2018
annual REPORT

C & I Leasing PLC

LEASING PLC

2018 annual REPORT

Content

Notice of Annual General Meeting

NOTICE OF 28TH ANNUAL GENERAL MEETING OF C & I LEASING PLC

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of members of the Company will hold on Tuesday, 30th July, 2019 at 11.00 am prompt at THE INCUBATOR, 7/8, Chief Yesuf Abiodun Way, City of David Road, Oniru, Victoria Island, Lagos to transact the following business:

ORDINARY BUSINESS

To receive the audited financial statements for the year ended 31st December 2018 together with the Reports of the Directors, Independent Auditors and Audit Committee thereon.

To declare a dividend

To elect and re-elect retiring directors.

To re-appoint PKF Professional Services (Chartered Accountants) as the Auditors to the company from the end of the annual general meeting until the end of next year's annual general meeting.

To authorize the directors to fix the remuneration of the auditors.

To elect shareholders-members of the Statutory Audit Committee for the ensuing year.

SPECIAL BUSINESS

To consolidate all finance leases and financial services business into C&I Capital Plc.

EXPLANATORY NOTES TO THE NOTICE

Election and re-election of directors

Pursuant to Section 259 of the Companies and Allied Matters Act, 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 Sir Patrick Ugboma and Mr Larry Olugbenga Ademeso, proposes that both directors be re-appointed as directors.

Pursuant to Section 249 of the Companies and Allied Matters Act, the board of directors shall have power to appoint new directors to fill any casual vacancy arising out of death, resignation, retirement or removal.

The Board of Directors proposes the approval of the appointment of Mr Zahi El-Khatib as a non-executive director to fill the casual vacancy occasioned by the resignation of Mr. Jacob Kholi.

The board also proposes that Mr Babatunde Olakunle Edun be elected a director subject to regulatory approval.

The profiles of the directors are contained in the annual report.

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 need not be a shareholder. A Proxy Form which may be used to make such appointment shall accompany this notice of meeting and can be downloaded at the Company's website at *www.c-ileasing.com.*

Executed proxy forms should be deposited with the Company Secretary at the Registered Office of the Company at No.2,C&I Leasing Drive, off Bisola Durosinmi-Etti Drive, Lekki Phase 1, Lagos not later than 48 hours before the time fixed for the meeting.

Dividend Warrants

The Board has recommended a dividend of 7.50 kobo per ordinary share of 50 kobo each, which if approved is payable less withholding tax. If payment of the dividend is approved at the Annual General Meeting, the dividend warrant will be posted on or before July 31, 2019 to shareholders whose names appear on the register of members at the close of business on Friday, July 12, 2019. The register will be closed from Monday, 15th July, 2019 to Friday, 19th July, 2019, both days inclusive.

E-Dividend Mandate

Shareholders are kindly requested to open a bank account into which their dividend payment will be credited. Detachable application form for e-dividend is attached to the annual report to enable all shareholders to furnish the particulars of their account to the registrar. The E-Dividend Mandate form can also be downloaded from the Company's website at www.c-ileasing.com.
Unclaimed Dividend
Some dividend warrants and share certificates have remained unclaimed or are yet to be presented for payment or returned to the Company for revalidation. A list of the unclaimed dividends will be circulated together with the annual report. Affected shareholders are advised to contact the Registrar, CENTURION REGISTRARS LIMITED No 33C, Cameron Road, Ikoyi, Lagos State.
Closure of Register
In compliance with section 89 of the Companies and Allied Matters Act 2004 and post-listing rules of the Nigerian Stock Exchange, the register will be closed from Monday, 15th July, 2019 to Friday, 19th July, 2019, both days inclusive, to enable the Registrar update the record of members.

Audit Committee

Any shareholder may nominate another shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary of the Company at least 21 days before the date of the Annual General Meeting.

The Audit Committee comprises three shareholders and three Directors. Nominees of the Audit Committee should have basic financial literacy and should be able to read and appreciate financial statements. All nominations should be accompanied by a copy of the nominee's curriculum vitae.

Shareholders' Questions

Shareholders are entitled to ask questions at the Annual General Meeting on any matter contained in the Annual Report and Financial Statements. Shareholders may also submit their questions in writing, addressed to the Company Secretary and forwarded to the Company's head office not later than seven days before the date of the meeting.

Further Information

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

Dated this 30th day of April, 2019

BY ORDER OF THE BOARD

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

Mission, Vision & Value Statements

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.

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

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 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 is committed to a safe and healthy environment for all its employees, customers and visitors.

C & I Leasing at a glance

C & I Leasing PLC is still the foremost brand in finance leases 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 Group

C&I leasing Plc

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

Leasafric Ghana

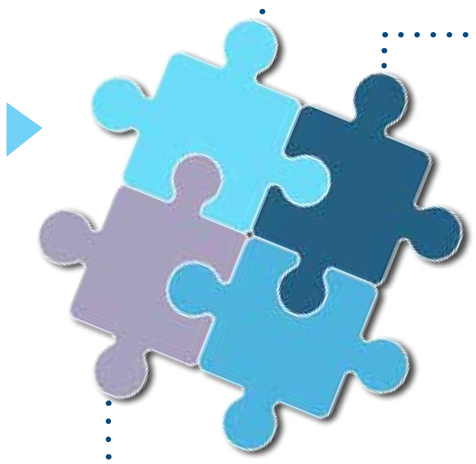
Leasafric is a subsidiary of C & I Leasing PLC, based in Ghana. It is the Largest Leasing company in Ghana and provides professional leases option for individual and corporate bodies.

Epic International FZE

Epic International FZE, Ras Al Khaimah, U.A.E is currently engaged in the ownership and charter of vessels to companies, primarily its parent company, C & I Leasing PLC

C & I Leasing PLC

Over the years, the company has enjoyed consistent growth and business expansion that has allowed for it to evolve from a single line business to a multi-line business with interest in key economic sectors in Nigeria.



C & I FLEET MANAGEMENT

We are the sole franchise and operator of the popular Hertz-Rent-A-Car brand in Nigeria and Ghana. The company currently manages over a thousand vehicles and professional chauffeurs; offering pick-up and drop off, airport shuttle and daily rentals services.

C&I MARINE

C & I Marine. The division of C & I Leasing, provides onshore and offshore terminals services including berthing and escort, Mooring support, line and hose handling, pollution control,floating and self-elevating platforms

CITRACKS

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

HERTZ-RENT-ACAR

We are the sole franchise and operator of the popular Hertz-Rent-ACar brand in Nigeria and switch car rental in Ghana. The company currently manages over a thousand vehicles and professional chauffeurs; offering pick-up and drop off, airport shuttle and daily rentals services

C & I OUTSOURCING

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

THE SDS TRAINING SERVICES

The **SDS** training services (formerly named **Suzuki Driving School**) is a division of C & I Leasing PLC. This service was established in 2011 as a direct response to increase capacity development for over 4200 outsourced employees as part of a continuing professional development programme.

DRIVERS **1,375** STAFF **4,437**

Locations

Geographical Location

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

Highlight of 2018 Results

OPERATING RESULT FOR **THE YEAR ENDED 31 DECEMBER 2018**
IN THOUSANDS OF NAIRA (000)

	GROUP		COMPANY	
YEAR	**2018**	**2017**	**2018**	**2017**
GROSS EARNINGS	28,181,993	21,371,697	20,338,710	16,314,946
PROFIT ON CONTINUING OPERATION BEFORE TAX	1,540,234	1,262,072	668,340	506, 913
INCOME TAX	(342,270)	(162,783)	(230,827)	(70,949)
PROFIT FROM DISCONTINUED OPERATION		15,294		15,294
PROFIT AFTER TAX	1,197,764	1,114,583	437,513	451,258
PROFIT ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	1,133,146	1,064,854	437,513	451,258
NON-CONTROLLING INTERESTS	64,618	49,729	-	-
	1,197,764	**1,114,583**	**437,513**	**451,258**

Who we are

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 mother company 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 value for money quality rental services to corporate organizations and individual Ghanaians.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, and have over the years 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 later concluded the buyout of Petrotech in 2018.

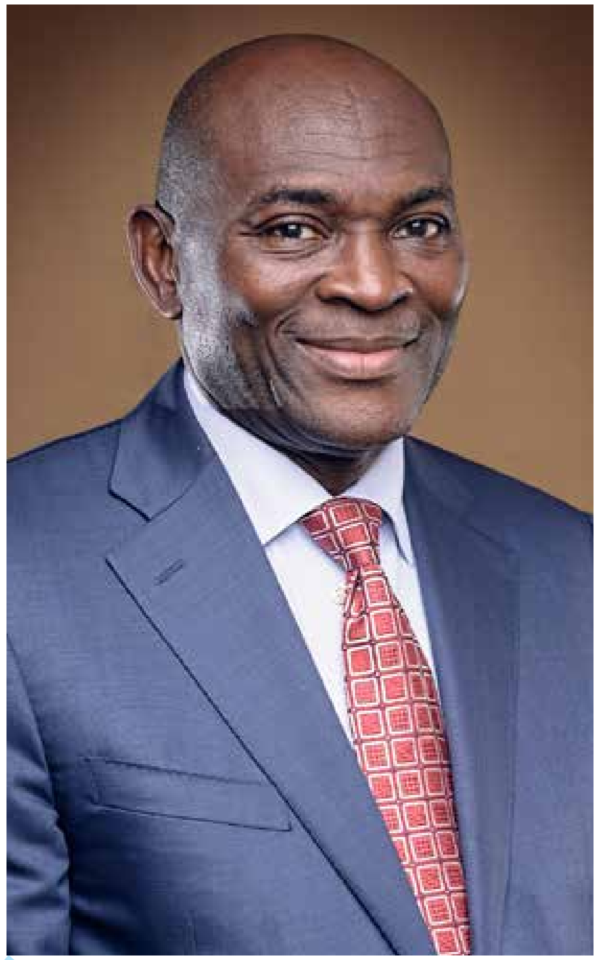
Today

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

Our highly esteemed Shareholders, my colleagues on the Board, distinguished ladies and gentlemen, I am pleased to welcome you to the 28th Annual General Meeting of our company; C & I Leasing Plc.
I am delighted to present to you the ***Annual Report and Financial Statements*** *of your company for* ***the year ended 31st December 2018*** *and to report that the company recorded yet another strong financial performance notwithstanding the challenging operating environment.*

Chief Chukwumah H.
OKOLO
Chairman, C & I Leasing PLC



GLOBAL ECONOMY

The global economy started 2018 on a promising note, accelerated by an improved activity in global manufacturing and trade through 2017. It however lost speed during the year as, following the China-US trading war, investors' confidence in the global economic outlook faltered. However, the US economy advanced as tax cuts and increase spending stimulated demand. The US dollar appreciated against most other currencies as growth and interest rates in the United States outpaced those in other major economies. As a result of the above dynamics, most emerging market economies came under pressure with resultant increase in external borrowing.
As per the IMF forecast, for most countries, current favorable growth rates will not last. Policymakers are therefore advised to seize this opportunity to support growth, make it more durable, and equip their governments better to counter the next downturn.
Growth among advanced economies is forecast to drop to 2 percent and remain at a weaker-than-expected 4.2 percent in 2019. Low external demand, rising borrowing costs, and persistent policy uncertainties are expected to weigh on the outlook for emerging market and developing economies.
As economic and financial headwinds intensify for emerging and developing countries, the world's progress in reducing extreme poverty could be jeopardized. To keep the momentum, countries need to invest in people, foster inclusive growth, and build resilient societies."

DOMESTIC ECONOMY

In 2018, the Nigeria economy continued to grow, albeit at a slower pace, despite macroeconomic headwinds which spilled over from 2017. The economy of Nigeria grew by 1.5% in the second quarter of 2018, compared to a 1.9% expansion in the corresponding period. It was the weakest growth rate since the third quarter of 2017, as oil output shrank while non-oil sector continued to rise.

The nation's Gross Domestic Product (GDP) grew

by 1.95% in the first quarter of 2018, and furthermore by 2.05% in the second quarter of 2018. This growth was driven again by the non-oil sector, mainly agriculture, financial institutions and insurance, manufacturing, transportation and storage, information and communication. In the third quarter of 2018, GDP grew by 1.81%. Compared to the third quarter of 2017 which recorded a growth of 1.17%, there is an increase of 0.64% points. In the fourth quarter of 2018, GDP grew by about 2.38%. This represents 0.27% points increase when compared to the growth rate of 2.11% recorded in the fourth quarter of last year. This showed a rise of about 0.57% points when compared with the growth rate in the third quarter of 2018. The implication of the fourth quarter growth performance is that real GDP grew at an annual growth rate of 1.93% in 2018, compared to 0.82% recorded in 2017, an increase of 1.09% points. This was driven by increased activities in the information and communication, transportation and storage, arts and entertainment, agriculture and manufacturing sectors of the economy.

