at 1 January 2021	**2,291,051**	**-**	**-**	**2,291,051**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(558,269)	-	-	(558,269)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**1,732,782**	**-**	**-**	**1,732,782**
ECL impairment allowance as at 1 January 2021	**4,666**	**-**	**-**	**4,666**
New assets originated or purchased	**-**	**-**	**-**	**-**
Assets derecognised or repaid	(3,139)	-	-	(3,139)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**1,527**	**-**	**-**	**1,527**

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		Group		Company	
		31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
11	**Investment securities at fair value through other comprehensive income**				
	Listed equity (Note 11.1)	**11,518**	9,668	**11,518**	9,668
11.1	**Movement in investment securities at fair value through other comprehensive income**				
	At 1 January	**28,500**	28,500	**28,500**	28,500
	Fair value loss (Note 11.3)	**(16,982)**	(18,832)	**(16,982)**	(18,832)
	At 31 December	**11,518**	9,668	**11,518**	9,668
11.2	**Analysis of equity instruments**				
	FBN Holdings Plc	**16,500**	16,500	**16,500**	16,500
	Fidelity Bank Plc	**12,000**	12,000	**12,000**	12,000
		28,500	28,500	**28,500**	28,500
11.3	**Movement in fair value reserve**				
	At 1 January	**18,832**	21,165	**18,832**	21,165
	Loss from changes in fair value recognised in OCI (Note 31)	**(1,850)**	(2,333)	**(1,850)**	(2,333)
	At the end	**16,982**	18,832	**16,982**	18,832
12	**Trade and other receivables**				
	Lease rental due	**667,743**	809,296	**667,743**	809,296
	Staff loans and advances	**55,246**	60,663	**41,569**	49,205
	Plant and equipment for lease receivables	**7,223,393**	5,981,297	**6,296,231**	4,821,787
	Account receivable others	**348,749**	1,459,821	**41,376**	1,098,376
	Receivable from related companies (Note 12.1)	**201,592**	954,350	**4,598,654**	6,351,439
		8,496,723	9,265,426	**11,645,572**	13,130,103
	Impairment allowance (Note 12.2)	**(301,105)**	(273,449)	**(265,169)**	(218,608)
		8,195,618	8,991,977	**11,380,403**	12,911,495
12.1	**Analysis of receivable from related companies:**				
	Leasafric Ghana Logistics limited	**88,394**	105,957	**-**	-
	C&I/Sifax JV Current account	**42,242**	776,512	**42,242**	776,512
	OCS/C&I JV Current account	**70,956**	71,881	**70,956**	71,881
	EPIC International FZE, United Arab Emirates	**-**	-	**4,485,456**	5,503,046
	Gross receivable from related parties	**201,592**	954,350	**4,598,654**	6,351,439

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12.2 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 receivable from related parties is as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2022	**8,434,793**	**648,415**	**182,218**	**9,265,426**
New assets originated or purchased	463,745	-	-	463,745
Assets derecognised or repaid	(954,616)	-	(5,487)	(960,103)
Amount written off	-	(272,345)	-	(272,345)
Transfer to stage 1	34,693	37,415	(72,108)	-
Transfer to stage 2	-	(149,934)	149,934	-
Transfer to stage 3	(22,550)	(236,633)	259,183	-
At 31 December 2022	**7,956,065**	**26,918**	**513,740**	**8,496,723**
ECL impairment allowance as at 1 January 2022	**152,029**	**26,684**	**94,736**	**273,449**
New assets originated or purchased	50,746	-	-	50,746
Assets derecognised or repaid	(3,911)	-	(1,484)	(5,395)
Amount written off	-	(17,695)	-	(17,695)
Transfer to stage 1	2,250	3,650	(5,900)	-
Transfer to stage 2	-	(1,900)	1,900	-
Transfer to stage 3	(2,250)	(8,948)	11,198	-
At 31 December 2022	**198,864**	**1,791**	**100,450**	**301,105**
Gross carrying amount as at 1 January 2021	**6,645,817**	**749,708**	**205,292**	**7,600,817**
New assets originated or purchased	5,378,383	-	-	5,378,383
Assets derecognised or repaid	(3,632,230)	(81,544)	-	(3,713,774)
Transfer to stage 1	42,823	(33,171)	(9,652)	-
Transfer to stage 2	-	13,422	(13,422)	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**8,434,793**	**648,415**	**182,218**	**9,265,426**
ECL impairment allowance as at 1 January 2021	**20,974**	**25,468**	**101,307**	**147,749**
New assets originated or purchased	131,795	-	-	131,795
Assets derecognised or repaid	(2,645)	(3,450)	-	(6,095)
Amount written off	-	-	-	-
Transfer to stage 1	7,069	(4,879)	(2,190)	-
Transfer to stage 2	(5,164)	9,545	(4,381)	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**152,029**	**26,684**	**94,736**	**273,449**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Company	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2022	**12,438,207**	**500,027**	**191,869**	**13,130,103**
New assets originated or purchased	318,171	-	-	318,171
Assets derecognised or repaid	(1,797,215)	-	(5,487)	(1,802,702)
Amount written off	-	-	-	-
Transfer to stage 1	34,693	37,415	(72,108)	-
Transfer to stage 2	149,934	(149,934)	-	-
Transfer to stage 3	(22,550)	(93,280)	115,830	-
At 31 December 2022	**11,121,240**	**294,228**	**230,104**	**11,645,572**
ECL impairment allowance as at 1 January 2022	**122,165**	**30,379**	**66,064**	**218,608**
New assets originated or purchased	78,664	-	-	78,664
Assets derecognised or repaid	(27,303)	-	(4,800)	(32,103)
Amount written off	-	-	-	-
Transfer to stage 1	3,476	15,945	(19,421)	-
Transfer to stage 2	13,574	(13,574)	-	-
Transfer to stage 3	(5,432)	(17,118)	22,550	-
At 31 December 2022	**185,144**	**15,632**	**64,393**	**265,169**

Company	**Stage 1 N'000**	**Stage 2 N'000**	**Stage 3 N'000**	**Total N'000**
Gross carrying amount as at 1 January 2021	**9,495,579**	**486,605**	**205,291**	**10,187,475**
New assets originated or purchased	2,942,628	-	-	2,942,628
Assets derecognised or repaid		-	-	-
Transfer to stage 1	-	13,422	(13,422)	-
Transfer to stage 2		-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**12,438,207**	**500,027**	**191,869**	**13,130,103**
ECL impairment allowance as at 1 January 2021	**33,622**	**26,614**	**69,829**	**130,065**
New assets originated or purchased	88,543	-	-	88,543
Assets derecognised or repaid	-	-		-
Amount written off	-	3,765	(3,765)	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**122,165**	**30,379**	**66,064**	**218,608**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
13	**Other assets**				
	Prepayments	**489,607**	301,873	**439,920**	236,498
	Withholding tax receivables	**6,361,053**	5,773,489	**6,332,003**	5,825,064
	Value added tax receivable	**25,371**	46,575	**-**	-
	Consumables (Note 13.1)	**3,309,127**	2,628,962	**3,272,364**	2,613,811
	Total non-financial assets	**10,185,157**	8,750,899	**10,044,287**	8,675,373
	Dividend receivables	**-**	-	**1,124,652**	665,527
	Insurance claims receivables	**2,175**	-	**-**	-
	Other receivables	**117,608**	169,177	**117,608**	169,177
		119,783	169,177	**1,242,260**	834,704
	Impairment allowance on other assets (Note 13.2)	**(92,990)**	(13,464)	**(92,990)**	(13,464)
	Total financial assets	**26,792**	155,713	**1,149,270**	821,241
	Total Other assets	**10,211,950**	**8,906,612**	**11,193,557**	**9,496,614**
13.1	**Consumables**				
	Spare parts	**1,964,715**	2,033,588	**1,927,953**	2,023,827
	Fuel Dump-PMS	**-**	5,397	**-**	7
	Goods in transit	**1,396,485**	642,051	**1,396,485**	642,051
		3,361,200	2,681,036	**3,324,438**	2,665,885
	Impairment allowance on consumables	**(52,074)**	(52,074)	**(52,074)**	(52,074)
		3,309,127	2,628,962	**3,272,364**	2,613,811

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13.2 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 2022	**129,413**	**4,005**	**35,759**	**169,177**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(49,394)	-	-	(49,394)
Amount written off	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	(36,966)	-	36,966	-
At 31 December 2022	**43,053**	**4,005**	**72,725**	**119,783**
ECL impairment allowance as at 1	**7,757**	**5,522**	**185**	**13,464**
New assets originated or purchased	**16,263**	**-**	**-**	**16,263**
Assets derecognised or repaid	(7,866)	-	-	(7,866)
Amount written off	-	-	-	-
Transfer to stage 1	(4,608)	3,234	1,374	-
Transfer to stage 2	7,650	(7,650)	-	-
Transfer to stage 3	-	(36)	71,166	71,130
At 31 December 2022	**19,196**	**1,070**	**72,725**	**92,990**
Group				
Gross carrying amount as at 1 January 2021	**144,429**	**26,000**	**35,759**	**206,188**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	-	-	-	-
Amount written off	(15,016)	(21,995)	-	(37,011)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**129,413**	**4,005**	**35,759**	**169,177**
ECL impairment allowance as at 1	**17,777**	**17,957**	**185**	**35,919**
New assets originated or purchased	75,661	-	-	75,661
Assets derecognised or repaid	(70,575)	-	-	(70,575)
Amount written off	(15,106)	(12,435)	-	(27,541)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**7,757**	**5,522**	**185**	**13,464**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Company	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2022	**785,380**	**13,625**	**35,759**	**834,764**
New assets originated or purchased	407,496	-	-	407,496
Assets derecognised or repaid	-	-	-	-
Amount written off	-	-	-	-
Transfer to stage 1	9,955	(9,955)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	(34,541)	(1,249)	35,790	-
At 31 December 2022	**1,168,290**	**2,421**	**71,549**	**1,242,260**
ECL impairment allowance as at 1 January 2022	**7,757**	**5,522**	**185**	**13,464**
New assets originated or purchased	**8,397**	**-**	**-**	**8,397**
Assets derecognised or repaid	**-**		**-**	**-**
Amount written off	**-**	**-**	**-**	**-**
Transfer to stage 1	1,325	(1,325)	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**(235)**	**71,364**	**71,129**
At 31 December 2022	**17,479**	**3,962**	**71,549**	**92,990**

Company				
Gross carrying amount as at 1 January 2021	**513,276**	**26,000**	**35,759**	**575,035**
New assets originated or purchased	377,106	-	-	377,106
Assets derecognised or repaid	(89,986)	-	-	(89,986)
Amount written off	(15,016)	(12,435)	-	(27,451)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**785,380**	**13,565**	**35,759**	**834,704**
ECL impairment allowance as at 1 January 2021	**17,777**	**17,957**	**185**	**35,919**
New assets originated or purchased	75,661	-	-	75,661
Assets derecognised or repaid	(70,575)	-	-	(70,575)
Amount written off	(15,106)	(12,435)	-	(27,541)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
At 31 December 2021	**7,757**	**5,522**	**185**	**13,464**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	31 December 2021 N'000	31 December 2020 N'000	**31 December 2021 N'000**	31 December 2020 N'000
14 Investment in subsidiaries				
Leasafric Ghana Limited	**-**	-	**754,735**	754,735
EPIC International FZE, United Arab Emirates	**-**	-	**4,232**	4,232
C&I Leasing FZE, Nigeria	**-**	-	**500**	500
	-	**-**	**759,467**	**759,467**

14.1 Subsidiary undertakings

All shares in subsidiaries undertakings are ordinary shares.