According to the latest World Bank Ease of Doing Business ranking for 2018, of the 190 countries ranked by the World Bank, Nigeria ranked 146 in 2018, dropping by a spot from its 145th position in the prior year. However, despite the regulatory environment not being too conducive for the operations of businesses in Nigeria, C & I Leasing Plc has still been able to distinguish itself by coming out with an impressive result.

OUR OPERATING RESULTS

Amidst the recovering macroeconomic environment, the Group remained strong and firm while making steady progress towards fulfilling its commitment to creating wealth to her numerous shareholders.

Clearly, its performance in 2018 is a validation of its growth objectives of meeting and exceeding client's expectation and increase demand for its products and services.
All our core business lines; Fleet Management, Outsourcing and Marine Services achieved significant growth during the year.

Our fleet Management business has continued to leverage on increased operational efficiency, reduced downtime and business expansion.

For Marine business, we successfully concluded a buyout of 27.5% minority stake in C & I Petrotech Marine Limited – a joint venture company with 6 vessels contracted to Shell Petroleum Development Company (SPDC) and acquisition of two brand new tug boats named "MV Chidiebube" and "MV Folashade" under the Sifax/C & I Marine Limited joint venture arrangement. These boats have since being deployed on a long-term contract with Nigerian Liquefied Natural Gas Company (NLNG).

We also worked on repositioning the Outsourcing business, we recently launched a recruitment portal and job application site, "GETAJOBNG" to provide dream jobs to teeming Nigerians.

Gross earnings grew by 32% and 25% for the group and company respectively in comparison with 2017 performance. The group's profit before tax also grew by 22% from N1.3bn in 2017 to N1.5 billion in 2018, while the company recorded an increase in profit before tax by 32% from N506.9 million in 2017 to N668.3million in 2018. Also, the group's profit after tax grew by 9% from N1.1 billion in 2017 to N1.2billion in 2018 while the company's profit after tax decreased due to the impact of back duty tax by 3% from N451.3million in 2017 to N437.5million in 2018.

The group's total assets grew by 17% from N45 billion in 2017 to N52.6 billion in 2018 while that of the company grew by 24% from N29 billion in 2017 to N36 billion in 2018. The group shareholder's fund grew by 30% from N9 billion in 2017 to N11 billion in 2018 and the company's shareholder's fund grew by 2.1% from N6 billion in 2017 to N6.1billion in 2018.

This sterling performance is a result of increased operational efficiency, cost optimization strategies and enhanced service delivery across the three major business lines which attest to our commitment to sustainable growth and undisputed market leadership in our chosen business.

DIVIDEND AND CAPITILIZATION

The board is pleased to recommend for your approval, a dividend pay-out of 7.50 kobo for every ordinary share 50 kobo subject to appropriate withholding tax deduction. This recommendation reflects our resilience and tradition of delivering superior value to our shareholders. If the recommendation is approved, the dividend of N104,381,437.50 will be paid on or before 31st July 2019.

Likewise, the Company is in the process of raising fresh capital through rights issue and converting the

Aureos USD 10 million loan stock into equity before the end of the year.

BOARD DEVELOPMENT

Mr Jacob Kholi was a member of the board until September 2018 when he resigned his appointment. Upon his resignation, Mr. El Khatib was appointed to fill his position subject to regulatory approval. The Board is proposing the re-appointment of Sir Patrick Ugboma and Mr. Larry Olugbenga Ademeso as directors having been satisfied with their performance. The Board also proposes that Mr. Babatunde Olakunle Edun be elected as a director.

LOOKING INTO THE FUTURE

The outlook for 2019 remains positive despite it being an election year. We acknowledge the challenges posed by the rapidly changing geopolitical and social economic dynamics. Nevertheless, as a visionary group with sound corporate governance structure, our resolve is to continue to seek opportunities to expand our operations and markets frontiers. The Board has laid down a solid foundation for growth, expansion and diversification, which is already yielding results as we remain consistent in improving the overall wellbeing of the company with initiatives that makes us leaders within our market space.

In 2019, we plan to consolidate the progress made in the previous years by delivering a strong and sustainable performance that enhances optimal returns to shareholders. We are progressing with confidence and optimism, knowing fully well that our businesses have been strategically positioned to take advantage of emerging opportunities in the market. Our future results will show improved year-on-year performance, retaining value in the company, sustaining our market leadership and brand presence.

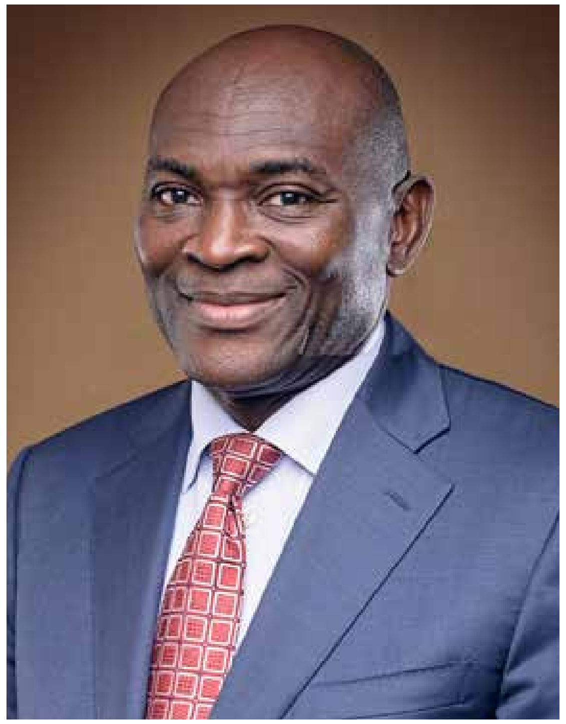
Fellow shareholders, I would like to place on record my heartfelt gratitude for your support and encouragement. I also appreciate our clients for their continued patronage. Finally, my sincere appreciation goes also to the Board members, the Audit Committee members, the Management team and our loyal and dedicated staff for their unflinching support and commitment to the vision of our company.

Thank you and God bless you all.

Chief Chukwuma H. Okolo

Four Damen SPa 1605 ballistic protected security patrol vessels

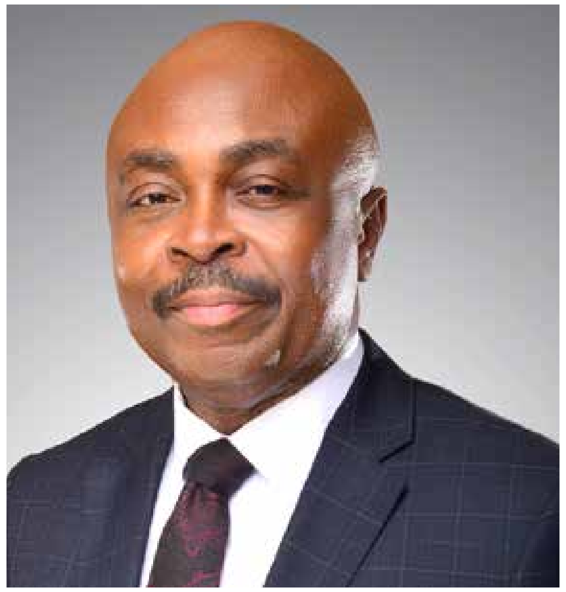
Board of Directors



CHIEF CHUKWUMAH H. OKOLO

Chairman

Chief Henry Okolo Is a chartered accountant. He holds a B.sc in Accounting from the University of Nigeria Nsukka (1978). Chief Okolo was a past coordinator of the West African Enterprise Network (Nigerian Chapter) from 1995-1997 and the vice Chairman of the Nigerian Economic Summit Group. He became the Chairman of the board of Directors in 2016.



EMEKA NDU

Vice Chairman

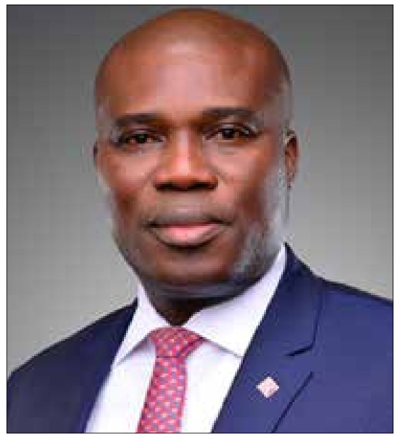
Mr. Emeka Ndu, a Chartered Accountant and Group Vice Chairman of C & I Leasing Plc. Until June 2000 he was the Chairman of the Equipment Leasing Association of Nigeria (ELAN). Mr. Ndu has served as the Chairman of the Shipping and Marine Services Sub-Committee of the National Consultative Forum set up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

ANDREW OTIKE-ODIBI

Managing Director / CEO

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

ALEX MBAKOGU,
Executive Director
Mr. Mbakogu Alexander has held several positions since joining C&I Leasing PLc. Including Management Accountant and Head Treasury, Manager Finance and Accounts then until recently he was the managing director. Leasafric Ghana. He is a fellow of the Institute of Credit and risk Administration of Nigeria and the Institute of Chartered Management Accountants of Nigeria.



LARRY O. ADEMESO
Non-Executive Director
Mr. Larry O. Ademeso obtained his first and second degrees in insurance and marketing respectively from the University of Lagos. He is an associate of the Chartered Insurance Institute of Nigeria and Associate member of the International Insurance Society. He is an Alumni of the Lagos Business school. He is currently the MD/CEO of Custodian Life Assurance.

OMOTUNDE ALAO-OLAIFA
Non-Executive Director
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 represents Leadway Assurance Company Limited on the Board as an independent director.

Proposed Director

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

IKECHUKWU DURU
Independent Non-Executive Director
Mr. Ikechukwu Duru is an Associate member of Institute of Accountants of Nigeria (ICAN), Associate member of Chartered Institute of Taxation of Nigeria (CITN) and also An Associate member of Chartered Institute of Stockbrokers (CIS). He joined the board in June 2005 as a non-executive director representing Credit Alliance Financial Services Limited on the Board. In 2017, he was re-designated an independent director, ceasing to represent Credit Alliance Financial Services Limited.

SULE UGBOMA
Non-Executive Director
Mr.Sule Ugboma is a graduate of Management Studies, Imo State University. He has a Diploma in Management from Nottingham University, England.He is currently the MD of DEC Oil and Gas LTd.

JACOB KHOLI
Non-Executive Director
Jacob Kholi is a Partner with The Abraaj Group and the regional Chief Investment Officer for Sub-Saharan Africa. Mr. Kholi holds a MSc. in Finance and Financial Law degree from the University of London, an Executive MBA in International Business from the Paris Graduate School of Management (PGSM) and a BSc. in Administration (Accounting) degree from the University of Ghana Business School. He is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants, Ghana.

Proposed Director

ZAHI EL KHATIB
Zahi El Khatib has been the managing Director, Private Equity of Abraaj Group since September 2011 – Present, he holds an Masters (MSc) in Finance and Economics, from the London school of Economics. His experience as a finance expert spans through his achievement and deep knowledge of private equity having served as the vice-president, Private Equity of the Gulf Capital ,Associate Vice-president, private equity, investocorp International,

The Report of The Directors

The Directors have the pleasure in presenting their report on the affairs of C & I Leasing Plc and its subsidiaries, together with the financial statements and auditors' report for the year ended 31 December 2018.

LEGAL FORM

C & I Leasing Plc was incorporated in 1990 as a limited liability Company and licensed by the Central Bank of Nigeria to provide transportation logistics solutions in the form of car and marine rental, fleet management as well as human resource solutions. Within the last 29 years, C & I Leasing Plc has grown on a compound annual average basis of 19% over the past 5 years to become a diversified, leasing and business service conglomerate providing support services to various indigenous and multinational blue-chip organizations within the shores of Nigeria, Ghana and the United Arab Emirates.
C & I Leasing Plc is also the only leasing Company listed on the Nigeria Stock Exchange (NSE).

MAJOR MILESTONES IN THE YEAR

2018 was an eventful year which presented both challenges and opportunities for the Company. Some of the notable achievements are as follows:

In June 2018, the Company raised a N7 billion 5-years bond, which was fully subscribed. This was the largest and most successful bond issue in the history of the Company benefitting from increasing investor confidence in the business and track record of exceptional service delivery as the foremost leasing brand for over 25 years, with customers spanning different sectors of the economy such as food and beverage, oil and gas, conglomerates, financial services, telecommunications, pharmaceuticals and manufacturing companies. In addition, its track record in meeting and short- and medium-term obligations further demonstrated the Company's financial strength. The proceeds of the bond will be directed towards business expansion and restructuring of the Company's debt to extend average tenor and better align repayments with cashflows from its existing contracts. Furthermore, the bond was priced at 16.5%, a rate which is cheaper relative to average borrowings from local banks. Consequently, a portion of the bonds proceeds was used to refinance expensive debts, leading to a reduction in the average funding cost of the business.