Subsidiary	Principal activities	Country of incorporation	Percentage held	Statutory year end
Leasafric Ghana Plc (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 Dangote Free Trade Zone.	Nigeria	99%	31 December

14.1.1 Leasafric Ghana Plc

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

14.1.2 EPIC International FZE, U.A.E.

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

14.1.3 C&I Leasing FZE, Nigeria

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

14.2 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 Plc
EPIC International FZE, U.A.E.
C&I Leasing FZE, Nigeria

C & I LEASING PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14.2.1 Condensed results of consolidated entities

31 December 2022

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Plc N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Condensed statement of profit or loss and other comprehensive income							
Gross earnings	**16,343,589**	**2,662,983**	**1,908,833**	**-**	**20,915,404**	**(2,977,586)**	**17,937,818**
Net operating income	**4,991,162**	1,675,281	1,908,833	-	**8,575,276**	-	**8,575,276**
Interest income	**22,876**	6,307	-	-	**29,183**	-	**29,183**
Investment income	**3,012,680**	67,039	-	-	**3,079,719**	(1,124,652)	**1,955,067**
Other operating income	**110,219**	3,731	-	-	**113,950**	-	**113,950**
Impairment charge	**(123,718)**	2,763	-	-	**(120,955)**	-	**(120,955)**
Depreciation and amortisation expense	**(1,571,940)**	(760,224)	(752,807)	-	**(3,084,971)**	-	**(3,084,971)**
Personnel expenses	**(1,309,656)**	(173,278)	-	-	**(1,482,934)**	-	**(1,482,934)**
Other operating expenses	**(863,915)**	(116,645)	(6,532)	(250)	**(987,342)**	-	**(987,342)**
Operating profit/(loss)	4,267,708	**704,974**	**1,149,494**	**(250)**	**6,121,926**	**(1,124,652)**	**4,997,273**
Finance cost	**(4,398,860)**	(257,748)	(83,089)	-	**(4,739,697)**	-	**(4,739,697)**
Share of profit from Joint venture	**757,915**	-	-	-	**757,915**	-	**757,915**
Profit/(loss) before tax	**626,763**	447,226	1,066,405	(250)	**2,140,143**	**(1,124,652)**	**1,015,490**
Income tax expense	**(319,050)**	(119,172)	-	-	**(438,222)**	-	**(438,222)**
Profit/(loss) after tax	**307,712**	**328,054**	**1,066,405**	**(250)**	**1,701,922**	**(1,124,652)**	**577,269**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14.2.2 Condensed statement of financial position

31 December 2022

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C&I Leasing FZE N'000	Total N'000	Elimination N'000	Group N'000
Assets							
Cash and balances with banks	**1,053,647**	95,868	5,594	100	**1,155,208**	-	**1,155,208**
Finance lease receivables	**2,112,163**	-	-	-	**2,112,163**	-	**2,112,163**
At fair value through other comprehensive income	**11,518**	-	-	-	**11,518**	-	**11,518**
Trade and other receivables	**11,380,403**	1,226,209	-	272,345	**12,878,957**	(4,679,387)	**8,199,569**
Other assets	**11,193,557**	143,047	-	-	**11,336,604**	(1,124,652)	**10,211,952**
Investment in subsidiaries	**759,467**	-	-	-	**759,467**	(759,467)	**-**
Investment in Joint ventures	**3,205,390**	-	-	-	**3,205,390**	-	**3,205,390**
Deferred income tax assets	**749,373**	69,749	-	-	**819,122**	-	**819,122**
Intangible assets	**25,414**	(9)	-	-	**25,405**	-	**25,405**
Property, plant and equipment for lease	**16,511,609**	874,959	14,003,628	-	**31,390,196**	-	**31,390,196**
Property, plant and equipment own	**532,143**	91,019	-	-	**623,162**	-	**623,162**
Total assets	**47,534,683**	**2,500,840**	**14,009,222**	**272,445**	**64,317,190**	**(6,563,506)**	**57,753,684**
Liabilities and equity							
Due to banks	**1,618,276**	6,197	-	-	**1,624,473**	-	**1,624,473**
Commercial notes issued	**13,554,429**	-	-	-	**13,554,429**	-	**13,554,429**
Trade and other payables	**4,491,343**	474,790	9,434,389	167,235	**14,567,757**	(9,460,047)	**5,107,710**
Current income tax liability	**487,917**	30,164	-	-	**518,081**	-	**518,081**
Loans and borrowings	**19,342,621**	892,130	-	-	**20,234,751**	-	**20,234,751**
Equity and reserves	**8,040,097**	1,097,559	4,574,832	105,210	**13,817,698**	2,896,541	**16,714,239**
Total liabilities and equity	**47,534,683**	**2,500,840**	**14,009,221**	**272,445**	**64,317,190**	**(6,563,506)**	**57,753,684**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14.2.3 Condensed results of consolidated entities (Cont'd)

31 December 2021

	C&I Leasing Plc	Leasafric Ghana Limited	EPIC International FZE, U.A.E	C&I Leasing FZE	Total	Elimination	Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed statement of profit or loss and other comprehensive income							
Gross earnings	**15,314,947**	**3,594,819**	**3,424,591**	**1,743,271**	**23,928,778**	**(6,272,784)**	**17,655,994**
Net operating income	5,293,549	2,534,402	1,743,271	93,783	9,665,005	159,444	9,824,449
Interest income	7,508	30,264	19	-	37,791	-	37,791
Investment income	2,084,292	121,022	-	-	2,382,515	(835,886)	1,546,629
Other operating income	430,243	18,943	23,147	-	146,280	-	146,280
Impairment charge	(71,982)	(63,180)	-	-	(141,879)	-	(141,879)
Depreciation and amortisation expense	(2,057,542)	(1,291,760)	(839,420)	-	(4,188,722)	-	(4,188,722)
Personnel expenses	(1,143,973)	(141,371)	-	-	(1,285,344)	-	(1,285,344)
Other operating expenses	(754,769)	(348,856)	(7,066)	(500)	(955,622)	-	(955,622)
Operating profit	**3,787,326**	**859,464**	**919,952**	**93,283**	**5,660,024**	**(676,442)**	**4,983,583**
Finance cost	(4,180,417)	(555,490)	(297,403)	-	(5,033,310)	-	(5,033,310)
Share of profit from joint venture	591,620	-	-	-	591,620	-	591,620
Profit before tax	198,528	303,973	622,549	93,283	1,218,334	(676,442)	541,893
Income tax expense	(394,820)	(115,797)	-	-	(510,617)	-	(510,617)
Loss/(profit) after tax	(196,292)	188,176	622,549	93,283	707,717	(676,442)	31,276

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14.2.4 Condensed results of consolidated entities (Cont'd)

31 December 2021

Condensed statement of financial position

	C&I Leasing Plc	Leasafric Ghana Limited	EPIC International FZE, U.A.E	C&I Leasing FZE	Total	Elimination	Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and balances with banks	2,932,822	251,994	5,127	100	3,190,044	-	3,190,044
Finance lease receivables	1,731,255	-	-	-	1,731,255	-	1,731,255
At fair value through other comprehensive income	9,668	35,369	-	-	45,037	(35,369)	9,668
Trade and other receivables	12,911,494	1,439,033	-	631,237	14,981,764	(6,185,577)	8,796,187
Other assets	9,496,614	345,264	-	-	9,841,878	(739,475)	9,102,403
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in joint ventures	2,857,475	-	-	-	2,857,475	-	2,857,475
Current income tax assets	-	-	-	-	-	-	-
Deferred income tax assets	854,607	-	-	-	854,607	36,776	891,383
Intangible assets	40,442	89	-	-	40,531	-	40,531
Property, plant and equipment for lease	15,276,079	1,783,377	13,163,867	-	30,223,323	-	30,223,323
Property, plant and equipment own	1,164,502	127,053	-	-	1,291,555	-	1,291,555
Total assets	**48,034,425**	**3,982,179**	**13,168,994**	**631,337**	**65,816,935**	**(7,683,111)**	**58,133,823**
Liabilities and equity							
Due to banks	978,185	11	-	-	978,196	-	978,196
Commercial notes issued	11,602,430	-	-	-	11,602,430	(101,405)	11,501,025
Trade and other payables	5,456,059	689,549	8,975,631	525,877	15,647,116	(9,727,833)	5,919,283
Current income tax liability	347,432	100,893	-	-	448,325	-	448,325
Deferred income tax liability	-	(36,776)	-	-	(36,776)	36,776	-
Deposit for shares	1,975,000	-	-	-	1,975,000	-	1,975,000
Loans and borrowings	21,475,473	2,002,268	-	-	23,477,741	(28,305)	23,449,435
Equity and reserves	6,199,846	1,226,233	4,193,364	105,460	11,724,904	2,137,655	13,862,558
Total liabilities and equity	**48,034,425**	**3,982,179**	**13,168,995**	**631,337**	**65,816,935**	**(7,683,113)**	**58,133,823**

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	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
15. Investments in Joint Venture				
Investment accounted for using equity method - in Joint venture				
Sifax C&I Marine Limited	**1,602,695**	1,428,738	**1,602,695**	1,428,738
Sifax C&I Leasing Marine Limited Seychelles	**1,602,695**	1,428,738	**1,602,695**	1,428,738
	3,205,390	2,857,475	**3,205,390**	2,857,475

15.1 Investment in Joint venture undertakings

Nature of Joint Ventures	Principal activities	Country of incorporation	Held by (Units) in thousand	% voting power
1. Sifax C&I Marine Ltd	Towage and pilotage services contract awarded to the parties by the Nigeria LNG Limited.	Nigeria	**12,500,000**	**50%**
2. Sifax C&I Leasing Marine Ltd Seychelles	Plant and Equipment leasing	Seychelle, East Africa	**2,922,048**	**50%**

15.1a Summarised financial information of Joint Venture

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

	Sifax C&I Marine Ltd	Sifax C&I Leasing Marine Ltd Seychelles	Total	
	31 December 2022 N'000	**31 December 2022 N'000**	**31 December 2022 N'000**	31 December 2021 N'000
Current assets	**3,553,346**	**1,276,523**	**4,829,869**	3,634,685
Non-current assets	**2,579**	**9,962,603**	**9,965,182**	9,948,548
Total assets	**3,555,925**	**11,239,126**	**14,795,051**	13,583,233
Current liabilities	**2,442,421**	**1,342**	**2,443,763**	2,911,120
Non-current liabilities	**-**	**5,393,689**	**5,393,689**	5,923,978
Total liabilities	**2,442,421**	**5,395,031**	**7,837,452**	8,835,098
Net assets	**1,113,504**	**5,844,095**	**6,957,599**	4,748,135
The following amounts have been included in the amounts above:				
Cash and cash equivalents	**2,630,717**	**-**	**2,630,717**	2,580,780
Current financial liabilities (excluding trade and other payables and provisions)	**-**	**1,342**	**1,342**	504,299
Non-current financial liabilities (excluding trade and other payables and provisions)	**-**	**5,393,689**	**5,393,689**	5,923,978

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	Sifax C&I Marine Ltd	Sifax C&I Leasing Marine Ltd Seychelles	Total	
	31 December 2022 N'000	31 December 2022 N'000	31 December 2022 N'000	31 December 2021 N'000
Revenue	**2,881,550**	**2,456,735**	**5,338,285**	2,511,755
(Loss)/profit from operations	**(416,276)**	**1,531,114**	**1,114,838**	1,183,240
(Loss)/profit for the year	**(7,881)**	**1,531,114**	**1,523,233**	1,183,240
Other comprehensive (loss)/income for the year	**-**	**-**	**-**	-
Total comprehensive (loss)/profit for the year	**(7,881)**	**1,531,114**	**1,523,233**	1,183,240
The following amounts have been included in the amount above:				
Direct expenses	**(3,097,799)**	**(3,433)**	**(3,101,232)**	(1,578,292)
Other income	**293,589**	**-**	**293,589**	47,100
Impairment charge	**(422,749)**	**-**	**(422,749)**	(422,749)
Depreciation expense	**(6,340)**	**(605,494)**	**(611,834)**	(281,701)
Administrative expenses	**(46,361)**	**(2,575)**	**(48,936)**	(12,771)

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

	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
Net assets of the joint ventures	**6,957,599**	4,748,135	**6,957,599**	4,748,135
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	**3,478,800**	2,374,068	**3,478,800**	2,374,068
Inter company's balances	**(273,410)**	483,407	**(273,410)**	483,407
Carrying amount of the Group's interest in the joint venture	**3,205,390**	2,857,475	**3,205,390**	2,857,475
15.1c Movement in investment in joint ventures:				
At 1 January	**4,748,135**	2,174,597	**2,374,068**	2,174,597
Less: Prior year inter company's balances	**-**	(105,162)	**(159,444)**	(105,162)
Share of profit in Joint Venture	**757,915**	591,620	**757,915**	591,620
Total investment holding by C & I Leasing Plc	**5,506,050**	2,661,055	**2,972,539**	2,661,055
Add:				
Management and operational fee from Joint Venture	**61,219**	-	**61,219**	159,444
Other inter company's balances	**1,390,330**	2,087,080	**445,041**	(446,431)
At 31 December	**6,957,599**	4,748,135	**3,478,800**	2,374,068

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16. Intangible assets

	Group	Company
Computer software	**N'000**	**N'000**
Cost:		
At 1 January 2021	**180,945**	**163,267**
Additions during the year	45,085	45,085
Translation difference	(166)	-
At 31 December 2021	225,864	208,352
At 1 January 2022	**225,864**	**208,352**
Translation difference	**(5,895)**	**-**
At 31 December 2022	**219,969**	**208,352**
Accumulated amortisation and impairment:		
At 1 January 2021	**180,514**	**163,267**
Amortisation charge for the year	4,986	4,642
Translation difference	(167)	-
At 31 December 2021	**185,333**	**167,909**
At 1 January 2022	**185,333**	**167,909**
Amortisation charge for the year	**15,102**	**15,028**
Exchange difference	**(5,871)**	-
At 31 December 2022	**194,565**	**182,937**
Carrying amount:		
At 31 December 2022	**25,405**	**25,414**
At 1 January 2022	40,531	40,442

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

16b The software is not internally generated.

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

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17 Plant and equipment for lease - Group

	Autos and trucks	Office equipmen	Marine equipment	Construction in progress*	Cranes	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost:						
At 1 January 2021	14,392,157	36,856	34,928,920	2,676,639	310,013	52,344,585
Additions	561,666	8,709	1,077,575	89,608	-	1,737,558
Disposal	(2,972,457)	252	-	(105,118)	(289,013)	(3,366,336)
Reclassification	-	-	2,381,927	(2,381,927)		-
Translation difference	418,736	(8,781)	1,154,406	(279,202)		1,285,159
At 31 December 2021	12,400,102	37,036	39,542,828	-	21,000	52,000,966
At 1 January 2022	**12,400,102**	**37,036**	**39,542,828**	**-**	**21,000**	**52,000,966**
Additions	**2,812,807**	**-**	**1,083,770**	**1,605**	**352**	**3,898,533**
Disposal	**(1,576,656)**	**-**	**-**	**-**	**-**	**(1,576,656)**
Translation difference	**(2,602,824)**	**-**	**1,224,376**	**-**	**37,653**	**(1,340,795)**
At 31 December 2022	**11,033,428**	**37,036**	**41,850,974**	**1,605**	**59,005**	**52,982,047**
Accumulated depreciation						
At 1 January 2021	9,744,419	33,068	9,663,036	-	272,998	19,713,521
Charge in the year	897,065	2,193	1,944,917	-	1,172,980	4,017,155
Disposals	(1,602,049)	101	-	-	(57,068)	(1,659,016)
Translation difference	830,828	78	254,013	-	(1,378,935)	(294,017)
At 31 December 2021	9,870,263	35,440	11,861,966	-	9,975	21,777,644
At 1 January 2022	**9,870,263**	**35,440**	**11,861,966**	**-**	**9,975**	**21,777,644**
Charge in the year	**1,372,226**	**813**	**1,604,314**	**-**	**2,490**	**2,979,844**
Disposals	**(1,536,293)**	**-**	**-**	**-**	**-**	**(1,536,293)**
Translation difference	**(2,051,571)**	**-**	**384,615**	**-**	**37,613**	**(1,629,343)**
At 31 December 2022	**7,654,625**	**36,253**	**13,850,896**	**-**	**50,077**	**21,591,851**
Carrying amount:				-		
At 31 December 2022	**3,378,804**	**782**	**28,000,079**	**1,605**	**8,927**	**31,390,196**
At 1 January 2022	2,529,839	1,596	27,680,862	-	11,025	30,223,322

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

No impairment charge on plant and equipment during the year.

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17 Plant and equipment for lease - Company

	Autos and trucks	Office equipmen	Marine equipment	Construction in progress*	Cranes	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost						
At 1 January 2021	**7,259,483**	**36,856**	**19,593,362**	**2,381,927**	**310,013**	**29,581,641**
Additions	561,666	-	620,790		-	1,182,456
Disposals	(2,904,760)	-	-	-	(289,013)	(3,193,773)
Reclassification	-	-	2,381,927	(2,381,927)	-	-
Exchange difference	-	-	31,819	-	-	31,819
At 31 December 2021	**4,916,389**	**36,856**	**22,627,898**	**-**	**21,000**	**27,602,143**
At 1 January 2022	**4,916,389**	**36,856**	**22,627,898**	**-**	**21,000**	**27,602,143**
Additions	2,453,389	**-**	**330,963**		**-**	**2,784,351**
Disposals	(1,267,042)	**-**	**-**	**-**	**-**	**(1,267,042)**
At 31 December 2022	**6,102,736**	**36,856**	**22,958,860**	**-**	**21,000**	**29,119,452**
Accumulated depreciation						
At 1 January 2021	**4,832,331**	**33,072**	**7,005,405**	**-**	**272,995**	**12,143,803**
Charge for the year	897,065	2,188	1,105,497	-	3,427	2,008,178
Disposals	(1,559,469)	-	-	-	(266,447)	(1,825,916)
At 31 December 2021	**4,169,927**	**35,260**	**8,110,902**	**-**	**9,975**	**12,326,065**
At 1 January 2022	**4,169,927**	**35,260**	**8,110,902**	**-**	**9,975**	**12,326,065**
Charge for the year	667,380	**813**	**851,507**	**-**	**2,100**	**1,521,800**
Disposals	(1,240,022)	**-**	**-**	**-**	**-**	**(1,240,022)**
At 31 December 2022	**3,597,285**	**36,074**	**8,962,410**	**-**	**12,075**	**12,607,844**
				-		
Carrying amount						
At 31 December 2022	**2,505,451**	**782**	**13,996,451**	**-**	**8,925**	**16,511,609**
At 1 January 2022	746,462	1,595	14,516,995	-	11,025	15,276,079

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

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

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18a Property, plant and equipment - Group

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment N'000	Leasehold improvement N'000	Buildings N'000	Land N'000	Construction in progress N'000	Total N'000
Valuation/Cost:										
At 1 January 2021	**1,004,502**	**99,383**	**468,765**	**96,344**	**11,133**	**9,477**	**462,649**	**862,239**	**-**	**3,014,493**
Additions	-	-	5,871	-	-	-	-	-	33,457	39,328
Disposals	(13,280)	(280)	-	-	-	-	-		-	(13,559)
Translation difference	(57,854)	261	5,204	16,537	-	-	-	(33,457)	-	(69,309)
At 31 December 2021	**933,368**	**99,364**	**479,840**	**112,881**	**11,133**	**9,477**	**462,649**	**828,782**	**33,457**	**2,970,952**
At 1 January 2022	**933,368**	**99,364**	**479,840**	**112,881**	**11,133**	**9,477**	**462,649**	**828,782**	**33,457**	**2,970,952**
Additions	**-**	**-**	**5,871**	**-**	**-**	**-**	**-**	**-**	**-**	**5,871**
Revaluation loss	**-**	**-**	**-**	**-**	**-**	**-**	**(150,619)**	**(343,061)**	**-**	**(493,680)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(126,661)**	**-**	**(126,661)**
Translation difference	**(208,229)**	**(3,289)**	**(57,456)**	**(16,571)**	**-**	**(9,477)**	**21,748**	**29,142**	**(33,457)**	**(277,590)**
At 31 December 2022	**725,139**	**96,075**	**428,255**	**96,310**	**11,133**	**-**	**333,779**	**388,201**	**-**	**2,078,892**
Accumulated depreciation										
At 1 January 2021	**823,031**	**85,683**	**401,618**	**74,321**	**6,682**	**8,639**	**176,497**	**-**	**-**	**1,576,471**
Charge for year	107,020	5,707	25,793	17,320	2,226	512	8,003	-	-	166,581
Disposal in the year	(13,280)	(140)	-	-	-	-	-	-	-	(13,420)
Exchange difference	(50,271)	39	(886)	883	(1)	1	(1)	-	-	(50,236)
At 31 December 2021	**866,500**	**91,289**	**426,525**	**92,524**	**8,907**	**9,152**	**184,499**	**-**	**-**	**1,679,397**
At 1 January 2022	**866,500**	**91,289**	**426,525**	**92,524**	**8,907**	**9,152**	**184,499**	**-**	**-**	**1,679,397**
Charge for the year	**47,968**	**3,974**	**21,393**	**5,582**	**2,227**	**-**	**8,882**	**-**	**-**	**90,026**
Translation difference	**(223,341)**	**(4,800)**	**(69,705)**	**(12,560)**	**(0)**	**(9,152)**	**5,866**	**-**	**-**	**(313,692)**
At 31 December 2022	**691,127**	**90,463**	**378,213**	**85,547**	**11,133**	**-**	**199,247**	**-**	**-**	**1,455,730**
Carrying amount:										
At 31 December 2022	**34,012**	**5,612**	**50,043**	**10,763**	**(0)**	**-**	**134,531**	**388,201**	**-**	**623,162**
At 1 January 2022	66,868	8,075	53,315	20,357	2,227	325	278,150	828,782	33,457	1,291,555

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

i) Construction in progress relates to capital cost incured in the Company's building complex. When completed and available for use, they are transfer to the respective property, plant and equipment classes and depreciation commences.
ii) Depreciation charge of N90,025,779.6 (December 2021: N166,581,590) 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 year.
v) Revaluation of land and building
Management determined that the land and building constitutes a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation on 31 December 2022, the properties' fair values are based on valuations performed by Ubosi Eleh Estate Surveyors & Co., an accredited independent valuer and registered member of the Financial Reporting Council of Nigeria with the registration number FRC/2014/NIESV/00000003997 . A net loss from the revaluation of the land and building of N493.68 million in 2022 was recognised in OCI.