In July 2018, we concluded the buyout of 27.5% minority stake in C & I Petrotech Marine Limited – a Joint Venture Company with 6 vessels contracted to Shell Petroleum Development Company (SPDC), thereby taking full ownership of the vessels. This is in furtherance of our commitment to restructure and reposition our marine business for enhanced profitability.

Also, in July 2018, one of our subsidiaries, Leasafric Ghana unveiled a fresh brand identity for the Car rental service in Ghana, 'SWITCH' Car Rental Services. The Service provides daily rentals on short term basis, airport pick up and drop off, inter-city travels, cross border rentals, protocol and extra escort security services with the option of self-drive or Chauffeur drive. The vehicles are tracked in real time providing premium security for clients while the high-end vehicles come with free Wi-Fi to ensure customers stay connected to the world regardless of place and time. This is in response to the evolving needs of customers who want an enduring local brand which provides tailored world class rental solutions to meet their needs and budget

In September 2018, we acquired two brand new tug boats named "MV Chidiebube" and "MV Folashade" in addition to the existing pilot boat "MV Myra" under the Sifax C & I Marine Limited joint venture arrangement. These boats have since being deployed for a long-term contract with Nigerian Liquefied Natural Gas Company (NLNG).
In October 2018, we got a regulatory approval to reconstruct our existing shares by issuing one new ordinary share for every 4 previously held by shareholders. The objective of the share reconstruction was to create headroom in our existing share capital base for more ordinary shares which can then be issued to new shareholders without increasing the authorized shares. This exercise received final approval by the regulatory authorities and the newly consolidated shares are now being traded.
In November 2018, we were awarded a contract by a major telecommunications service Company to provide 171 vehicles to support its operations nationwide. These vehicles have been fully mobilized and the contract is running successfully.

In December 2018, Abraaj, a private equity fund, gave an indication of converting their $10 million loan stock to equity in the Company. Abraaj invested $10 million in C & I Leasing Plc in 2011 as a loan stock. With the conversion Abraaj will be a significant shareholder in the Company. We interpret Abraaj's conversion decision as a vote of confidence in the Company and its business. We expect the process of conversion to be concluded within 2019.

PRINCIPAL ACTIVITIES

C & I Leasing Plc provides transportation logistics solutions in the form of car and marine rental, fleet management as well as human resource solutions. These support services are provided along three business lines; Fleet Management, Personnel Outsourcing and Marine Services.

Fleet Management

The business provides fleet management services to a wide range of clients who cut across several sectors of the economy. These include banking, fast moving consumer goods, telecommunications, non-governmental organisations, healthcare, etc. The fleet management service is broken down into long and short-term rental of vehicles which is done through the Hertz rent-a-car franchise. Hertz is the leading car rental brand in the world and its franchise for Nigeria has been held by C & I Leasing Plc for over 10 years. C & I Leasing Plc also provides its long-term vehicle rental business through its fleet management arm. The Company currently has over 1,300 vehicles which are providing services to various clients across the country.
Our fleet management business is committed to demonstrating expertise and quality-driven services to its ever-increasing customers.

The business has enjoyed organic growth over the last few years and has become a well-known brand in the industry despite frequent changes in government policies affecting land logistics business, and the high new vehicles purchase cost. The latter presents an opportunity for the Company to fill the gap of aging cars for different corporate bodies with new rented cars. This has proven more efficient for the companies and has helped sustain their operations.
Within the fleet management business, the Company is leveraging technology to better serve and enhance its solutions to existing clients, improve the level of operational efficiency, whist at the same time growing its reservation business. Several application packages are in place, and more are planned, to ensure the business continues to provide world class service in a cost-efficient manner.

The Citrack Telematic Solutions arm of the business provides technology-based, end-to-end tracking and other logistics and fleet management solutions for vehicles and various marine vessels. It has partnered with two renowned technology companies who are leaders in the tracking and fuel monitoring services. On the land vehicles and generators, Citracks works with Galooli, who are leaders in vehicle tracking and fuel monitoring services. On the marine side, Citracks partners with Nautical Control Services, the makers of Fueltrax devices. These devices are being installed on most boats working in the oil and gas fields in the country. In the current year, we are looking at deepening our relationship with these partners to expand the range of services currently being provided to our clients. This presents an avenue to increase our share of wallet of clients' businesses and, by extension, additional income generating opportunities for the business.

Personnel Outsourcing

This business provides personnel management, human resource outsourcing, consultancy, personnel evaluation, training and manpower development services. These services are provided to various clients with deployed personnel ranging from highly-skilled to semi-skilled professionals. This enhances our client's ability to focus on their core businesses while we provide a well-equipped support team. Thus, we have obtained several electronic certifications including e-learning programs in order to improve the services rendered to clients. In addition, the recruitment portal and job application site, "GETAJOBNG" is operational with focus on providing employable candidates of the right quality to our clients and other interested corporate bodies at short notice. We intend to improve the average quality of job seekers by providing basic training to make sure that they can meet employer expectations. This should mitigate rising unemployment in the society and the frustration of employers who continually complain of poor quality of employable candidates. We believe this approach will improve the clients' recruitment experience and improve the rate at which vacancies are being filled, and by extension, enhance income streams for the business.

Marine Services

Our marine business offers a wide range of services to both onshore and offshore terminals; taking advantage of the opportunities created by the Nigerian Oil and Gas Industry Development Act for indigenous companies. With efficiency and safety as its watchword, the business has built a strong reputation in the industry, gradually positioning itself as a leading Nigerian content player in the offshore marine vessel space. Our journey into the Maritime sector as a service provider for the Oil and Gas sector started through the C & I Petrotech Marine Joint Venture in 2010 with six vessels, of which we have now taken full ownership by buying out the remaining 27.5% minority stake in July 2018. Over the last eight years, the business has developed significant technical and operational capacity and owns/manages several boats to carry out various services in the maritime subsector of the oil and gas industry. These services include line and hose handling, terminal support and berthing services, security patrol and escort services, mooring support, fire-fighting, pollution control services, off shore installation supply services, anchor handling services for mooring large tankers during offtake operations, floating and self-elevating platforms services for supporting shallow water operations.
The business continues to explore new opportunities in the industry for growth; this underscores the Sifax C & I Marine Limited joint venture arrangement of which the two tug boats, MV Chidiebube and MV Folashade, and a pilot boat, MV MYRA were purchased for contracts with NLNG. These boats have been long deployed for the project.

OUR SUBSIDIARY COMPANIES

The C & I Leasing Group of companies comprises the following subsidiaries - Leasafric Ghana Limited

(70.89% owned) and Epic International FZE (100% owned).

Leasafric Ghana Limited

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

We are considering listing the shares of the business on the Ghana Stock Exchange in 2019. The options are currently being reviewed by the directors. The business is also considering issuance of a long-term bond for business expansion at a cost-effective rate during the year.

Epic International FZE

This asset-based subsidiary was incorporated in 2011, as a free trade zone establishment in United Arab Emirates and licensed to trade in ships and boats, ships and boats spare parts, components and automobile and it commenced operations fully in 2014 with four vessels. The vessels are then chartered from C & I Leasing by the various international oil companies. This arrangement has expanded and helped grow the fleet size of C & I Leasing to 22 vessels currently.

OPERATING RESULTS AT A GLANCE

Gross earnings of the Group from continuing operations increased from N21.4 bn to N28.2 bn and profit on continuing operations before income tax increased from N1.3 bn to N1.5 bn during the year ended 31 December 2018. Highlights of the Group's operating results for the year under review are as follows:

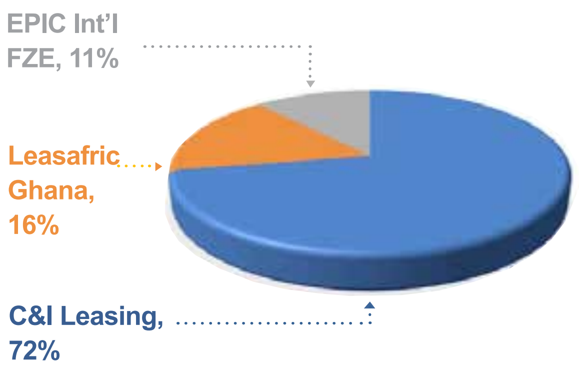
OPERATING RESULT FOR **THE YEAR ENDED 31 DECEMBER 2018**
IN THOUSANDS OF NAIRA (000)

	GROUP		COMPANY	
YEAR	**2018**	**2017**	**2018**	**2017**
GROSS EARNINGS	28,181,993	21,371,697	20,338,710	16,314,946
PROFIT ON CONTINUING OPERATION BEFORE TAX	1,540,234	1,262,072	668,340	506, 913
INCOME TAX	(342,270)	(162,783)	(230,827)	(70,949)
PROFIT FROM DISCONTINUED OPERATION		15,294		15,294
PROFIT AFTER TAX	1,197,764	1,114,583	437,513	451,258
PROFIT ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	1,133,146	1,064,854	437,513	451,258
NON-CONTROLLING INTERESTS	64,618	49,729	-	-
	1,197,764	1,114,583	437,513	451,258

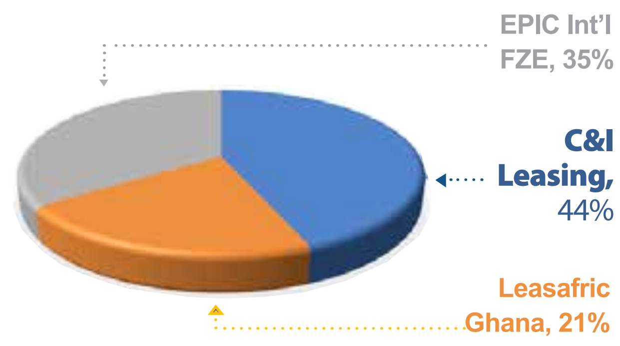
The Group refers to the parent Company, C & I Leasing Plc, and its foreign subsidiaries, Leasafric Ghana Ltd and Epic International FZE while the Company refers to the Nigeria business alone, C & I Leasing Plc.

GROUP'S POSITION – DECEMBER 2018

GROSS EARNINGS

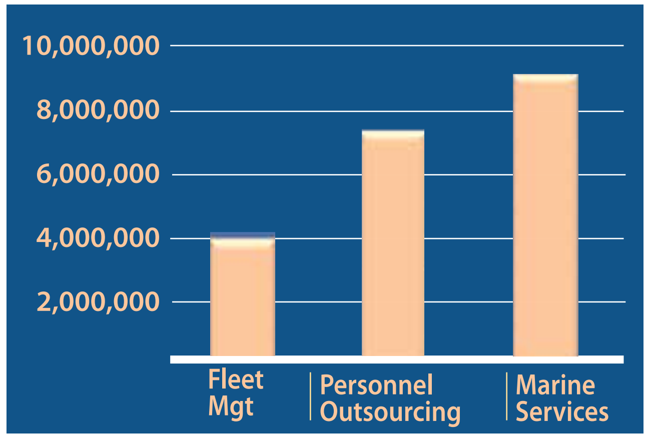


PROFIT BEFORE TAX

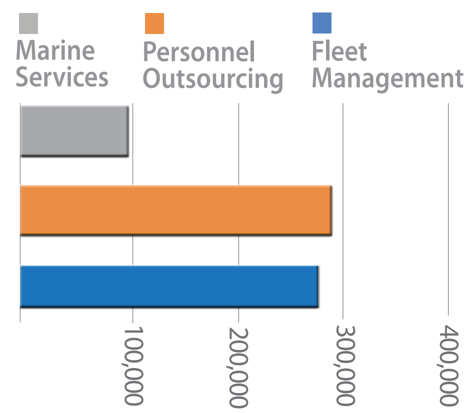


COMPANY'S POSITION – DECEMBER 2018

GROSS EARNINGS



PROFIT BEFORE TAX



FINANCIAL PERFORMANCE AND BUSINESS REVIEW

During the year, the economy continued to show signs of recovery from the 2016 recession, thereby creating a favourable environment for C & I Leasing Plc to achieve better results. We focused on increased visibility and rebranding, detailed process reviews and automation initiatives, some of which are still ongoing. We intend to implement the learning outcomes from the process reviews to position the Company as the foremost, biggest and most preferred within the logistics and transportation service space with enviable results.

Total assets for the Group grew 17.0% to

N52.6 bn in 2018 from N45.0 bn in 2017 while shareholders' fund increased by 30.2% from N8.8 bn in 2017 to N11.5 bn in 2018. Total liabilities of the Group also rose 13.7% from N35.9 bn in 2017 to N40.8 bn in 2018.

For the Company, total assets grew from N29.3 bn in 2017 to N36.2 bn in 2018 while shareholders' fund rose to N6.1 bn in 2018 from N6.0 bn in 2017. The parent Company's total liabilities also increased to N30.1 billion in 2018 from N23.3 billion in 2017.