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

If the land and building were measured using the cost model, the carrying amounts would be, as follows:

	31 December 2022 N'000	31 December 2021 N'000
Cost as at 1 January	1,106,611	1,106,611
Disposal	(126,661)	-
Accumulated depreciation and impairment	(101,268)	(92,829)
Net carrying amount	**878,681**	**1,013,782**

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18b Property, plant and equipment - Company

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment N'000	Buildings N'000	Land N'000	Total N'000
Valuation/Cost								
At 1 January 2021	**228,970**	**84,106**	**374,879**	**61,510**	**11,133**	**462,649**	**828,782**	**2,052,029**
Additions	-	-	4,643	-	-	-	-	4,643
Disposal	(3,455)	-	-	-	-	-	-	(3,455)
At 31 December 2021	**225,515**	**84,106**	**379,522**	**61,510**	**11,133**	**462,649**	**828,782**	**2,053,217**
At 1 January 2022	**225,515**	**84,106**	**379,522**	**61,510**	**11,133**	**462,649**	**828,782**	**2,053,217**
Additions	**-**	**-**	**9,593**	**-**	**-**	**13,500**		**23,093**
Revaluation loss	**-**	**-**	**-**	**-**	**-**	**(150,619)**	**(343,061)**	**(493,680)**
Disposal in the year	**-**	**-**	**-**	**-**	**-**	**-**	**(126,661)**	**(126,661)**
At 31 December 2022	**225,515**	**84,106**	**389,115**	**61,510**	**11,133**	**325,530**	**359,059**	**1,455,969**
Accumulated depreciation								
At 1 January 2021	**225,439**	**73,229**	**314,454**	**51,155**	**6,681**	**176,496**	**-**	**847,454**
Charge for the year	3,531	4,460	20,796	5,700	2,226	8,003	-	44,716
Disposal in the year	(3,455)	-		-	-	-	-	(3,455)
At 31 December 2021	**225,515**	**77,689**	**335,250**	**56,855**	**8,907**	**184,499**	**-**	**888,715**
At 1 January 2022	**225,515**	**77,689**	**335,250**	**56,855**	**8,907**	**184,499**	**-**	**888,715**
Charge for the year	**-**	**3,213**	**17,993**	**3,916**	**2,227**	**7,763**	**-**	**35,111**
Disposal in the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2022	**225,515**	**80,902**	**353,243**	**60,771**	**11,133**	**192,262**	**-**	**923,826**
	225,515	**80,902**	**353,243**	**60,770**	**11,133**	**192,262**		**923,826**
Carrying amount							-	
At 31 December 2022	**-**	**3,204**	**35,873**	**739**	**-**	**133,269**	**359,059**	**532,143**
At 1 January 2022	-	6,417	44,272	4,655	2,227	278,150	828,782	1,164,502

i) Depreciation charge of N35,111,000 (December 2021: N44,716,000) is included in administrative expenses in the statement of profit or loss and other comprehensive income.

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

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

v) Revaluation of land and building. See note 18a(v)

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	Group		Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	N'000	N'000	**N'000**	N'000
19. Due to banks (Note 19.1)	**1,624,473**	978,197	**1,618,276**	978,185
19.1 Analysis of bank overdrafts is as follows:				
Access Bank Plc	**659,897**	472,503	**659,897**	472,503
Polaris Bank Limited	**463,200**	-	**463,200**	-
Fidelity Bank Plc	**495,058**	499,230	**495,058**	499,229
First Security Discount House	**122**	6,258	**122**	6,258
United Bank for Africa Ghana	**6,197**	11	-	-
GT Bank Limited	**-**	185	**-**	185
Zenith Bank Plc	**-**	10	**-**	10
	1,624,473	978,197	**1,618,276**	978,185
20. Commercial notes issued				
Institutional clients	**3,767,246**	3,196,534	**3,775,993**	3,232,205
Individual clients	**9,787,183**	8,304,492	**9,778,436**	8,370,225
	13,554,429	11,501,026	**13,554,429**	11,602,430
20.1 Analysis of commercial notes by tenure				
Current	**8,132,657**	6,900,615	**8,132,657**	6,961,458
Non-current	**5,421,771**	4,600,410	**5,421,771**	4,640,972
	13,554,429	11,501,026	**13,554,429**	11,602,430

20.2 These are commercial papers issued by the Group during the year to individuals and institutional investors.

	Group		Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	N'000	N'000	**N'000**	N'000
21. Trade and other payables				
Accounts payable	**3,384,076**	4,242,374	**3,139,810**	4,427,790
Accrued expenses	**551,330**	540,399	**279,425**	87,896
Dividend Payable	**10,184**	71,810	-	**-**
Witholding taxes payable	**186,651**	140,574	**181,957**	124,675
Value Added Tax (VAT) payable	**505,719**	207,717	**444,388**	150,613
Other statutory deductions (PAYE,NSITF etc)	**89,312**	367,547	**66,655**	331,544
Advance payment received on account	**353,510**	301,100	**353,510**	301,100
Deferred rental income	**4,531**	24,243	**3,200**	8,921
Defined contribution pension plan (Note 21.1)	**22,397**	23,519	**22,397**	23,519
Total trade and other payables	**5,107,710**	5,919,283	**4,491,343**	5,456,059

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21. Trade and other payables - Continued

	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
21.1 Defined contribution pension plan				
At 1 January	**23,519**	43,401	**23,519**	43,401
Contributions in the year (Note 43)	**71,199**	67,662	**63,789**	59,649
Remittances	**(72,321)**	(87,544)	**(64,911)**	(79,531)
At 31 December	**22,397**	23,519	**22,397**	23,519

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

	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
22. Taxation				
22.1 Income tax expense				
Income tax	**185,823**	189,765	**66,651**	73,968
Education tax	**11,683**	18,492	**11,683**	18,492
Technology tax	**6,996**	21	**6,996**	21
Police Trust Fund Levy	**35**	-	**35**	-
Naseni Levy	**1,749**	-	**1,749**	-
Capital gain tax	**77,334**	62,460	**77,334**	62,460
Current income tax expense	**283,620**	270,738	**164,448**	154,941
Back duty audit by FIRS	**-**	239,879	**-**	239,879
Deferred tax charge (Note 22.4)	**154,602**	-	**154,602**	-
Income tax expense	**438,222**	510,617	**319,050**	394,820
Reconciliation of effective tax rate				
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax	**1,015,490**	541,896	**626,763**	198,528
Tax calculated using the domestic corporation tax rate of 30%	**304,647**	162,569	**188,029**	59,559
Effect of education tax levy	**11,683**	18,492	**11,683**	18,492
Effect of technology tax levy	**6,996**	21	**6,996**	21
Effect of minimum tax	**66,651**	73,968	**66,651**	73,968
Effect of capital gain tax	**77,334**	62,460	**77,334**	62,460
Effect of disallowed expenses	**444,725**	277,486	**439,491**	257,971
Effect of tax exempt income	**(495,188)**	(324,258)	**(492,507)**	(317,530)
Effect of back duty assessment	**-**	239,879	**-**	239,879
Total income tax expense	**416,883**	510,617	**297,712**	394,820
Effective tax rate	**41%**	94%	**47%**	199%
22.2 Current income tax liability				
At 1 January	**448,326**	220,271	**347,432**	242,613
Charge in the year (Note 22.1)	**283,620**	270,738	**164,448**	154,941
Withholding tax credits utilised	**-**	(205,858)	**-**	(205,858)
Payments	**(213,864)**	(84,143)	**(23,964)**	(84,143)
Back duty tax	**-**	239,879	**-**	239,879
Translation difference	**-**	7,438	**-**	-
At 31 December	**518,081**	448,326	**487,917**	347,432

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22. Taxation - Continued

	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
22.4 Deferred tax assets				
The analysis of deferred tax assets is as follows:				
Deferred tax assets	**819,122**	**891,383**	**749,373**	**854,607**

Group

	At 1 January 2021 N'000	(Charge)/ credit to P&L N'000	At 31 December 2021 N'000
Property, plant and equipment	854,607	**32,521**	**887,128**
Exchange difference	-	**4,255**	**4,255**
Total Deferred tax assets	854,607	**36,776**	**891,383**

	At 1 January 2022 N'000	(Charge)/ credit to P&L N'000	At 31 December 2022 N'000
Property, plant and equipment	887,128	(4,915,879)	**(4,028,752)**
Exchange difference	4,255	4,794,250	**4,798,505**
Total Deferred tax assets	891,383	(121,629)	**769,754**

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

Company

	At 1 January 2021 N'000	(Charge)/ credit to P&L N'000	At 31 December 2021 N'000
Property, plant and equipment	854,607	**-**	**854,607**
Exchange difference	-	**-**	**-**
Total Deferred tax assets	854,607	**-**	**854,607**

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

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

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	Group		Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
23. Loans and borrowings				
Secured amounts:	**N'000**	N'000	**N'000**	N'000
Term loans (Note 23.1)	**4,052,471**	6,022,285	**4,052,471**	6,050,590
Finance lease facilities (Note 23.2)	**5,747,675**	5,192,201	**4,855,545**	3,189,934
Redeemable bonds (Note 23.3)	**10,434,605**	12,234,949	**10,434,605**	12,234,949
Total borrowed fund	**20,234,751**	23,449,435	**19,342,621**	21,475,473
23.1 Term loans				
Financial Derivative Company Limited (Note 23.1.2)	**1,201,266**	1,142,713	**1,201,266**	1,142,713
Bank of industry (Note 23.1.3)	**1,586,986**	2,766,798	**1,586,986**	2,766,798
Secured lease notes (Note 23.1.4)	**1,264,219**	2,112,774	**1,264,219**	2,141,079
	4,052,471	6,022,285	**4,052,471**	6,050,590

	Group		Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
23.1.1 Analysis of term loans by tenure	**N'000**	N'000	**N'000**	N'000
Current	**760,691**	1,130,446	**1,052,950**	1,572,120
Non-current	**3,291,780**	4,891,839	**2,999,521**	4,478,470
	4,052,471	6,022,285	**4,052,471**	6,050,590

23.1.2 Financial Derivative Company Limited

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

23.1.3 Bank of Industry

On the 8 February 2017 C & I Leasing Plc had entered into financing agreement with Bank of Industry limited (Nigeria) for Long term Loan of $11,880,000 for acquisition of Epic Vessel. The loan is payable in five years inclusive of six months moratorium period. Rate of interest is 6.5% per annum. Loan is secured by bank guarantee from First City Monument Bank Plc. The note, however, is expected to be fully repaid by March 2023.

23.1.4 Secured Leased Notes

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

	Group		Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
23.2 Finance lease facilities	**N'000**	N'000	**N'000**	N'000
Access Bank (Note 23.2.2)	**-**	48,953	**-**	48,953
Stanbic IBTC Bank (Note 23.2.3)	**507,799**	928,973	**483,690**	740,035
ABSA Bank Cedi Loan (Note 23.2.4)	**125,974**	440,987	**-**	-
FSDH Merchant Bank Ltd	**824,600**	139,157	**824,600**	139,157
WSTC Financial Services Ltd	**-**	381,687	**-**	381,687
Fidelity Bank Ltd	**2,356,834**	418,910	**2,356,834**	418,910
Lotus Capital	**737,863**	984,809	**737,863**	984,809
UBA Ghc CEDI Loan Note 23.2.5)	**489,659**	801,241	**-**	-
Union Bank Plc	**942**	26,569	**942**	26,569
First Ally Capital Limited	**451,616**	449,814	**451,616**	449,815
Others (Note 23.2.6)	**252,388**	571,101	**-**	-
	5,747,675	5,192,201	**4,855,545**	3,189,934

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23.2.1 Analysis of finance lease facilities by tenure

Current	**2,791,413**	2,521,642	**2,429,254**	1,595,940
Non-current	**2,956,262**	2,670,559	**2,426,291**	1,593,994
	5,747,675	5,192,201	**4,855,545**	3,189,934

23.2.2 Access Bank Plc

Facility represents N1.2 billion term loan secured from Access Bank Plc for a period of 48 months and renewed annually to finance lease contracts. The interest is rate is floating in line with Monetary Policy Rate (MPR) The loan is secured by the vehicles purchased with the loan.

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

23.2.4 ABSA Bank Cedi Loan

This facility represents the Ghana Cedi equivalent of US$4,121,623 Global credit line secured from ABSA Bank Ghana Limited on 30 January 2014.The facility is renewed annually and each drawdown to finance lease contract in any year for a period of 48 months repayment period from the time of the drawndown. The interest on the loans last facility drawdown on 12th June 2022 was GRR of 17.80% plus a margin of 3%. The loan is secured by the vehicles purchased with the loan.

23.2.5 United Bank of Africa Cedi Loan

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

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

	Group		Company	
23.3 Redeemable bonds	**31 December 2022 N'000**	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
Fixed rate 5 years senior secured bond (Note 23.3.2)	**545,813**	2,366,398	**545,813**	2,366,398
Fixed Rate 7 years senior secured bond (Note 23.3.3)	**9,888,792**	9,868,551	**9,888,792**	9,868,551
	10,434,605	12,234,949	**10,434,605**	12,234,949
23.3.1 Analysis of redeemable bonds by tenure				
Current	**1,796,864**	-	**1,796,864**	-
Non-current	**8,637,741**	12,234,949	**8,637,741**	12,234,949
	10,434,605	12,234,949	**10,434,605**	12,234,949

23.3.2 Fixed rate 5 years senior secured bond

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

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.

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23.3.3 Fixed Rate 7 years senior secured bond

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

b) Note

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

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

	Group		Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
23.5 Movement in loans and borrowings	**N'000**	N'000	**N'000**	N'000
At 1 January	**23,449,435**	19,170,768	**21,475,473**	15,374,818
Proceeds of new loans during the year	**2,219,224**	8,912,397	**1,665,611**	8,358,784
Repayment of loans during the year	**(4,588,588)**	(3,584,080)	**(3,798,463)**	(2,258,129)
Exchange difference	**(845,322)**	(1,049,650)	**-**	-
At 31 December	**20,234,749**	23,449,435	**19,342,621**	21,475,473

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	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
24. Share capital				
24.1 Issued and fully paid				
781,646,167 ordinary shares of 50k each				
At 1 January	**390,823**	390,823	**390,823**	390,823
At 31 December	**390,823**	390,823	**390,823**	390,823

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

24.2 Share premium				
At 1 January	**3,361,609**	3,361,609	**3,361,609**	3,361,609
At 31 December	**3,361,609**	3,361,609	**3,361,609**	3,361,609
25. Retained earnings				
At 1 January	**3,216,792**	3,583,738	**467,963**	989,145
Dividend declared and paid	**-**	(583,520)	**-**	(583,520)
Profit/(loss) for the year	**481,775**	(24,431)	**307,712**	(196,289)
Transfer to statutory reserve (Note 27)	**(81,328)**	(33,350)	**(92,314)**	-
Transfer from regulatory risk reserve (Note 28)	**(11,801)**	274,356	**(15,928)**	258,627
At 31 December	**3,605,438**	3,216,792	**667,433**	467,963
26. Deposit for shares (Convertible)	**1,975,000**	**1,975,000**	**1,975,000**	**1,975,000**
At 31 December	**1,975,000**	**1,975,000**	**1,975,000**	**1,975,000**

26.1 This represents US$10,000,000 unsecured variable coupon convertible notes issued to Aureos Africa LLC (now wholly owned by Abraaj Advisers Nigeria Limited) on 11 January 2010 for a period of five years. The transaction was agreed and fixed at N197.50 to $1. 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. This convertible notes was acquired by Peace Mass Transit (PMT) in January 2021. On 18 December, 2022, the Board of PMT in its meeting resolved to convert the loan stock to ordinary shares. Sequel to the decision of the board of PMT, at 31 December 2022, the Company converted the notes in equity as deposit for shares from the initial treatment as liability in the previous year . No interest was paid or capitalised as the Company did not declare dividend in year 2021 and 2022. The amount outstanding at 31 December 2022 is US$10,000,000 (31 December 2021: US$10,000,000).

	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
27. Statutory reserve				
At 1 January	**1,295,389**	1,262,039	**873,770**	873,770
Transfer from retained earnings (Note 26)	**81,328**	33,350	**92,314**	-
At 31 December	**1,376,717**	1,295,389	**966,083**	873,770

27.1 The Nigerian banking regulations requires the Group to make an annual appropriation to a statutory reserve. As stipulated in S. 16 (1) of the Banks and Other Financial Institutions Act 2020 and Central Bank of Nigeria (CBN) guidelines, an appropriation of 15% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 10% of profit after tax if the statutory reserve is greater than the paid-up share capital. No transfer was done in 2021 as the Company reported loss.

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	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
28. Regulatory risk reserve				
At 1 January	**351,372**	625,728	**380,152**	638,779
Transfer to retained earnings (Note 25)	**10,106**	(274,356)	**15,928**	(258,627)
At 31 December	**361,478**	351,372	**396,080**	380,152

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

	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
28.2 Summary analysis of IFRS and prudential impairment allowance				
28.2.1 Analysis of IFRS impairment losses				
Finance lease receivables (Note 10)	**1,312**	1,527	**1,312**	1,527
Trade and other receivables (Note 12)	**301,105**	273,449	**265,169**	218,608
Receivable from related companies (Note 12.1)	**-**	3,951	**15,398**	25,607
Other assets (Note 13)	**92,990**	13,464	**92,990**	13,464
Consumables (Note 13.1)	**52,074**	52,074	**52,074**	52,074
Total IFRS impairment losses	**447,482**	344,464	**426,942**	311,279
28.2.2 Analysis of provision for loan losses per prudential guidelines				
Loans and advances	**17,562**	17,562	**17,562**	17,562
Lease rental due	**152,648**	152,648	**128,597**	152,648
Trade and other receivables	**513,990**	400,866	**547,751**	374,804
Receivable from related companies	**50,971**	50,971	**45,605**	50,971
Other assets	**17,765**	17,765	**16,037**	17,765
Consumables	**52,074**	52,074	**52,074**	52,074
Total prudential provision for losses	**805,010**	691,886	**807,625**	665,824
Statutory credit reserve company only	**357,527**	347,422	**380,683**	354,545
29. Foreign currency translation reserve				
At 1 January	**3,646,958**	2,856,142	**-**	-
Arising in the year	**873,600**	790,816	**-**	-
At 31 December	**4,520,558**	3,646,958	**-**	-

29.1 Foreign currency translation reserve 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	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
30. Fair value reserve				
At 1 January	**9,039**	6,706	**9,040**	6,706
	1,850	2,333	**1,850**	2,333
At 31 December	**10,890**	9,039	**10,890**	9,040

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

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	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
31. Asset revaluation reserve				
At 1 January	**716,490**	716,490	**716,490**	716,490
Revaluation loss	**(493,680)**	-	**(493,680)**	-
Tax relating to revaluation loss	**49,368**	-	**49,368**	-
At 31 December	**272,178**	716,490	**272,178**	716,490

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

	Group		Company	
	31 December 2022 N'000	31 December 2021 N'000	**31 December 2022 N'000**	31 December 2021 N'000
32. Non-controlling interests				
At 1 January	**874,083**	625,467	**-**	-
Share of profit for the year	**95,494**	39,812	**-**	-
Share of credit risk transfer	**1,695**	2,205	**-**	-
Share of transfer to statutory reserve for the year	**-**	13,695	**-**	-
Share of translation (loss)/gain for the year	**(131,725)**	192,905	**-**	-
At 31 December	**839,547**	874,083	**-**	-

The total non-controlling interests at the year ended 31 December 2022 is N839.55 million (2021: N874.08 million) is attributed to non-fully owned subsidiary, Leaseafric Ghana Plc.

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

The proportion of the voting rights in the subsidiary undertakings help directly by the parent company do not differ from the proportion of ordinary shares held.

The summarised financial information is contained in Note 15.2

33. Lease income	**13,639,786**	14,387,198	**10,997,982**	10,868,825

This comprises income from lease assets in marine and fleet business.

34. Lease expenses				
Lease assets maintenance expense	**5,911,486**	5,285,107	**6,995,242**	6,492,552
Lease insurance expense	**532,129**	526,899	**390,684**	331,982
	6,443,615	5,812,006	**7,385,925**	6,824,534
35. Outsourcing income				
Outsourcing service income	**13,767,497**	11,485,100	**13,767,497**	11,485,100
Outsourcing service expense	**(12,459,852)**	(10,306,279)	**(12,459,852)**	(10,306,279)
Net outsourcing income	**1,307,645**	1,178,821	**1,307,645**	1,178,821

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

36. Tracking and tagging income				
a) Tracking income	**134,272**	153,639	**134,272**	153,639
b) Tracking expenses	**(62,811)**	(83,202)	**(62,811)**	(83,202)
Net tracking and tagging income	**71,462**	70,437	**71,462**	70,437
37. Interest income				
Placements with banks	**29,182**	37,791	**22,876**	7,508

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

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	Group		Company	
	2022	2021	**2022**	2021
	N'000	N'000	**N'000**	N'000
38. Investment income				
Gain on sale of property, plant and equipment (Note 38.2)	**1,955,067**	1,243,421	**1,888,028**	1,058,433
Investment income	**-**	285,453	**-**	285,783
Dividends received from EPIC FZE and C&I FZE	**-**	-	**1,124,652**	740,076
	1,955,067	1,528,874	**3,012,680**	2,084,292
38.1 Gain on sale of plant and equipment for lease				
Gross value (Note 17)	**1,576,656**	3,366,336	**1,267,042**	3,193,773
Accumulated depreciation (Note 17)	**(1,536,293)**	(1,659,016)	**(1,240,022)**	(1,825,916)
Carrying amount	**40,363**	1,707,320	**27,020**	1,367,857
Proceeds from sale	**1,222,092**	1,707,320	**1,141,710**	1,367,857
Profit on disposal	**1,181,729**	-	**1,114,690**	**-**
38.2 Gain on sale of property, plant and equipment				
Gross value	**126,661**	13,559	**126,661**	3,455
Accumulated depreciation	**-**	(13,420)	**-**	(3,455)
Carrying amount	**126,661**	140	**126,661**	-
Proceeds from sale	**900,000**	1,243,561	**900,000**	1,058,433
Profit on disposal	**773,339**	1,243,421	**773,339**	1,058,433
Total Gain on sale of plant and equipment for lease	**1,955,067**	1,243,421	**1,888,028**	1,058,433
39. Other operating income				
Management and operational fee from Joint Venture	**61,219**	-	**61,219**	-
Management fee from C&I FZE	**-**	23,217	**-**	159,444
Insurance claims received	**26,408**	82,689	**26,408**	82,689
Rent received	**19,200**	19,520	**19,200**	19,520
Foreign exchange gain/(loss)	**3,731**	148,611	**-**	148,850
Miscellanous Income	**3,391**	38,681	**3,391**	19,739
	113,950	312,717	**110,219**	430,243
40. Impairment charges (write-back)/charges				
Impairment charge to profit or loss:				
Finance lease receivables not due for recovery (Note 10.3)	**(215)**	-	**(215)**	-
Trade and other receivables (Note 12.2)	**54,008**	54,799	**56,771**	54,799
Receivable from related parties	**(10,210)**	1,431	**(10,210)**	1,431
Other assets (Note 13)	**79,527**	-	**79,527**	-
Dormant bank balances	**(2,155)**	15,752	**(2,155)**	15,752
	120,955	71,982	123,718	71,982