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

GCR –
Short term: A3
Long term: BBB
Outlook: Stable

Agusto & Co:
Rating: Bbb
Outlook: Stable

These were investment grade ratings with the outlook of the business considered stable by the two agencies.

OUTLOOK FOR 2019 AND BEYOND

Despite the uncertainties which every election year is laden with, unpredictable monetary, fiscal and other government policies, high interest rate, likely Naira devaluation and high cost of doing business, we will continue to seek opportunities for growth and business expansion aimed at improving the profitability of the business and returns on investments to shareholders.

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

- Focus on agriculture will create an extensive market for the leasing business, as a whole range of equipment would be required across the agriculture value chain, from planting, harvesting, processing and storage to distribution
- Special focus on infrastructure will unlock business opportunities for the leasing industry as specialised and general equipment would be needed to support construction projects (rail, roads, power, housing etc)
- The manufacturing sector including the micro, small and medium enterprises (MSMEs) presents significant opportunities for leasing, as the demand for assets for productive ventures is expected to continue to increase

Another emerging business opportunity lies in the healthcare and education sectors with appreciable in-roads being made in providing school buses as well as ambulances contracts

We aim to exert a determined effort to achieve undisputed leadership within our market space by optimising cost across all businesses, increasing operational efficiency, improving on the attitude and culture of our people, aligning our strategies to our goals and ensuring that the profit contributions of our core business activities of Marine, Fleet management and Outsourcing are in the ratio 40%:30%:30%

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

Having completed the share capital reconstruction, we intend to raise equity capital through a public offer and rights issue. We will also conclude the process of Abraaj loan conversion into equity in form of ordinary shares.

CAPITALIZATION AND DIVIDEND

Having completed the share capital reconstruction, we intend to raise fresh capital through a combination of public offer and rights issue.The dividend history is as shown in the table below. In respect of the current year, the Directors propose that a dividend of 1,391,752,500 per ordinary share of 7.5kobo each, amounting to N104,381,437.50 be paid to shareholders on or before the 31st July, 2019 .The payment of dividend is however subject to withholding tax at the rate of 10%.

C & I LEASING PLC DIVIDEND HISTORY

Financial Year End	Dividend Number	Final / Interim	Amount Declared (N)	Amount Paid (Kobo)
12-Dec-1997	4	Final	23,964,627.10	10
12-Dec-1998	5	Final	18,000,000.00	15
1-Dec-1999	6	Final	24,000,000.00	10
12-Dec-2000	7	Interim	12,000,000.00	5
31-Jan-2001	8	Final	24,000,000.00	10
31-Jan-2002	9	Final	36,170,935.65	15
31-Jan-2003	10	Final	36,000,000.00	15
31-Jan-2004	11	Final	40,000,000.00	10
31-Jan-2005	12	Final	60,000,000.00	10
31-Jan-2006	13	Interim	30,000,000.00	5
31-Jan-2006	14	Final	60,000,000.00	10
31-Jan-2007	15	Final	80,029,700.00	5
31-Jan-2008	16	Interim	96,035,640.00	6
31-Jan-2008	17	Final	95,792,821.80	6
31-Jan-2009	18	Final	191,585,643.60	12
31-Jan-2010	19	Final	42,000,000.00	2
31-Jan-2012	20	Final	37,328,059.00	2
31-Dec-2013	21	Final	64,680,400.00	4
31-Dec-2014	22	Final	129,360,800.00	8
31-Dec-2015	23	Final	64,680,400.00	4

CORPORATE GOVERNANCE FRAMEWORK

At C & I Leasing Plc, we are committed to promoting good corporate governance and best practices in accordance with applicable laws and regulations in Nigeria and the requirements of the Nigerian Stock Exchange as well as in compliance with the Code of Corporate Governance in Nigeria, 2011. In the conduct of our business, we understand that sound corporate governance practices are a must for continued existence and corporate success. The Company complied substantially with major corporate governance principles during the year under review.

THE BOARD OF DIRECTORS

Board Composition

The Board of directors consists of nine members, chosen based on their professional background and expertise, business experience and integrity, whose skills mix align 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 system to safeguard shareholders' investments and the Company's assets. They are responsible also for providing good leadership and steering the Company to achieving its long-term goals.

Responsibilities of the Board

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

- Review of the Company's goals as well as the strategy for achieving these goals.
- Review and approval of the Company's

financial objectives plans and actions and significant allocation and expenditure.

- Review and approval of the annual, half-yearly and quarterly financial statements, as well as annual report and reports to shareholders
- Ensuring the integrity of the Group's accounting financial reporting systems by establishing mechanisms for monitoring risk, financial controls and compliance with applicable laws.
- Review of the performance of, necessity for, and composition of Board Committees and senior management members, as well as approval of the remuneration of the Chairman, Non-Executive Directors and Management.

Record of Directors Attendance at Meeting:

The Board of Directors hold periodic meetings to decide on policy matters and to direct the affairs of the Company, review its operations, finances and formulate growth strategy. The board agenda and reports are provided ahead of meetings, to enable the Board to make informed decisions.
The Board of Directors held its meetings on the following dates: January 25, 2018, March 8, 2018, March 24, 2018, April 26, 2018, July 7, 2018, October 25, 2018, and December 31, 2018 The table below shows the frequency of meetings and directors' attendance at these meetings during the year under review:

ATTENDANCE FOR BOARD OF DIRECTORS MEETING	NO. OF MEETINGS ATTENDED/NO. OF MEETINGS HELD
CHIEF CHUKWUMA HENRY OKOLO	7/7
MR CHUKWUEMEKA E. NDU	6/7
MR ANDREW OTIKE-ODIBI	7/7
MR IKECHUKWU DURU	7/7
SIR PATRICK UGBOMA	6/7
MR JACOB KHOLI	7/7
MR TUNDE ALAO-OLAIFA	7/7
MR LARRY OLUGBENGA ADEMESO	6/7
MR ALEX MBAKOGU	6/7

COMMITTEES

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

a. Board Operations Committee:

The Board Operations Committee comprises five members, made up of two executive directors and three non-executive directors.

The Committee performs oversight functions relating to strategic operational issues.
The Board Operations Committee held its meetings on the following days during the year: January 23, 2018, April 24, 2018, July 24, 2018 and September 27, 2018. Details of members' attendance at the meetings during the year are as shown below:

ATTENDANCE FOR BOARD OPERATIONS COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED/NO. OF MEETINGS HELD
MR CHUKWUEMEKA NDU	CHAIRMAN	4/4
MR ANDREW OTIKE-ODIBI	MEMBER	4/4
MR LARRY OLUGBENGA ADEMESO	MEMBER	3/4
MR JACOB KHOLI	MEMBER	4/4
MR ALEXANDER MBAKOGU	MEMBER	3/4

b. Board Risk Committee:

The main objective of this committee is to oversee the Company's risk management process and to give recommendations to the Board Operations Committee, the Board of Directors (where necessary) and the Audit Committee on how to mitigate the Company's significant risk. The Board Risk Committee also assesses the adequacy and effectiveness of the Company's management of the risk and compliance function of the Company.

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

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

The Board Risk Committee is made up of five members, comprising two executive directors, two non-executive directors and one independent non-executive. The Committee held its meetings on the following dates during the year: January 24, 2018, April 25, 2018, July 26, 2018 and October 24, 2018. A record of their attendance at meetings for the year are as detailed below:

ATTENDANCE FOR BOARD RISK COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED/NO. OF MEETINGS HELD
MR OMOTUNDE ALAO-OLAIFA	CHAIRMAN	4/4
MR ANDREW OTIKE-ODIBI	MEMBER	4/4
MR JACOB KHOLI	MEMBER	4/4
MR IKECHUKWU DURU	MEMBER	3/4
MR ALEX MBAKOGU	MEMBER	4/4

c. Audit Committee

In accordance with Section 359(3) of the Companies and Allied Matters Act of Nigeria, the Company has an Audit Committee comprising six members made up of three 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 2018 AGM. Their role is to oversee internal and external audit, compliance with regulatory requirement accounting and financial reporting systems of the Group. The members have the appropriate qualifications and background to effectively carry out the committee's responsibilities.

Their statutory functions are as follows:

- Ascertain whether the accounting and reporting policies of the Company follow legal requirements and agreed ethical practices;
- Review the effectiveness of the Company's system of accounting and internal control;
- Review the scope and planning of audit requirement;
- Review the finding on management letters in conjunction with the external auditors and responsible departments;
- Authorize the internal auditors to carry out investigation into any of the activities of the Company which may be of concerns to the committee;
- Make recommendations to the Board as regards the competence of the external and internal auditors, their remuneration and terms of engagement or removal.

The Audit Committee held its meetings on the following dates during the year: January 24, 2018, March 7, 2018, April 25, 2018, July 25, 2018, October 24, 2018 and December 13, 2018. Details of the members' attendance during meetings held in the year are:

ATTENDANCE FOR BOARD AUDIT COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED/NO. OF MEETINGS HELD
COMRADE SULEIMAN. B. ADERENLE	CHAIRMAN SHAREHOLDER MEMBER	5/6
MR FEMI ODUYEMI	SHAREHOLDER MEMBER	6/6
MRS CHRISTIE VINCENT UWAKALA	SHAREHOLDER MEMBER	6/6
MR IKECHUKWU DURU	DIRECTOR	5/6
MR TUNDE ALAO-OLAIFA	DIRECTOR	4/6
MR JACOB KHOLI	DIRECTOR	6/6

d. Nomination, Remuneration and Corporate Governance Committee

This is a newly established committee in addition to the above stated committees whose primary responsibility is to advice the Board on succession planning and compliance with corporate governance requirements.
The committee is made up of five non-executive directors only. They met on July 17, 2018 and October 23, 2018 in the year as shown in the table below:

ATTENDANCE FOR NOMINATING REMUNERATION & CORPORATE GOVERNANCE COMMITTEE MEETINGS	POSITION	NO. OF MEETINGS ATTENDED/ NO. OF MEETINGS HELD
MR LARRY OLUGBENGA ADEMESO	CHAIRMAN	2/2
MR CHUKWUEMEKA NDU	MEMBER	1/2
MR OMOTUNDE ALAO-OLAIFA	MEMBER	2/2
MR JACOB KHOLI	MEMBER	2/2
SIR PATRICK UGBOMA	MEMBER	1/2

STATEMENT IN RESPECT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the financial statements that give a
true and fair view of the financial position of the Company as at 31 December 2018, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

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

- Keeping proper accounting records that disclose reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act 2004;
- Establishing adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Preparing its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates and are consistently applied.

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

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

DIRECTORS DECLARATION

The directors declare that none of them have:

- Ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- Ever been declared bankrupt or sequestrated in any jurisdiction; at any time being a party to a scheme of arrangement or made any other form of compromise with their creditors;

- Ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- Ever been involved in any receiverships, compulsory liquidations or creditors' voluntary liquidations;
- Ever been barred from entry into a profession or occupation; or
- Ever been convicted in any jurisdiction for any criminal offence under any Nigerian legislation.

SHAREHOLDING STRUCTURE.