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FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	**2022**	2021
	N'000	N'000	**N'000**	N'000
41 Depreciation and amortization expense				
41.1. Depreciation expenses:				
Plant and equipment for lease (Note 17)	**2,979,844**	4,017,155	**1,521,800**	2,008,183
Property,plant and equipment (Note 18)	**90,025**	166,582	**35,111**	44,717
41.2. Amortisation of intangible assets:				
Computer software (Note 16)	**15,102**	4,986	**15,028**	4,642
	3,084,971	4,188,723	**1,571,940**	2,057,542
42 Personnel expenses				
Salaries and allowances	**1,317,102**	1,131,651	**1,171,135**	1,019,417
Pension contribution expense (Note 20.1)	**71,199**	67,662	**63,789**	59,649
Training and medical	**60,572**	73,241	**41,906**	52,235
Other staff costs	**32,826**	12,790	**32,826**	12,672
	1,481,699	1,285,344	**1,309,656**	1,143,973
43 Administrative expenses				
Advertising	**8,424**	7,183	**7,189**	5,835
Auditors' remuneration (Note 53)	**35,557**	34,741	**29,025**	26,954
Bank charges	**157,477**	17,027	**151,095**	2,680
Communications	**85,323**	79,191	**74,264**	63,560
Directors' emoluments	**78,475**	132,732	**72,082**	111,710
Electricity and other expenses	**53,146**	17,337	**50,277**	14,519
Fuel and maintenance	**79,727**	286,256	**71,292**	72,956
Insurance	**37,060**	67,383	**37,060**	67,383
Legal and professional expenses	**171,434**	252,861	**150,044**	228,853
Levies	**15,775**	25,868	**15,775**	6,931
Net foreign exchange loss	**33,310**	-	**33,310**	-
Other administrative expenses	**51,857**	91,717	**33,492**	36,052
Penalties (Note 54)	**11,600**	-	**11,600**	-
Printing and stationery	**16,172**	10,832	**15,825**	10,050
Public relations	**2,540**	1,910	**2,540**	1,910
Security expenses	**28,055**	23,949	**28,055**	23,949
Short term office rent	**30,515**	32,814	**9,407**	9,829
Subscriptions	**52,383**	40,545	**33,817**	25,841
Travel and entertainment	**39,746**	51,851	**37,767**	45,757
	988,577	1,174,197	**863,915**	754,769

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		Group		Company	
		2022	2021	**2022**	2021
		N'000	N'000	**N'000**	N'000
44	**Finance Costs**				
	Redeemable bonds	**1,863,657**	1,513,082	**1,863,657**	1,513,082
	Finance lease interest cost	**1,084,718**	1,462,028	**743,881**	609,135
	Commercial notes	**1,292,180**	1,459,766	**1,292,180**	1,459,766
	Term loans interest	**383,008**	339,495	**383,008**	339,495
	Bank of Industry	**116,135**	258,940	**116,135**	258,940
		4,739,697	5,033,311	**4,398,860**	4,180,417

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

45 Earnings/(loss) per share

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

	Group		Company	
	2022	2021	**2022**	2021
	N'000	N'000	**N'000**	N'000
Profit/(loss) after tax	**481,775**	(24,432)	**307,712**	(196,292)
	Number	Number	**Number**	Number
Number of shares at year end	**781,646**	781,646	**781,646**	781,646
Time weighted average number of shares in issue	**781,646**	781,646	**781,646**	781,646
Diluted number of shares	**1,769,147**	1,769,147	**1,769,147**	1,769,147
Earnings/(loss) per share (EPS) (in kobo) - basic	**61.64**	(3.13)	**39.37**	(25.11)
Earnings/(loss) per share (EPS) (in kobo) - diluted	**27.23**	(1.38)	**17.39**	(11.10)

		Group 2022	Group 2021	Company 2022	Company 2021
46	**Information regarding Directors and employees**				
46.1	**Directors**				
46.1.1	**Directors' emoluments**				
	Directors' fees	**50,253**	62,901	**43,860**	41,879
	Directors' sitting allowance	**27,290**	25,680	**27,290**	25,680
	Other emoluments	**932**	44,151	**932**	44,151
		78,475	132,732	**72,082**	111,710
46.1.2	Fees and emoluments disclosed above excluding pension contributions include amounts paid to:				
	The Chairman	**2,900**	2,900	**2,900**	2,900
	The highest paid Director	**45,504**	35,563	**45,504**	35,563
	Other Directors	**75,575**	129,832	**69,182**	108,810

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	**2022**	2021
46.1.3 The number of Directors [including the Chairman] who received fees and other emoluments [excluding pension contributions] in the following ranges were:				
N - N				
240,001 - 400,000	**-**	-	**-**	-
400,001 - 1,550,000	**9**	10	**5**	6
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
	11	12	**7**	8

46.2 Employees

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

	Group 2022	Group 2021	Company 2022	Company 2021
Managerial	**12**	16	**8**	14
Senior staff	**36**	31	**34**	26
Junior staff	**272**	286	**238**	253
	320	333	**280**	293

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

N - N	Group 2022	Group 2021	Company 2022	Company 2021
250,001 - 370,000	**105**	115	**98**	102
370,001 - 420,000	**94**	94	**84**	89
430,001 - 580,000	**46**	48	**44**	44
580,001 - 700,000	**16**	17	**15**	17
700,001 - 750,000	**12**	12	**8**	8
840,001 - 850,000	**11**	11	**9**	9
1,000,001 - 1,100,000	**18**	19	**10**	13
1,100,001 - 1,150,000	**4**	4	**3**	3
1,200,001 - 1,400,000	**4**	3	**3**	2
1,500,000 - 1,550,000	**3**	3	**2**	2
1,650,000 - 2,050,000	**7**	7	**4**	4
	320	333	**280**	293

47 Prior year comparative figures

Certain comparative figures in these consolidated and separate financial statements have been presented to align with current year reporting format in order to give a more meaningful comparison. The following summarizes the impact on the Group and Company's financial statements.

	As previously presented		**Reclassification**		**As presented**	
	Group	**Company**	**Group**	**Company**	**Group**	**Company**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Loans and advances	801,289	789,831			-	-
Trade and other receivables	7,994,897	12,121,664	801,289	789,831	8,991,978	12,911,494
Other assets	9,102,404	9,496,613	(195,792)	-	8,906,612	9,496,614
Adjustments includes:						
Lease rental due	-	-	758,188	758,188	758,188	758,188
Loans and advances	-	-	43,101	31,643	43,101	31,643
Other debit balance	-	-	(195,792)	-	(195,792)	
			605,497	789,831	605,497	789,831

Adjustment relates to reclassification of items previously classified as loans and advances to trade and other receivables

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

47 Prior year comparative figures - continued

	As previously presented		Reclassification		As presented	
	Group	Company	Group	Company	Group	Company
	N'000	N'000	N'000	N'000	N'000	N'000
Investment income	1,546,631	2,261,493	(17,757)	(177,201)	1,528,874	2,084,292
Adjustment to Investment income includes:						
Other income	-	-	(17,757)	(17,757)	(17,757)	(17,757)
Management fee from C&I FZE	-	-	-	(159,444)	-	(159,444)
			(17,757)	(177,201)	(17,757)	(177,201)

Adjustment relates to reclassification between investment income and other operating income

	Group	Company	Group	Company	Group	Company
Other operating income	146,280	104,191	166,438	326,052	312,717	430,243
Adjustment to other operating income includes:						
Foreign exchange loss*	-	-	148,681	148,850	148,681	148,850
Management fee from C&I FZE	-	-	-	159,445	-	159,445
Other income	-	-	17,757	17,757	17,757	17,757
			166,438	326,052	166,438	326,052

*Adjustment relates to reclassification of foreign exchange loss from other operating income to other operating expenses

	Group	Company	Group	Company	Group	Company
Distribution expenses	(7,183)	(5,835)	-	-	-	-
Other operating expenses	(948,436)	(593,366)	225,761	161,403	(1,174,197)	(754,769)
Adjustment to other operating expenses includes:						
Distribution expenses	-	-	7,183	5,835	7,183	5,835
Fuel and maintenance	-	-	69,897	6,718	69,897	6,718
Foreign exchange	-	-	148,681	148,850	148,681	148,850
			225,761	161,403	225,761	161,403

Adjustment relates to reclassification of items previously classified as distribution expenses and other operating income to other operating expenses.

48 Financial commitments

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

49 Contingent assets/(liabilities)

The Group is not subject to any contingent claims, liabilities nor assets arising in the normal course of the business for the year ended 31 December 2022 (31 December 2021: Nil).

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

50. Related party transactions

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

A number of transactions are entered into with related parties in the normal course of business.

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

50.1 Intercompany related transactions

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

			Total transaction value in the period		Balance receivable at:		Balance payable at	
			31 December 2022	31 December 2021	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021
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	**13,313**	-	**-**	-	**(328,927)**	(342,240)
EPIC International FZE United Arab Emirates	Subsidiary	Purchases, payments, shared services, loans to and from each party	**(703,561)**	-	**4,799,485**	5,503,046	**-**	-
C&I Leasing FZE	Subsidiary	Provision of chartered vessels within the Free trade zone.	**373,789**	-	14,898	-	**-**	(358,891)
SIFAX	JV with C& I	Joint venture to execute marine vessle services	**(734,267)**	-	**42,242**	776,512	**-**	-
OCS/C&I JV Current account	JV with C& I	Joint venture to execute marine vessle services	**(925)**	-	**70,956**	71,881	**-**	-
			(1,051,651)	**-**	**4,927,581**	**6,351,439**	**(328,927)**	**(701,131)**

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 AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

51.2 Segment results of operations
The segment information provided to the Group management committee for the reportable segments for the Year ended 31 December 2022:

	Fleet management N'000	Personnel outsourcing N'000	Marine services N'000	Citrack N'000	Total N'000
Gross earnings	**3,894,105**	**1,312,189**	**10,975,920**	**134,966**	**16,317,181**
Operating incomes	3,343,692	1,189,217	7,250,462	134,949	**11,918,321**
Operating expenses	(1,999,902)	(158,913)	(5,197,084)	(66,429)	**(7,422,328)**
Depreciation and amortisation	(700,672)	(6,958)	(863,588)	(721)	**(1,571,940)**
Personnel expense	(213,056)	(199,389)	(853,044)	(44,167)	**(1,309,656)**
Other operating expenses	(157,844)	(164,246)	(646,434)	(19,108)	**(987,633)**
Profit before tax	**272,219**	**659,710**	**(309,689)**	**4,524**	**626,764**
Total assets employed	2,054,129	1,912,771	18,004,023	83,359	**22,054,282**
Total liabilities	-	-	-	-	**39,494,586**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

53.1 Operating Segments - Continued	2022	2021
	N'000	N'000
Geographical information		
1. Revenue		
Nigeria	**13,366,003**	9,042,163
Ghana	**2,662,983**	3,594,819
United Arab Emirates	**1,908,833**	3,424,591
C & I Leasing FZE	**-**	1,743,271
	17,937,818	17,804,844

	31 December 2022 N'000	31 December 2021 N'000
2. Total assets		
Nigeria	**40,971,176**	40,351,313
Ghana	**2,500,840**	3,982,179
United Arab Emirates	**14,009,222**	13,168,994
C & I Leasing FZE	**272,445**	631,337
	57,753,684	58,133,823

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

52. Non audit services

During the year, the Company's external auditors (Ernst & Young) did not render any non-audit services to the Company:

53. Compliance with regulations

The Company paid N11.6 million (2021: Nil) as penalty for delayed filing of 2021 Audited Financial Statements to Securities and Exchange Commission (SEC) for the period under review.

54. Events after the reporting date

There are no events after reporting date which could have a material effect on the consolidated and separate financial statements of the Group and the Company as at 31 December 2022 or the financial performance for the year then ended that have not been adequately provided for or disclosed.

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VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP

	31 December 2022 N'000	%	31 December 2021 N'000	%
Gross income	**17,937,818**		18,190,660	
Interest expense	**(4,739,697)**		(5,033,311)	
	13,198,120		13,157,350	
Bought in goods and services:				
- Local	**(2,876,263)**		(1,764,435)	
- Foreign	**-**		-	
Value added	**10,321,857**	**100**	11,392,915	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**1,481,699**	**14**	1,285,344	11
To pay government:				
Current income tax expense	**283,620**	**3**	270,738	2
To pay shareholders:				
Dividend	**-**	**-**	583,520	5
To pay providers of capital:				
Interest	**4,739,697**	**46**	5,033,311	44
Retained for future replacement of assets and expansion of business:				
- Depreciation	**3,084,971**	**30**	4,188,723	37
- Profit for the year	**577,269**	**6**	31,279	-
	10,321,857	**100**	11,392,915	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.

C & I LEASING PLC

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY

	31 December 2022 N'000	%	31 December 2021 N'000	%
Gross income	**16,343,589**		15,314,947	
Interest expense	**(4,398,860)**		(4,180,417)	
	11,944,729		11,134,530	
Bought in goods and services:				
- Local	**(4,192,112)**		(3,238,507)	
- Foreign	**-**		-	
Value added	**7,752,616**	**100**	7,896,023	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**1,309,656**	**17**	1,143,973	14
To pay Government:				
Current income tax expense	**164,448**	**2**	126,862	2
To pay shareholders:				
Dividend	**-**	**-**	583,520	7
To pay providers of capital:				
Interest	**4,398,860**	**57**	4,180,417	53
Retained for future replacement of assets and expansion of business:				
- Depreciation of property, plant and equipment	**1,571,940**	**20**	2,057,542	26
- Profit for the year	**307,712**	**4**	(196,292)	(2)
	7,752,616	**100**	7,896,023	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.

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FIVE-YEAR FINANCIAL SUMMARY - GROUP

31 DECEMBER	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Statement of financial position					
Assets					
Cash and balances with banks	**1,155,208**	3,190,044	1,418,970	1,989,532	1,712,543
Finance lease receivables	**2,112,163**	1,731,255	2,286,385	3,090,821	1,999,330
Investment securities at fair value through other comprehensive income	**11,518**	9,668	7,335	5,562	26,053
Trade and other receivables	**8,199,569**	8,991,978	6,556,968	8,700,509	7,754,625
Other assets	**10,211,950**	8,906,612	8,280,918	8,101,735	7,146,948
Investment in joint ventures	**3,205,390**	2,857,475	2,470,856	1,334,226	755,205
Intangible assets	**25,405**	40,531	431	23,190	45,169
Plant and equipment for lease	**31,390,196**	30,223,322	32,631,064	30,556,351	30,686,724
Property, plant and equipment	**623,162**	1,291,555	1,438,021	1,579,191	1,631,281
Deferred income tax assets	**819,122**	891,383	854,607	854,607	854,607
Total assets	**57,753,684**	58,133,823	55,945,555	56,235,724	52,612,485
Liabilities					
Due to banks	**1,624,473**	978,197	928,135	1,311,860	883,917
Commercial notes issued	**13,554,429**	11,501,026	15,438,233	14,333,056	10,727,157
Trade and other payables	**5,107,710**	5,919,283	4,770,861	7,204,081	7,074,974
Current income tax liability	**518,081**	448,326	220,271	185,180	144,494
Deferred income tax liability	**-**	-	13,545	88,146	129,214
Deposit for shares	**-**	1,975,000	1,975,000	1,975,000	1,975,000
Loans and borrowings	**20,234,751**	23,449,435	19,170,768	21,335,227	21,825,128
Total liabilities	**41,039,444**	44,271,267	42,516,813	46,432,550	42,759,884
Equity					
Share capital	**390,823**	390,823	390,823	202,126	202,126
Deposit for shares	**1,975,000**	-	-	-	-
Share premium	**3,361,609**	3,361,609	3,361,609	1,285,905	1,285,905
Retained earnings	**3,605,439**	3,216,792	3,583,738	3,224,284	2,767,444
- Statutory reserve	**1,376,717**	1,295,389	1,262,039	1,234,788	1,187,206
- Regulatory risk reserve	**361,478**	351,372	625,728	858,253	373,682
- Foreign currency translation reserve	**4,520,558**	3,646,958	2,856,142	2,020,101	2,978,402
- Fair value reserve	**10,890**	9,039	6,706	4,933	5,161
- Assets revaluation reserve	**272,178**	716,490	716,490	716,490	716,490
	15,874,693	12,988,473	12,803,275	9,546,880	9,516,416
Non-controlling interests	**839,547**	874,082	625,467	256,294	336,185
Total equity	**16,714,240**	13,862,555	13,428,742	9,803,174	9,852,601
Total liabilities and equity	**57,753,684**	58,133,823	55,945,555	56,235,724	52,612,485

C & I LEASING PLC

FIVE-YEAR FINANCIAL SUMMARY - GROUP

31 DECEMBER	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Statement of profit or loss and other comprehensive income					
Gross earnings	**17,937,818**	18,190,660	28,009,345	31,912,153	27,674,198
Lease/outsourcing/tracking income	**27,541,556**	26,025,937	26,826,104	30,943,702	26,711,504
Lease/outsourcing/tracking expense	**(18,966,277)**	(16,201,487)	(15,481,835)	(18,209,534)	(15,069,602)
Net operating income	**8,575,278**	9,824,450	11,344,269	12,734,168	11,641,902
Other operating income	**2,098,199**	1,879,382	1,183,241	968,451	962,694
Impairment charge	**(120,955)**	(71,982)	(3,206)	(74,801)	(6,483)
Depreciation expenses	**(3,084,971)**	(4,188,723)	(4,006,717)	(3,942,596)	(3,782,011)
Personnel expenses	**(1,481,699)**	(1,285,344)	(1,376,966)	(1,682,923)	(1,438,454)
Other operating expenses	**(5,728,274)**	(6,207,508)	(7,031,747)	(7,568,659)	(6,345,209)
Share of profit from joint venture	**757,915**	591,620	381,254	579,021	507,794
Profit/(loss) before tax	**1,015,493**	541,895	490,128	1,012,661	1,540,233
Income tax expense	**(438,222)**	(510,617)	(168,890)	(73,239)	(342,470)
Profit/(loss) after tax	**577,272**	31,278	321,238	939,422	1,197,763
Profit from discontinued operation	-	-	-	-	-
	577,272	31,278	321,238	939,422	1,197,763
Profit/(loss) attributable to:					
Owners of the parent	**481,775**	(24,432)	310,508	1,019,313	1,133,146
Non-controlling interest	**95,494**	55,711	10,730	(79,891)	64,617
	577,269	31,279	321,238	939,422	1,197,763
Earnings/(loss) per share in kobo (basic)	**61.64**	(3.13)	39.72	252.00	280.31