The analysis of shareholding in the Company as at December 31, 2018 was as follows:

LIST OF SUBSTANTIAL **INTEREST IN SHARES** AS OF 31 DECEMBER, 2018

SHAREHOLDER	NUMBER OF SHARES HELD	% OF SHAREHOLDING
CIL ACQUICO LIMITED	215,558,648	13.33%
LEADWAY ASSURANCE CO. LTD	140,000,353	8.66%
PETRA PROPERTIES LTD	91,387,061	5.65%
GRAND TOTAL	**446,946,062**	**27.64%**

Apart from the names listed above, no other persons hold more than 5% of the issued and fully paid shares of the Company

C & I LEASING PLC DIRECTORS SHAREHOLDING
AS OF CLOSE OF BUSINESS 31 DECEMBER 2017

S/No.	NAMES	TOTAL (DEC 2017)	SHAREHOLDING DIRECT (DEC 2017)	SHAREHOLDING INDIRECT (DEC 2017)	INDIRECT HOLDER
1	OKOLO H.C. (CHAIRMAN)	1,200,338	1,200,338		
2	NDU CHUKWUEMEKA E. - (VICE-CHAIRMAN)	89,124,255	1,438,270	87,685,985	PETRA PROPERTIES
3	OMOTUNDE ALAO-OLAIFA	140,000,353	-	140,000,353	LEADWAY ASSURANCE CO. LTD
4	LARRY OLUGBENGA ADEMESO	44,909,709		44,909,709	CUSTODIAN AND ALLIED INSUR.
5	IKECHUKWU DURU	-	-	-	
6	KHOLI JACOB	43,394,691	-	43,394,691	AUREOS WEST AFRICA FUND LLC
7	UGBOMA PATRICK SULE	80,416,666	80,416,666		
8	OTIKE-ODIBI ANDREW - (MANAGING DIRECTOR)	8,214,300	8,214,300		
	DIRECTORS TOTAL	**407,260,312**	**91,269,574**	**315,990,738**	
	% OF TOTAL	**25.19%**	**5.64%**	**19.54%**	
	TOTAL OUTSTANDING SHARES	**1,617,010,000**	**1,617,010,000**	**1,617,010,000**	

C & I LEASING PLC DIRECTORS SHAREHOLDING

AS OF CLOSE OF BUSINESS 31 DECEMBER 2018

S/No.	NAMES	% TOTAL OUTSTANDING	TOTAL (DEC 2018)	SHAREHOLDING DIRECT (DEC 2018)	SHAREHOLDING INDIRECT (DEC 2018)	INDIRECT HOLDER
1	OKOLO H.C. (CHAIRMAN)	0.00%	-	-		
2	NDU CHUKWUEMEKA E. - (VICE-CHAIRMAN)	5.74%	92,825,331	1,438,270	91,387,061	PETRA PROPERTIES
3	OMOTUNDE ALAO-OLAIFA	8.66%	140,000,353	-	140,000,353	LEADWAY ASSURANCE CO. LTD
4	LARRY OLUGBENGA ADEMESO	2.78%	44,909,709		44,909,709	CUSTODIAN AND ALLIED INSUR.
5	IKECHUKWU DURU	0.00%	-	-	-	
6	KHOLI JACOB	2.68%	43,394,691	-	43,394,691	AUREOS WEST AFRICA FUND LLC
7	UGBOMA PATRICK SULE	4.97%	80,416,666	80,416,666		
8	OTIKE-ODIBI ANDREW - (MANAGING DIRECTOR)	0.51%	8,214,300	8,214,300		

RANGE	NO. OF HOLDERS	PERCENT	UNIT	PERCENT
1-10000	11,005	66.86	42,158,380	2.61
10001-50000	4,100	24.91	95,443,258	5.90
50001-100000	675	4.10	52,893,800	3.27
100001-500000	518	3.15	113,567,800	702
500001-1000000	78	0.47	58,920,029	3.64
1000001-5000000	56	0.34	121,280,964	7.50
5000001-10000000	7	0.04	50,144,550	3.10
10000001-50000000	12	0.07	275,155,471	17.02
50000001-100000000	6	0.04	451,887,210	27.95
100000001-500000000	2	0.01	335,559,001	21.99
GRAND TOTAL	**16,459**	**100**	**1,617,010,000**	**100**

INSIDER TRADING AND PRICE SENSITIVE INFORMATION

C & I Leasing Plc has in place a policy regarding trading in its shares by its Directors and employees on the terms and conditions like the standards set out by the Nigerian Stock Exchange. The policy is periodically circulated on the Company's internal communication network ("Intranet") to serve as a reminder to staff of their obligations thereunder.

Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the Company's shares where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a "lock up" period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

In addition to the above, the Company makes necessary disclosure as required under Rule 111 of the Securities and Exchange Commission ("SEC") Rules and Regulations which stipulates that Directors and top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the Company, not later than forty-eight (48) hours after such activity.

The Directors comply strictly with the laid down procedure and policy regarding trading in the Company's shares.

SHAREHOLDERS COMPLAINTS MANAGEMENT POLICY

C & I Leasing has established a Shareholders Complaints Management Policy, this "Policy" has been prepared pursuant to the requirements of the Securities & Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16th February, 2015 and The Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies ("the NSE Directive") issued on 22nd April, 2015.

This policy has also been prepared in recognition of the importance of effective engagement in promoting shareholder/ investor confidence in the company. This Policy sets out the broad framework by which C & I Leasing Plc and its Registrar will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for C & I Leasing shareholders to provide feedback to the Company on matters that affect shareholders and investors.

This Policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner. C & I Leasing is committed to providing high standards of services for shareholders, including:

- Providing a platform for efficient handling of shareholder complaints and enquiries;
- Enabling shareholders to have shareholder related matters acknowledged and addressed;
- Providing sufficient resources to ensure that shareholders' complaints and enquiries are dealt with adequately, and in an efficient and timely manner; and
- Facilitating efficient and easy access to shareholder information.

POST BALANCE SHEET EVENTS

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

HUMAN RESOURCES

Employment of Physically Challenged Persons

The Company operates a non-discriminatory policy in the consideration of application for employment including those received from disabled persons. All employees, whether physically challenged or not are given equal opportunities to develop their expertise and knowledge and qualify for promotion in furtherance of their careers. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues, and appropriate training is arranged to ensure that they fit into the Company's working environment. It is the policy of the Company that the training, career development and promotion of physically challenged persons should as far as possible be identical with that of other employees.

Employee Involvement and Training

The Company places considerable value on the involvement of its employees and has continued the practice of keeping them informed on matters affecting them as employees and on various factors affecting the Company's performance through regular circulation of Internal

Communications mails and regular briefings during the meetings with employees.

A well-structured performance assessment system is in place to track the attainment of corporate, unit and individual targets. Every employee's performance is focused on ensuring that we effectively achieve our quality objectives of meeting and exceeding customer requirements, bearing in mind that customer satisfaction is key to our existence as a Company.
We also place a premium on our human capital development for improved efficiency of the business and maintenance of a strategic manpower advantage over competition. During the year under review, C & I Leasing Plc invested in the training and development of its workforce through E-learning, Outdoor training, in-plant training & in-house training, while continuously encouraging employees to develop themselves to their full potentials. Employees also benefitted from on-the-job training in order to expose them to best practices.

Health, Safety & Environment

At C & I Leasing Plc we believe that all accidents can be prevented, through integration of our HSE principles in all our business processes. We work daily to achieve this in order to meet the current challenges in the industry and to effectively carry out the operations with due regard to the people and environment. Our HSE policy ensure that all hazards are identified, assessed, controlled, and where possible avoided. Good HSE performance is critical to the success of our business. In the course of our operations we are committed to avoid accidents, harm to people, and damage to the environment. In affirmation of our commitment to HSE our HSE unit is fully responsible for proper coordination of the Company's HSE issue. The unit is fully responsible for HSE statistics, documentation and training. We maintain a comprehensive health and safety programme designed to meet all Nigerian statutory regulations and international corporate standards. Additional and/or special programmes are also developed to meet specific project demands. A few incidents have been recorded in the course of our operations which mostly have to do with road traffic incidents. These incidents are being reviewed and the HSE unit is drawing up a broad based HSE management system that would help reduce to as low as reasonably practicable the number of such incidents in our operations. One of such initiatives is the ZERO RTA campaign across our operational locations. It is meant to sensitize all stake holders fleet management on the need to achieve an accident-free operation. The Company has a comprehensive journey management system that place special emphasis on drivers' competency assurance. The system ensure that all vehicle drivers undergo a defensive driving training organized and supervised by a reputable driving training outfit. Our HSE-Management system includes a comprehensive health and safety programme designed to meet all Nigerian statutory regulations and international corporate standards. We also have written Occupational Health and Safety programme plans and a medical surveillance programme to support government and commercial projects. These programme plans also contain the provisions for site-specific health and safety plans which will be adhered to by Company personnel.

The Company is very conscious of its interest to conserve the eco-system and sustainable environmental protection. It is therefore a basic priority that all our operations are conducted in a manner which ensures optimum protection of the environment. There was no significant negative environmental impact arising from our operations so far. However, we constantly provide the information and training necessary to enable the Company's equipment to be properly used, stored and disposed of so to avoid unnecessary effect on the environment.
We also carry out periodic review of the Company's Waste management system to improve the effectiveness of the system in line with statutory regulations of the Government agencies and industry's best practices.

CORPORATE RISK AND INTERNAL CONTROL SYSTEMS

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

ANTI-MONEY LAUNDERING

C & I Leasing Plc is committed to establishing exemplary anti-money laundering practices and ensuring that the Company is not used as a conduit for money laundering or other illicit business. The Group has adopted procedures emanating from the Money Laundering (Prohibition) Act, 2011 (MLPA), Central Bank of Nigeria Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) Regulation. It also complies with and implement 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 contribute in 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. The Group is committed to highest standards and ethical behavior 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 Securities Exchange Commission's (SEC) Corporate Governance guidelines.

BOARD EVALUATION

The Board engaged an external consultant to evaluate its performance for the 2018 financial year. The recommendations of the consultant will be implemented by the board.

RC: 1423840
TEAM NOMINEES LIMITED

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Off TF Kuboye Road,
Lekki Phase I Lagos.
Tel: 08126043862
info@teamnominess.com
www.teamnominess.com

28th, March 2019
THE CHAIRMAN
Board of Directors
C & I Leasing Plc
No 2, Leasing Drive
Duronsinmi-Etti Drive
Lekki Phase 1
Lagos State

Report of the External Consultants on the Performance of the Board of Directors of C & I Leasing Plc for the Year Ended 31st December 2018.

Team Nominees Limited was retained to conduct an independent appraisal of the Board of C & I Leasing Plc for the year ended 31st December 2018 with a view to ascertaining whether the Board was fulfilling its purpose and in compliance with approved codes of corporate governance and global best practices and identifying areas where efforts at improvement should be directed.

We carried out a detailed assessment of the Board, the Board Committees, the Chairman of the Board, the Managing Director, the Directors' direct and indirect interests in the company, the succession plans and strategies of the Board, risk and compliance level, the governance policies, access to information, stakeholders' relationship and communication of the company against the applicable Codes of Corporate Governance issued by both the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), and other global best practices. This process involved an appraisal of the minutes of the Board and Board Committees meetings, board policies, board charter, committees' terms of reference, attendance sheets, administration of questionnaires, interactions with the Directors and some members of the Management team.

In our opinion, the Board is well structured given its composition and balance of skill, experience and expertise of the members. It carried out its statutory functions by effectively overseeing the management of the company and in substantial compliance with the applicable codes of corporate governance and global best practices. The Board met regularly within the year to review the operations and financial reports of the company. Strategic meetings were also held to deliberate on urgent and important matters affecting the company. The Nomination, Remuneration and Corporate Governance Committee was established in addition to the existing Risk, Operations and Audit Committees with each committee having its own terms of reference. The Risk and Audit Committees comprised members with the requisite skills to effectively oversee the management of the company's risks and compliance with regulatory requirements. The company also adopted the Money Laundering and Combating the Financing of Terrorism Policy as well as the whistle-blowing policy.

However, the Board is yet to implement the previous recommendation on gender diversity in the composition of the Board and has not adopted clear policies on dividend and succession planning, It is our recommendation that the board should take steps to implement the recommendations.
Our findings and recommendations are contained in our detailed report to the board

Yours faithfully,
FOR: TEAM NOMINEES LIMITED

CHIDOZIE OREKWU

Corporate Social Responsibility Reporting

Our corporate social responsibility reporting focuses on education, youth development, partnership with security and safety officials (FRSC, Police, NIMASA) that matter to our business and our stakeholders – investors, customers, host governments, local communities and employees. We are committed to showcasing our values and culture. C & I Leasing Plc promotes CSR by placing utmost importance in conducting all her activities with integrity, which highlights three focus areas.

A. COMMUNITY

BETHESDA CHILD SUPPORT AGENCY

Bethesda Child Support Agency is a social development organization which empowers children through education and other social development programs like community service, mentoring opportunities and scholarship programs. C & I Leasing Plc has partnered with Bethesda Child Support Agency, on their child education scholarship program since October 2015 sponsoring some orphans and children of widows, covering their tuition fees. These children are in the primary level 1-6.C & I Leasing Plc hosted the Bethesda Child support on the 14th February,2019..

OGINIGBA COMPREHENSIVE SECONDARY SCHOOL PORTHACOURT

As part of our CSR framework and our strong backing for education, C & I Leasing Plc donated 30 units of chairs to students of oginigba comprehensive secondary school PH rivers state.

This is one of our many projects for the year, as an organization in tune with its core value of Responsibility and giving back to its host communities.

BENCHES **BEFORE** CLASSROOM **BEFORE**

BENCHES **AFTER** CLASSROOM **AFTER**

B. YOUTH EMPLOYABILITY AND SKILL DEVELOPMENT

C & I Leasing Plc, a leading provider of employment in Nigeria with over 2 decades of demonstrated expertise and success at uniting young people with both existing and emerging job opportunities such as in the marine sector. Today C & I Leasing Plc is responsible for the welfare, health care, pension and total benefits package of over 4,500 employees across Nigeria and we still continue to grow. We have created jobs and connected persons aged 21 to 65 years to suitable jobs on both permanent and temporary basis with various requirements, qualifications, diverse skills and competencies. These jobs range from Drivers to Engineers, Administrators, Consultants and Professionals. These persons are continuously trained and empowered through our structures and systems with either statutory, social or technical skills per time depending on requirements of their jobs.

C. PARTNERSHIP WITH SECURITY AND SAFETY OFFICIALS (FRSC, POLICE, NIMASA)

As providers of both land and marine fleet services, C & I Leasing Plc continuously seeks ways to collaborate with security and safety officials on land and at sea to support and empower these organizations to continually ensure safety for one and all. Our partnership with these organizations is an ongoing relationship where we work with them in all our locations; Lagos, Abuja, Benin, Port Harcourt, Enugu and Calabar.

Donations made during the year

Breakdown of beneficiaries of the donations made by the Company during the year are as follows:

	N'000
Bethesda Child Support Agency	2,302
Youth Empowerment Congress	1,000
	3,302

PHOTOSPEAK

C & I LEASING PLC N7BN SERIES I BOND RECORDS 100% SUBSCRIPTION AMIDST EXPANSION PLANS

Reports and Statements / Report of the Directors

C & I LEASING PLC NEWLY ACQUIRED VESSELS MV CHIDIEBUBE AND MV FOLASHADE OPERATING AT FULL CAPACITY.

2017 AGM WITH OUR ESTEMEED SHARE HOLDERS

NOVELTY MATCH

INVESTORS CONFERENCE 2018

BUSINESS DAY TOP 25 CEO (MD C & I LEASING MR. ANDREW OTIKE-ODIBI)

LEASAFRIC UNVEILS 'SWITCH' CAR RENTAL SERVICE

INDEPENDENT AUDITORS

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

Dated this 30th day of April, 2019

By Order of the Board

MBANUGO UDENZE & CO.

COMPANY SECRETARY

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

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+234 903 886 9179 - 88

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

In accordance with the statutory provisions of Section 359 (6) of the Companies and Allied Matters Act 2004, the members of the Corporate Audit Committee of C & I Leasing Plc. report on the Company's Financial Statement for the year ended 31st December 2018.

We confirm that we examined the scope and planning of audit requirements; reviewed the external Auditors' Management Letter for the year ended 31st December 2018 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, that the audit of the company's account was carried out in an independent environment and they have given an unqualified audit report.

Dated this 12th day of March 2019.

CHRISTIE O. VINCENT-UWALAKA
FRC/2013/ICAN/00000002666
For: Audit Committee

Members of the Audit Committee

Comd. S.B. Adenrele
Mr. Femi Oduyemi
Mrs Christie O. Vincent-Uwalaka
Mr Jacob Kholi
Ikechukwu Duru
Mr. Omotunde Alao-Olaifa

Directors:
Chief Chukwuma H. Okolo **(Chairman)**, Chukwuemeka Ndu **(Vice Chairman)**, Andrew Otike-Odibi **(Managing Director/CEO)**, Alex Mbakogu **(Executive)**, Omotunde Alao-Olaifa **(Non-Executive)**, Ikechukwu Duru **(Independent Non-Executive)**, Larry Ademeso **(Non-Executive)**, Jacob Kholi **(Non-Executive)**, Sule Ugboma **(Non-Executive)**

Your Preferred Business Partner

LEASING PLC

C & I LEASING PLC

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2018

2018 annual **REPORT**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, and the Financial Reporting Council Act No. 6, 2011, the Directors are responsible for the preparation of consolidated financial statements which give a true and fair view of the state of affairs of the Group for the year ended 31 December 2018, and of the financial performance for the year and of its profit or loss and other comprehensive income for the year. The responsibilities include ensuring that the Group:

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

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

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

(d) it is appropriate for the consolidated financial statements to be prepared on a going concern basis unless it is presumed that the Group will not continue in business.
The Directors accept responsibility for the accompanying consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and in manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004.

The Directors are of the opinion that the accompanying consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of the financial performance for the year, in accordance with International financial reporting standard and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and in manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004.

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

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

Signed on behalf of the Directors by:

Emeka Ndu
Vice Chairman
FRC/2013/ICAN/00000003955
Dated: 14 March 2019

Andrew Otike-Odibi
Managing Director
FRC/2013/ICAN/00000003945
Dated: 14 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF C&I LEASING PLC
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

PKF
Accountants & business advisers

Independent Auditor's Report

To the Shareholders of C&I Leasing Plc

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of C & I Leasing Plc and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of comprehensive income,consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial reporting standard in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Banks and Other Financial Institutions Act, CAP B3 LFN and other relevant Central Bank of Nigeria circular.

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

Key audit matter
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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters below relate to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Financial Assets - Impairment Financial assets constitute a significant portion of the entity's statement of financial position, as a major component of the entity's financial intermediation function revolves round Financial assets. The adoption of the International Financial Reporting Standards (IFRS 9) -Financial Instrument recognition and measurement effective 01 January 2018 introduced an expected credit loss model (ECL) for recognizing impairments for financial instruments different from the incurred loss model under IAS 39. The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as: • determining criteria for assigning Probabiliy of Default rates (PD Rates) • assessing the relationship between the quantitative factors such as default and qualitative factors such as macro-economic variables.	We focused our testing of impairment on financial assets on the assumptions of management and in line with IFRS 9. We reviewed the IT General Controls governing the IFRS reporting process employed by the entity in assigning PD's to the financial assets. Our audit procedures included: - We assessed and tested the design and operating effectiveness of the controls over impairment calculations. We reviewed the control put in place on the recoverability of the receivables that had been long overdue. Evaluate whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9 and it is in agreement with our understanding of the business and the industry in which C & I Leasing operates.

2

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF C&I LEASING PLC
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

PKF
Accountants &
business advisers

Key Audit Matter	How the matter was addressed in the audit
Financial Assets - Impairment (Cont'd) • incorporating forward looking information in the model building process • factors incorporated in determining the Probability of Default (PD) • factors considered in cash flow estimation including timing and amount Adopting IFRS 9 for the first time also requires some judgements in taking certain key decisions which will impact the transitional disclosures as at 01 January 2018. This is considered a key audit matter in the financial statements given the level of complexity and judgement involved in the process which required considerable audit time and expertise.	For the financial assets, we challenged all the assumptions considered in the estimation of recovery cash flows and timing of realization by considering historical patterns of amount owed and repayment as well as recent communications with their counterparties. In instances where we were not satisfied with the assumptions used by the management in its cash flow estimation and discounting, we challenged management assumptions by re-computing the cash flows to determine the recoverable amounts. Lastly, we reviewed the qualitative and quantitative disclosures for reasonableness to ensure conformity with the IFRS 7- Financial Instruments: Disclosures.

Other Information
The directors are responsible for the other information. The other information comprises the Chairman's Statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report which is expected to be made available to us after that date. 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 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 financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

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

Responsibilities of the Directors and Those Charged with Governance for the consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standard in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Banks and Other Financial Institutions Act, CAP B3 LFN and other relevant Central Bank of Nigeria circular and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF C&I LEASING PLC
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

PKF
Accountants &
business advisers

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, 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 purposes of our audit;
ii) The Company and its subsidiaries have kept proper books of account, which are in agreement with the consolidated statement of financial position, and consolidated statement of comprehensive income as it appears from our examination of their records;
iii) The Group's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

In compliance with the Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria 2004 and Central Bank of Nigeria circular BSD/1/2004, we confirm that:

i) The Company paid penalty in respect of contravention of the Bank and Other Financial Institutions Act during the year ended 31 December 2018. Details of the penalty paid is disclosed in **Note 63** of the consolidated financial statements.
ii) Related party transactions and balances are disclosed in **Note 61** of the consolidated financial statements.

Najeeb A. Abdussalaam, FCA
FRC/2013/ICAN 00000000753
For: PKF Professional Services
Chartered Accountants
Lagos, Nigeria
Dated: 14 March 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		Group		Company	
	Notes	**2018 N'000**	2017 N'000	**2018 N'000**	2017 N'000
Assets					
Cash and balances with banks	9.	**1,712,543**	1,239,836	**1,419,542**	466,607
Loans and receivables	10.	**387,148**	351,957	**387,151**	334,510
Trade receivables	11.	**7,754,625**	6,584,292	**6,406,366**	5,302,008
Due from related companies	11.1	**-**	-	**10,384,926**	8,685,454
Finance lease receivables	12.	**1,999,330**	1,515,030	**1,832,307**	1,508,560
Available-for-sale assets	13.1	**-**	26,180	**-**	26,180
Equity instruments at fair value through other comprehensive income	13.2	**26,054**	-	**26,054**	-
Investment in subsidiaries	14.	**-**	-	**758,967**	758,967
Investment in joint ventures	15.	**755,205**	52,634	**755,205**	52,634
Other assets	16.	**5,098,160**	5,021,348	**4,769,369**	4,819,250
Inventories	17.	**1,661,640**	512,379	**1,647,036**	512,378
Operating lease assets	18.	**30,686,724**	27,167,387	**5,767,998**	4,764,097
Property, plant and equipment	19.	**1,631,281**	1,584,522	**1,236,624**	1,186,743
Intangible assets	20.	**45,169**	15,955	**3,758**	8,855
Current income tax assets	24.3	**-**	55,178	**-**	-
Deferred income tax assets	24.4	**854,607**	854,607	**854,607**	854,607
Total assets		**52,612,486**	44,981,305	**36,249,910**	29,280,850
Liabilities					
Balances due to banks	21.	**883,917**	1,120,306	**847,441**	1,062,622
Commercial notes	22.	**10,727,157**	9,672,506	**10,705,125**	9,643,606
Trade and other payables	23.	**7,020,723**	6,621,125	**6,378,156**	5,957,998
Current income tax liability	24.2	**144,494**	139,275	**85,559**	139,275
Borrowings	25.	**21,825,128**	18,125,421	**12,052,229**	6,444,123
Retirement benefit obligations	27.	**54,251**	33,899	**54,251**	33,899
Deferred income tax liability	24.5	**129,214**	168,082	**-**	-
Total liabilities		**40,784,884**	35,880,614	**30,122,761**	23,281,523
Equity					
Share capital	28.2	**202,126**	808,505	**202,126**	808,505
Share premium	28.3	**1,285,905**	679,526	**1,285,905**	679,526
Retained earnings	29	**2,767,444**	1,960,108	**769,603**	657,899
Other equity reserves:					
- Deposit for shares	30.	**1,975,000**	2,283,312	**1,975,000**	2,283,312
- Statutory reserve	31.	**1,187,207**	1,121,580	**799,182**	733,555
- Statutory credit reserve	32.	**373,682**	160,600	**373,682**	147,842
- Foreign currency translation reserve	33.	**2,978,402**	1,126,805	**-**	-
- Fair value reserve	34.	**5,161**	5,288	**5,161**	5,288
- Revaluation reserve	35.	**716,490**	683,400	**716,490**	683,400
		11,491,417	8,829,124	**6,127,149**	5,999,327
Non-controlling interest	36.	**336,185**	271,567	**-**	-
Total equity		**11,827,602**	9,100,691	**6,127,149**	5,999,327
Total liabilities and equity		**52,612,486**	44,981,305	**36,249,910**	29,280,850

These consolidated financial statements were approved by the Board of Directors on **14 March 2019** and signed on its behalf by:

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

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

C & I LEASING PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Group		Company	
		2018	2017	**2018**	2017
	Notes	**N'000**	N'000	**N'000**	N'000
Gross earnings		**28,181,993**	21,371,697	**20,338,710**	16,314,946
Lease income	40.	**19,384,979**	13,972,951	**11,943,051**	9,187,192
Lease Expense	41.	**(8,672,739)**	(4,861,802)	**(7,245,081)**	(5,084,007)
Net lease income		**10,712,240**	9,111,149	**4,697,970**	4,103,185
Outsourcing income	42.	**7,108,035**	6,230,228	**7,108,035**	6,230,228
Outsourcing expenses	42.	**(6,315,473)**	(5,525,571)	**(6,315,473)**	(5,525,571)
Net outsourcing income		**792,562**	704,657	**792,562**	704,657
Tracking income	44.	**218,490**	195,660	**218,490**	195,660
Tracking expenses	44.	**(81,390)**	(72,591)	**(81,390)**	(72,591)
Net tracking income		**137,100**	123,069	**137,100**	123,069
Interest income	45.	**140,433**	60,285	**78,295**	773
Other operating income	46.	**822,262**	876,748	**483,045**	665,268
Finance Cost	47.	**(4,672,638)**	(3,500,610)	**(2,780,864)**	(1,708,019)
Net Operating Income		**7,931,959**	7,375,298	**3,408,108**	3,888,933
Impairment write back / (charge)	38.	**(6,483)**	(235,325)	**185,864**	(235,325)
Depreciation and Amortization expense	48.	**(3,782,011)**	(3,037,925)	**(985,393)**	(814,978)
Personnel expenses	49.	**(1,438,454)**	(1,227,219)	**(1,058,617)**	(888,042)
Distribution expenses	50.	**(15,218)**	(42,183)	**(11,816)**	(23,818)
Other operating expenses	51.	**(1,657,353)**	(1,591,105)	**(1,377,600)**	(1,440,388)
Share of profit from joint venture	15.1	**507,794**	20,531	**507,794**	20,531
Profit on continuing operations before taxation		**1,540,234**	1,262,072	**668,340**	506,913
Income tax expense	24.1	**(342,470)**	(162,783)	**(230,827)**	(70,949)
Profit/(loss) for the year		**1,197,764**	1,099,289	**437,513**	435,964
Profit for the year from discontinued operation	43.2	**-**	15,294	**-**	15,294
Profit after tax and discontinued operation		**1,197,764**	1,114,583	**437,513**	451,258