C & I LEASING PLC

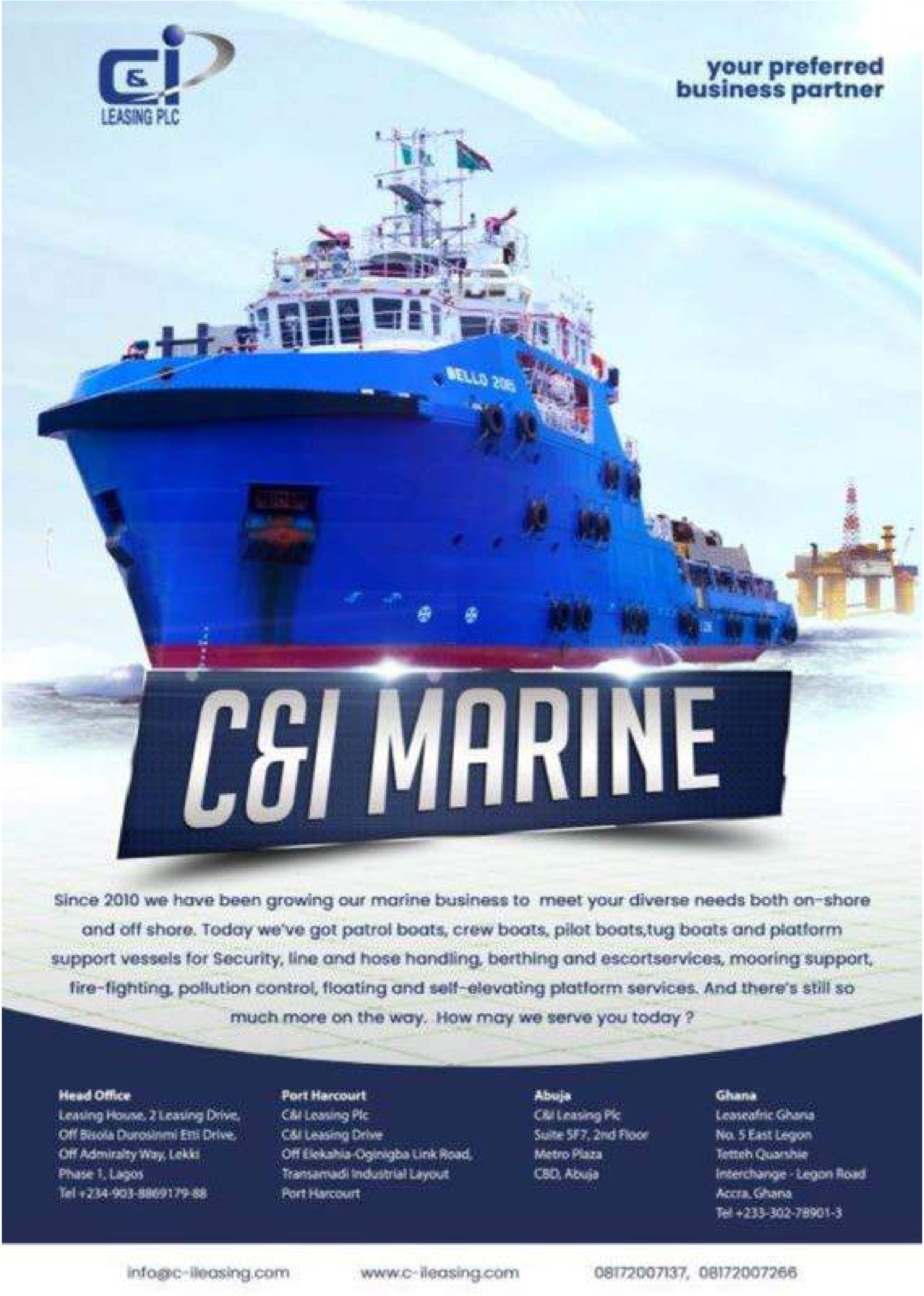
FIVE-YEAR FINANCIAL SUMMARY - COMPANY

31 DECEMBER	**2022**	2021	2020	2019	2018
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and balances with banks	**1,053,647**	2,932,822	1,155,040	513,095	1,419,542
Finance lease receivables	**2,112,163**	1,731,255	2,286,385	2,988,108	1,832,307
Investment securities at fair value through other comprehensive income	**11,518**	9,668	7,335	5,562	26,053
Trade and other receivables	**11,380,403**	12,911,494	9,745,067	13,327,408	16,791,293
Other assets	**11,193,557**	9,496,614	8,557,443	7,796,334	6,803,556
Investment in subsidiaries	**759,467**	759,467	759,468	759,467	758,967
Investment in joint ventures	**3,205,390**	2,857,475	2,470,854	1,334,226	755,205
Intangible assets	**25,414**	40,442	-	-	3,758
Plant and equipment for lease	**16,511,609**	15,276,079	17,437,838	13,986,222	5,767,999
Property, plant and equipment	**532,143**	1,164,502	1,204,575	1,232,294	1,236,624
Deferred income tax assets	**749,373**	854,607	854,607	854,607	854,607
Total assets	**47,534,683**	48,034,425	44,478,612	42,797,323	36,249,911
Liabilities					
Due to banks	**1,618,276**	978,185	918,761	1333775	847,441
Commercial notes issued	**13,554,429**	11,602,430	15,438,232	14303470	10,705,125
Trade and other payables	**4,491,343**	5,456,059	3,551,866	5518432	6,432,407
Current income tax liability	**487,917**	347,432	242,613	96843	85,559
Deposit for shares	**-**	1,975,000	1,975,000	1,975,000	1,975,000
Loans and borrowings	**19,342,621**	21,475,473	15,374,818	14972388	12,052,228
Total liabilities	**39,494,586**	41,834,579	37,501,290	38,199,908	32,097,760
Equity					
Share capital	**390,823**	390,823	390,823	202,126	808,505
Deposit for shares	**1,975,000**	-	-	-	-
Share premium	**3,361,609**	3,361,609	3,361,609	1,285,905	679,526
Retained earnings	**667,433**	467,963	989,145	682,945	769,604
- Statutory reserve	**966,083**	873,770	873,770	846,763	799,182
- Regulatory risk reserve	**396,080**	380,152	638,779	858,253	373,682
- Fair value reserve	**10,890**	9,039	6,706	4,933	5,161
- Assets revaluation reserve	**272,178**	716,490	716,490	716,490	716,491
Total equity	**8,040,097**	6,199,846	6,977,322	4,597,415	4,152,151
Total liabilities and equity	**47,534,683**	48,034,425	44,478,612	42,797,323	36,249,911

C & I LEASING PLC

FIVE-YEAR FINANCIAL SUMMARY - COMPANY

31 DECEMBER	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Statement of profit or loss and other comprehensive income					
Gross earnings	**16,343,589**	15,314,947	23,348,169	25,193,465	20,016,781
Lease/outsourcing/tracking income	**24,899,751**	22,507,564	21,802,423	23,652,225	19,269,576
Lease/outsourcing/tracking expense	**(19,908,588)**	(17,214,015)	(15,018,037)	(17,940,714)	(13,641,944)
Net operating income	**4,991,163**	5,293,549	6,784,386	5,711,511	5,627,632
Other operating income	**3,145,774**	2,522,042	1,499,745	1,540,601	561,340
Impairment (charge)/writeback	**(123,718)**	(71,982)	46,001	639	185,865
Depreciation expenses	**(1,571,940)**	(2,057,542)	(1,712,618)	(1,005,365)	(985,393)
Personel expenses	**(1,309,656)**	(1,143,973)	(1,217,244)	(1,239,318)	(1,058,617)
Other operating expenses	**(5,262,775)**	(4,935,186)	(5,362,191)	(5,014,430)	(4,170,280)
Share of profit from joint venture	**757,915**	591,620	381,254	579,021	507,794
Profit before tax	**626,764**	198,528	419,332	572,659	668,341
Income tax expense	**(319,050)**	(394,820)	(149,269)	(96,843)	(230,827)
Profit/(loss) after tax	**307,714**	(196,292)	270,063	475,816	437,514
Profit from discontinued operation	-	-	-	-	-
Profit/(loss) attributable to:					
Owners of the parent	**307,714**	(196,292)	270,063	475,816	437,514
	307,714	(196,292)	270,063	475,816	437,514
Earnings/(loss) per share in kobo (basic)	**39.37**	(25.11)	34.55	118.00	108.23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Off Bisola Durosinmi Etti Drive,
Off Admiralty Way, Lekki
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Port Harcourt
C&I Leasing Plc
C&I Leasing Drive
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Tel +233-302-78901-3
info@c-ileasing.com
www.c-ileasing.com
08172007137, 08172007266

Proxy Form.

32ND ANNUAL GENERAL MEETING OF C & I LEASING PLC TO BE HELD VIRTUALLY VIA [WWW.C-ILEASING.COM](http://www.c-ileasing.com) ON THE 20TH DAY OF NOVEMBER 2023 BY 1 P.M. PROMPT

I/We________________________being a member/members of C & I LEASING PLC hereby appoint______________________________________ or failing him DR SAMUEL ONYISHI or failing him MR. UGOJI LENIN UGOJI as my/our proxy to vote for me/us at the Annual General Meeting of the Company to be held on 20th November 2023 and at any adjournment thereof.

Shareholder'sSignature _____________ Dated this_______________day of ___________ 2023.

To be effective, the Form of Proxy should be duly stamped by the Commissioner for Stamp Duties and signed before posting it to the address shown overleaf not later than 48 hours before the time for holding the meeting.

Please indicate with an “x” in the appropriate square on the proxy list below to appoint your alternate proxy.
Please indicate with an "x" in the appropriate square how you wish your votes to be cast on the resolution set out below. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

#	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1	To receive the audited financial statements for the year ended 31st December 2022 together with the reports of the Directors, Independent Auditors, and the Audit Committee thereon.			
2	To elect and re-elect retiring Directors: • Directors seeking re-election are: i. Dr Samuel Onyishi			
3	To ratify the reappointment of Ernst & Young as the External Auditors to the company from the date of this Annual General Meeting to the date of the 2023 Annual General Meeting.			
4	To authorize the Directors to fix the remuneration of the Auditors.			
5	To elect Shareholder-members of the Statutory Audit Committee for the ensuing year			
6	To disclose the remuneration of managers of the company			
#	SPECIAL BUSINESS	FOR	AGAINST	ABSTAIN
1	To approve the remuneration of the Directors for the year ending 31st December 2023			
2	To consider and if thought fit, to pass the following as ordinary resolution: "That all the finance leases and financial services business of the Company is hereby consolidated into C&I Finance Company Limited.			

Full Name and Address of Shareholder

Number of Shares held:

Admission Form

Please Admit

______________________________ to the Annual General Meeting of C & I LEASING PLC to be held Virtually via www.c-ileasing.com by 1.00 pm prompt on 20th November2023.

Signature of the person attending

____

Notes:

1. A member (shareholder) who is unable to attend the Annual General Meeting is allowed to appoint a Proxy to attend and vote instead of him/her. The Proxy Form has been prepared to enable you to exercise your right to vote if you cannot personally attend the meeting.

2. Please sign the Proxy if you are not attending the Meeting, have it duly stamped by the Commissioner for Stamp Duties, and post it so as to reach the Registrars Cordros Registrars Limited 21, Norman Williams Street, Ikoyi or contactcentre@cordros.com or the Company Secretary Mbanugo Udenze & Co. not later than 48 hours before the time of holding the meeting.

3. This Admission Form must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

4. Shareholders or their Proxies are required to sign the Admission Form before attending the Meeting.

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

Note

E-Dividend Mandate Activation Form.

CORDROS REGISTRARS

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

The Registrar,
Cordros Registrars Limited
21, Norman Wiliams Street, Ikoyi, Lagos

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:

Affix Recent Passport Photograph

USE GUM ONLY NO STAPLE PINS (to be stamped by your banker)

ONLY CLEARING BANKS ARE ACCEPTABLE

Bank Verification Number (BVN)

Account Number

Bank Name

Account Opening Date` / /

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female

Date of Birth / /

* Surname/Company's Name

* Other Names

Phone Number 1

Phone Number 2

Email Address

Address

CSCS Clearing House Number (CHN) C

Name of Stockbroking Firm

Please list the company(ies) where you have shareholdings

SN	Company Name	Share Holder Number
1	CWG Plc	
2	C&I Leasing Plc	
3	Cordros Halal Fixed Income Fund	
4	Cordros Fixed Income Fund	
5	Capital Trust Halal Fixed Income Fund	
6	Cordros Dollar Fund	
7	Cordros Milestone Fund	

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Cordros Registrars Limited may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding informations out in this form and/or otherwise provided by me/us or possessed by Cordros Registrars for administration of my/our shareholding and matters related thereto.

Name	
Signature	Date

Name (Joint/ Company Signatories)	
Signature	Date

Company Seal (if applicable)

E-Data Update Form.

Please complete all section of this form to make it eligible for processing and return to the address below. * = Compulsory fields

PERSONAL INFORMATION

* Surname/Company's Name

* Other Names

Gender: Male Female Date of Birth / /

Phone Number 1

Phone Number 2

Email Address

Alternate Email Address

Address

Old Address (If Any)

Nationality

Occupation

Next of Kin Name

Next of Kin Relationship

Next of Kin Phone Number

Bank Verification Number (BVN)

Bank Account Number

Bank Name

CSCS Clearing House Number (CHN)

C

Name of Stockbroking Firm

Please list the company(ies) where you have shareholdings

SN	Company Name	Share Holder Number
1.	CWG PLC	
2.	C&I LEASING PLC	
3.	CORDROS HALAL FIXED INCOME FUND	
4.	CORDROS FIXED INCOME FUND	
5.	CAPITALTRUST HALAL FIXED INCOME FUND	
6.	CORDROS DOLLAR FUND	
7.	CORDROS MILESTO FUND	

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Cordros Registrars Limited may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding informations out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Name

Signature Date

Name (Joint/ Company Signatories)

Signature Date

Company Seal (if applicable)

CORDROS REGISTRARS LIMITED
21, Norman Williams Street, Ikoyi, P.O. Box 75590 Victoria Island, Lagos, Nigeria.
E: contactcentre@cordros.com **M:** 07002673767 **W:** www.cordros.com


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