C & I LEASING PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Group		Company	
		2018	2017	**2018**	2017
	Notes	**N'000**	N'000	**N'000**	N'000
Profit attributable to:					
Owners of the parent		**1,133,146**	1,064,854	**437,513**	451,258
Non-controlling interests		**64,618**	49,729	**-**	-
		1,197,764	1,114,583	**437,513**	451,258
Basic earnings per share [kobo]	55.	**280.31**	65.85	**108.23**	27.91
Diluted earnings per share [kobo]	55.	**81.42**	65.85	**31.44**	27.91

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
Profit/(loss) for the year		**1,197,764**	1,114,583	**437,513**	451,258
Items that will be subsequently reclassified to profit or loss					
Exchange difference on translation of foreign operations	33	**1,851,597**	29,487	**-**	-
Items that will not be reclassified to profit or loss					
Net gain/(loss) on available-for-sale financial assets		**(127)**	6,136	**(127)**	6,136
Surplus on revaluation of property, plant and equipment		**-**	40,154	**-**	39,649
Other comprehensive income (net of tax)		**1,851,470**	75,777	**(127)**	45,785
Total comprehensive income (net of tax)		**3,049,234**	**1,190,360**	**437,386**	**497,044**
Attributable to:					
Owners of the parent		**2,984,616**	1,140,631	**437,386**	497,044
Non-controlling interest		**64,618**	49,729	**-**	-
		3,049,234	1,190,360	**437,386**	497,044

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

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Group

	Share capital N'000	Share premium N'000	Deposit for shares N'000	Statutory reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation reserve N'000	Fair value reserve N'000	Revaluation reserve N'000	Non-controlling interest N'000	Total equity N'000
At 1 January 2017	808,505	679,526	2,466,012	1,039,228	626,343	511,859	1,097,318	(848)	643,246	221,838	8,093,027
Changes in equity for the year											
Profit for the year	-	-	-	-	-	1,064,858	-	-	-	49,729	1,114,587
Other comprehensive income											
Fair value changes on available-for-sale financial assets	-	-	-	-	-	-	-	6,136	-	-	6,136
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	40,154	-	40,154
Gain on foreign operations translation	-	-	-	-	-	-	29,487	-	-	-	29,487
Total comprehensive income for the year	-	-	-	-	-	1,064,858	29,487	6,136	40,154	49,729	1,190,364
Transactions with owners											
Transfer between reserves	-	-	-	82,352	(465,743)	383,391	-	-	-	-	-
Exchange difference on conversion of deposit for shares	-	-	(182,700)	-	-	-	-	-	-	-	(182,700)
	-	-	(182,700)	82,352	(465,743)	383,391	-	-	-	-	(182,700)
At 31 December 2017	**808,505**	**679,526**	**2,283,312**	**1,121,580**	**160,600**	**1,960,108**	**1,126,805**	**5,288**	**683,400**	**271,567**	**9,100,691**
Impact of adopting IFRS 9 (Note 39)	-	-	-	-	(12,758)	(34,343)	-	-	-	-	(47,101)
Transfers between reserves (Note 39)	-	-	-	-	(34,343)	34,343	-	-	-	-	-
Restated opening balance under IFRS 9 (1 January, 2018)	**808,505**	**679,526**	**2,283,312**	**1,121,580**	**113,499**	**1,960,108**	**1,126,805**	**5,288**	**683,400**	**271,567**	**9,053,590**
Changes in equity for the year											
Profit for the year	-	-	-	-	-	1,133,146	-	-	-	64,618	1,197,764
Other comprehensive income											
Fair value changes on equity instruments measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gain on foreign operations translation	-	-	-	-	-	-	1,851,597	-	-	-	1,851,597
Total comprehensive income for the year	-	-	-	-	-	1,133,146	1,851,597	-	-	64,618	3,049,361
Transactions with owners											
Transfer between reserves	(606,379)	606,379	(308,312)	65,627	260,183	(325,810)	-	(127)	33,090	-	(275,349)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Transfer to liabilities	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on conversion of deposit for shares	-	-		-	-	-	-	-	-	-	-
	(606,379)	606,379	(308,312)	65,627	260,183	(325,810)	-	(127)	33,090	-	(275,349)
At 31 December 2018	**202,126**	**1,285,905**	**1,975,000**	**1,187,207**	**373,682**	**2,767,444**	**2,978,402**	**5,161**	**716,490**	**336,185**	**11,827,602**

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

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Company

	Share capital N'000	Share premium N'000	Deposit for shares N'000	Statutory reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation reserve N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Total equity N'000
At 1 January 2017	808,505	679,526	2,466,012	651,203	613,585	(176,752)	-	(848)	643,751	5,684,982
Changes in equity for the year										
Profit for the year	-	-	-	-	-	451,259	-	-	-	451,259
Other comprehensive income										
Fair value changes on available-for-sale financial assets	-	-	-	-	-	-	-	6,136	-	6,136
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	39,649	39,649
Total comprehensive income for the year	-	-	-	-	-	451,259	-	6,136	39,649	497,044
Transactions with owners										
Transfer between reserves	-	-	-	82,352	(465,743)	383,392	-	-	-	-
Exchange difference on translation	-	-	(182,700)	-	-	-		-	-	(182,699)
	-	-	(182,700)	82,352	(465,743)	383,392	-	-	-	(182,699)
At 31 December 2017	**808,505**	**679,526**	**2,283,312**	**733,555**	**147,842**	**657,899**	**-**	**5,288**	**683,400**	**5,999,327**
At 1 January 2018	**808,505**	**679,526**	**2,283,312**	**733,555**	**147,842**	**657,899**	**-**	**5,288**	**683,400**	**5,999,327**
Impact of adopting IFRS 9 (Note 39)	-	-	-	-	-	(34,343)	-	-	-	(34,343)
Transfers between reserves (Note 39)	-	-	-	-	(34,343)	34,343	-	-	-	-
Restated opening balance under IFRS 9 (1 January, 2018)	**808,505**	**679,526**	**2,283,312**	**733,555**	**113,499**	**657,899**	**-**	**5,288**	**683,400**	**5,964,984**
Changes in equity for the year										
Profit for the year			(308,312)		-	437,514	-		33,090	162,292
Other comprehensive income										
Fair value changes on available-for-sale financial assets	-	-	-	-	-	-	-	(127)	-	(127)
Total comprehensive income for the year	-	-	(308,312)	-	-	437,514	-	(127)	33,090	162,165
Transactions with owners										
Transfer between reserves	(606,379)	606,379	-	65,627	260,182	(325,809)	-	-	-	-
Transfer to liabilities	-	-	-	-	-	-	-	-	-	-
	(606,379)	606,379	-	65,627	260,182	(325,809)	-	-	-	-
At 31 December 2018	**202,126**	**1,285,905**	**1,975,000**	**799,182**	**373,681**	**769,604**	**-**	**5,161**	**716,490**	**6,127,149**

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

C & I LEASING PLC

STATEMENT OF PRUDENTIAL ADJUSTMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

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

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

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

During the year ended 31 December 2018, the Company transferred N260.183 million (31 December 2017: N465,743million) to the statutory credit reserve. This is because, the provisions for credit and other known losses as determined under the prudential guidelines issued by the Central Bank of Nigeria (CBN), is higher than the impairment allowance as determined in line with IFRS 9 as at the year ended.

In line with the same directive of the CBN, the Company has reconciled the statutory credit reserve as at 31 December 2018, by comparing the provision and impairment as determined under both bases. A reconciliation of this amount is provided below:

	Company	
	31 December 2018 N'000	31 December 2017 N'000
Total Prudential Impairment Provision	**868,200**	960,033
IFRS impairment provision		
Specific impairment	**396,920**	638,322
Collective impairment	**211,097**	173,287
	608,017	811,609
Difference in impairment provision balances	**260,183**	148,424
Movement in regulatory reserve		
Balance at 1 January	**147,842**	613,585
Impact of IFRS 9 adoption transferred from retained earnings	**(34,343)**	-
Transfer to (from) statutory credit reserve in the year	**260,183**	(465,743)
Balance at 31 December	**373,682**	147,842

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Group		Company	
		2018	2017	**2018**	2017
	Notes	**N'000**	N'000	**N'000**	N'000
Cash flows from operating activities					
Cash flows generated from operating activities	52.	**(2,833,063)**	2,219,608	**(2,973,197)**	1,573,564
Lease rental income		**19,384,979**	13,972,952	**11,943,051**	9,187,192
Outsourcing income		**7,108,035**	6,230,228	**7,108,035**	6,230,228
Interest income received		**140,434**	60,284	**78,295**	773
Vehicle sales income		**-**	-	**-**	-
Tracking and tagging income		**218,490**	195,660	**218,490**	195,660
Other income received		**575,258**	1,456,739	**334,430**	521,592
Investment income received		**52,073**	2,634	**40,817**	2,634
Retirement benefit obligations paid		**(600,568)**	(711,950)	**(600,568)**	(711,948)
Cash payment to employees and suppliers		**(17,294,118)**	(13,343,517)	**(15,996,771)**	(12,945,698)
Income tax paid		**(284,734)**	(128,325)	**(115,249)**	47,105
Net cash provided by operating activities		**6,466,786**	9,954,313	**37,333**	4,101,102
Cash flows from investing activities					
Proceeds from sale of operating lease assets		**-**	40,402	**-**	-
Proceeds from sale of property, plant and equipment		**259,512**	89,852	**-**	-
Purchase of operating lease assets		**(7,292,956)**	(7,762,176)	**(1,982,070)**	(470,458)
Purchase of property, plant and equipment		**(236,885)**	(223,507)	**(91,208)**	(36,494)
Acquisition of intangible assets		**(38,399)**	(6,329)	**-**	-
Net cash used in investing activities		**(7,308,728)**	(7,861,758)	**(2,073,278)**	(506,952)
Cash flows from financing activities					
Dividend paid		**-**	-	**-**	-
Finance Cost		**(3,987,507)**	(3,500,610)	**(2,095,733)**	(1,708,019)
Interest on finance lease facilities and loans		**-**	2,344,528	**-**	-
Non-controlling interest in increase in share capital		**-**	-	**-**	-
Proceeds from borrowings		**(3,056,076)**	(918,650)	**-**	-
Repayment of borrowings		**6,755,783**	-	**5,283,466**	(1,933,665)
Deposit for shares		**-**	-	**16,328**	-
Net cash used in financing activities		**(287,800)**	(2,074,732)	**3,204,061**	(3,641,684)
Increase/(decrease) in cash and cash equivalents		**(1,129,742)**	17,823	**1,168,116**	(47,534)
Cash and cash equivalents at the beginning of the year		**119,530**	72,220	**(596,015)**	(548,481)
Effect of exchange rate fluctuations		**1,838,839**	29,487	**-**	-
Cash and cash equivalents at the end of the year	37.	**828,627**	119,530	**572,101**	(596,015)

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

1. The reporting entity

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

- Leasafric Ghana Limited
- EPIC International FZE, United Arab Emirates

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

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

These consolidated financial statements cover the financial period from 1 January 2018 to 31 December 2018.

The consolidated financial statements for the year ended 31 December 2018 were approved for issue by the Board of Directors on 14 March 2019

2. Basis of preparation

2.1 Statement of compliance with IFRSs

The Group's consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December, 2018.

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.

2.5 Changes on accounting policies and disclosures

New and amended standards and interpretations

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

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Company.

a IFRS 9 - Financial instruments: Impact on adoption

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

As permitted by the transitional provisions of IFRS 9, the Company has not restated comparative information for 2017 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2017 is reported under IAS 39 and is not comparable to the information presented for 2018. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings as at 1 January 2018 and are disclosed in Note 2.18 (i.e. Transitional disclosures). Consequently, for notes disclosures, the amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity and loans have been replaced by:

• Debt instruments at amortised cost
• Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled
to profit or loss on derecognition
• Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
• Financial assets at FVTPL

The accounting for financial liabilities remains largely the same as it was under IAS 39.

The Company's classification of its financial assets and liabilities is explained in Notes 2.18. The quantitative impact of applying IFRS 9 as at 1 January 2018 is disclosed in Note 2.18.

Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Company's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the

ECLs over the life of the asset.
Details of the Company's impairment method are disclosed in Note 2.4.3. The quantitative impact of applying IFRS 9 as at 1 January 2018 is disclosed in Note 2.18 (i.e. Transitional disclosures).

b IFRS 7 Revised (IFRS 7R)
To reflect the differences between IFRS 9 and IAS 39, IFRS 7 Financial Instruments: Disclosures was updated and the Company has adopted it, together with IFRS 9, for the year beginning 1 January 2018. Changes include transition disclosures as shown in Note 2.18, detailed qualitative and quantitative information about the ECL calculations such as the assumptions and inputs used are set out in Note 3.

Reconciliations from opening to closing ECL allowances are presented in Notes 2.18 (Transitional disclosures).

c IFRS 15 Revenue from contracts with customers
The Company adopted IFRS 15 Revenue from contracts with customers on its effective date of 1 January 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The standard establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model requires the Company to (i) identify the contract with the customer, (ii) identify each of the performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied.

There are no significant impacts from the adoption of IFRS 15 in relation to the timing of when the Company recognises revenues or when revenue should be recognised gross as a principal or net as an agent. Therefore, Fidelity Company will continue to recognise fee and commission income charged for services provided by the Company as the services are provided (for example on completion of the underlying transaction). Revenue recognition for trading income and net investment income are recognised based on requirements of IFRS 9. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements.

d Impact of adoption of new standard on the third statement of financial position
The Company adopted new IFRS standards during the year which led to changes in its accounting policies. The Company applied these changes in accounting policies retrospectively and as such it is expected to present a third statement of financial position as at the beginning of the preceding year in addition to the minimum comparative financial statements as required by IAS 1.40A. However, the third statement of financial position is not presented because the retrospective adjustments have no impact on the third statement of financial position. This is because the Company opted not to restate the comparative figures as permitted by IFRS 9.

2.6 Significant accounting
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosure, as well as the disclosure of contingent liability about these assumption and estimates that could result in outcome that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.
Management discusses with the Audit Committee the development, selection and disclosure of the Company's critical accounting policies and estimates, and the application of these policies and estimates.

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

assumptions when they occur.

Going concern

The Company'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 Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.7 Standards issued but not yet effective

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

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Company plans to adopt IFRS 16 on the required effective date, as the Company has leases that qualify to be treated in line with this standard. The Company is currently assessing the impact of this standard.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.
IFRS 17 will have no impact on the Company, as it does not issue insurance contract.

IFRIC Interpretation
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.
The Interpretation specifically addresses the following:
• Whether an entity considers uncertain tax treatments separately
• The assumptions an entity makes about the examination of tax treatments by taxation authorities
• How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
• How an entity considers changes in facts and circumstances
An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a complex multinational tax environment, applying the Interpretation may affect its financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis. The Company is still assessing the impact of these amendments.

Amendments to IFRS 9:
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.
The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. The Company is still assessing the impact of these amendments.

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

Amendments to IAS 19:
The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:
• Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
• Determine net interest for the remainder of the period after the plan amendment, curtailment or

settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).
The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.
An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement.
Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

Amendments to IAS 19:
The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. The Company does not expect any effect on its financial statements.
These amendments will not have any impact on the Company.

Amendments to IAS 28:
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.
The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.
The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)
These improvements include:

• IFRS 3 Business Combinations
The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.
An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments do not have any impact on the Company.

• IFRS 11 Joint Arrangements
A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3.
The amendments clarify that the previously held interests in that joint operation are not remeasured.
An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Company but may apply to future transactions.

• IAS 12 Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the

income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. The Company is still assessing the impact of these amendments.

• IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

3. Summary of significant accounting policies

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

3.1 Investments in subsidiaries

The consolidated financial statements 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 usally present when an entity has:

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

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

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

3.2 Investments in associates

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

3.3 Investments in joint ventures

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

company discontinues recognizing its share of further losses.

3.4 Investments in special purpose entities (SPEs)

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

3.5 Intangible assets

3.5.1 Intangible assets acquired separately

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

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

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

3.5.2 Intangible assets generated internally

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

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

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

The intangible assets have a useful life of 1 - 3 years.

3.6 Property, plant and equipment

3.6.1 Initial recognition

All items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any, except for land and buildings to be reported at their revalued amount net of accummulated depreciation and/or accummulated 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	25%
Office equipment	20%
Marine equipment	5%
Leased assets	20%
Cranes	10%

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

3.6.4 Derecognition

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

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

3.6.5 Reclassifications

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

3.7 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. An impairment loss in respect of goodwill is not reversed. An impairment loss in respect of goodwill is not reversed.

3.9. Financial instruments

3.9.1 Financial assets

i. Classification

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

3.9.1.1 Financial assets at fair value through profit or loss

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

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

Financial assets designated as at fair value through profit or loss at inception are those that are:

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

3.9.1.2 Loans and receivables

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

ii. Recognition and measurement

Regular-way purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit or loss.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

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

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

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

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

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

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

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

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

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

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

iii. Reclassifications

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

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

iv. Derecognition

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

3.9.2 Financial liabilities

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

statement of financial position date.

3.9.2.1 Interest-bearing borrowings

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

3.9.3 Impairment of financial assets

3.9.3.1 Financial assets carried at amortised cost

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

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

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

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an impairment account, and the amount of the loss is recognised in the statement of profit or loss. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the impairment account. The amount of the reversal is recognised in the statement of profit or loss.

3.9.3.2 Assets classified as available-for-sale

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

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

3.9.4 Offsetting financial instruments

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

3.10 Trade and other receivables

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

3.11 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 balances due to Companys.

3.12 Leases

Leases are divided into finance leases and operating leases.

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

3.12.1 The Group is the lessor

3.12.1.1 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.

3.12.1.2 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.

3.12.2 The Group is the lessee

3.12.2.1 Finance leases

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

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

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

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

3.12.2.2 Operating leases

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

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

3.13 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.

3.14 Borrowing costs

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

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

3.15 Retirement benefits

3.15.1 Defined contribution plan

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

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

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

3.15.2 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.

3.15.3 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.

3.16 Taxation

3.16.1 Current income tax

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

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

3.16.2 Deferred income tax

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

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

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

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

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

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

3.17 Provisions

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

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

3.17.1 Warranty

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

3.17.2 Restructuring

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

3.17.3 Onerous contract

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

3.18 Equity instruments

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

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

3.19 Compound financial instruments

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

3.20 Share-based payments

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

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

3.21 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:

3.21.1 Income from operating leases

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

3.21.2 Income from finance leases

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

3.21.3 Personnel outsourcing income

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

3.21.4 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.

3.21.5 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.

3.21.6 Rental income

Rental income is recognized on an accrued basis.

3.21.7 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.

3.22 Foreign currency translation

3.22.1 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.

3.22.2 Foreign operations

The functional currency of the parent Company 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 are recognised in other comprehensive income and accumulated in a separate category of equity.

4. Segment reporting

The Group's operating segments are organized by the nature of the operations and further by geographic location into geographical regions; local and foreign to highlight the contributions of foreign operations to the Group. Due to the nature of the Group, the Company'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 Impairment of available-for-sale equity financial assets

The Group determines that available-for-sale equity financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance,

changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

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

To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5.2 Determination of impairment of non-financial assets

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

5.3 Depreciable life of property, plant and equipment

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

6. Financial instruments and fair values

As explained in Note 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 statement of financial position are shown based on their classifications in the table below:

6.1 Classes of financial instruments

	Fair value through OCI N'000	Fair value through profit or loss N'000	Amortised Cost N'000	Total carrying amount N'000
Group				
At 31 December 2018				
Financial assets				
Cash and balances with banks	-	1,712,543	-	1,712,543
Loans and receivables	-	-	387,148	387,148
Finance lease receivables	-	-	1,999,330	1,999,330
Equity instruments at fair value through other comprehensive income	26,054	-	-	-
Trade and other receivables	-	-	7,754,625	7,754,625
Other assets	-	-	5,098,160	5,098,160
	26,054	**1,712,543**	**15,239,263**	**16,951,806**
Financial liabilities				
Balances due to banks	-	883,917	-	883,917
Borrowings	-	-	21,825,128	21,825,128
Trade payables	-	-	7,020,723	7,020,723
	-	**883,917**	**28,845,851**	**29,729,768**

	Available-for-sale N'000	Fair value through profit or loss N'000	Loans and receivables N'000	Total carrying amount N'000
Group				
At 31 December 2017				
Financial assets				
Cash and balances with banks	-	1,239,836	-	1,239,836
Loans and receivables	-	-	351,957	351,957
Finance lease receivables	-	-	1,515,030	1,515,030
Available-for-sale assets	26,180	-	-	26,180
Trade and other receivables	-	-	6,584,292	6,584,292
	26,180	**1,239,836**	**8,451,279**	**9,717,295**
Financial liabilities				
Balances due to banks	-	1,120,306	-	1,120,306
Borrowings	-	-	18,125,421	18,125,421
Trade and other payables	-	-	6,621,125	6,621,125
Other liabilities	-	-	-	-
	-	**1,120,306**	**24,746,546**	**25,866,852**

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Fair value through OCI N'000	Fair value through profit or loss N'000	Amortised Costs N'000	Total carrying amount N'000
Company				
At 31 December 2018				
Financial assets				
Cash and balances with banks	-	1,419,542	-	1,419,542
Loans and receivables	-	-	387,151	387,151
Finance lease receivables	-	-	1,832,307	1,832,307
Available-for-sale assets	26,054	-	-	26,054
Trade and other receivables	-	-	6,406,366	6,406,366
Other assets	-	-	4,769,369	4,769,369
	26,054	**1,419,542**	**13,395,193**	**14,840,789**
Financial liabilities				
Balances due to banks	-	847,441	-	847,441
Borrowings	-	-	12,052,229	12,052,229
Trade and other payables	-	-	-	-
	-	**847,441**	**12,052,229**	**12,899,670**

	Available for sale N'000	Fair value through profit or loss N'000	Loans and receivables N'000	Total carrying amount N'000
Company				
At 31 December 2017				
Financial assets				
Cash and balances with banks	-	466,607	-	466,607
Loans and receivables	-	-	334,510	334,510
Finance lease receivables	-	-	1,508,560	1,508,560
Available-for-sale assets	26,180	-	-	26,180
Trade and other receivables	-	-	5,302,008	5,302,008
Other assets	-	-	4,819,250	4,819,250
	26,180	**466,607**	**11,964,328**	**12,457,115**
Financial liabilities				
Balances due to banks	-	1,062,622	-	1,062,622
Borrowings	-	-	6,444,123	6,444,123
Trade and other payables	-	-	5,957,998	5,957,998
	-	**1,062,622**	**12,402,121**	**13,464,743**

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.

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

6.3 Fair value measurements recognised in the statement of financial position

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

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

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

The Group maintains quoted investments in the companies listed in Note 13 and were valued at N26,054,000 (December 2017: N26,180,000) which are categorised as **level 1,** because the securities are listed, however, there are no financial instruments in the level 2 and 3 categories for the year.

7. Capital management

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

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

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

The Group's capital is divided into two tiers:

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

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

The Group achieved capital adequacy ratio of 18% at the end of the year, compared to 21% recorded for the year ended 31 December, 2017.

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

		Group 31-Dec-18 N'000	Company 31-Dec-18 N'000
Tier 1 capital			
Share capital		**202,126**	**202,126**
Deposite for shares		**1,975,000**	**1,975,000**
Share premium		**1,285,905**	**1,285,905**
Statutory reserve		**1,187,207**	**799,182**
Statutory credit reserve		**373,682**	**373,682**
Retained earnings		**2,767,444**	**769,603**
Exchange transalation Reserves		**-**	
Non-Controlling Interest		**336,185**	
Sub-Total		**8,127,549**	**5,405,498**
Less: Intangible assets		**(45,169)**	**(3,758)**
Under Provision/Deferred assets		**-**	
Required loan loss reserve		**(373,682)**	**(373,682)**
Deferred income tax assets		**(854,607)**	**(854,607)**
Total qualifying for tier 1 capital		**6,854,091**	**4,173,451**
Tier 2 capital			
Exchange translation reserve		**2,978,402**	
Fair value reserve		**5,161**	**5,161**
Revaluation reserve		**716,490**	**716,490**
Total		**3,700,053**	**721,651**
Total qualifying for tier 2 capital (Maximum of 33.3% of TIER 1 Capital)		**2,282,412**	**721,651**
Total regulatory capital		**9,136,504**	**4,895,102**
Risk-weighted assets			
	%		
Cash in hand	0%	**3,253**	**3,211**
Cash and Balances with banks	20%	**341,858**	**283,266**
Loans and receivables	100%	**387,151**	**387,151**
Trade Receivables	100%	**7,754,625**	**6,406,366**
Due to related companies	100%	**-**	**10,384,926**
Finance Lease Receivables	100%	**1,999,330**	**1,832,307**
Available for sale assets	100%	**-**	**-**
Investment in subsidiaries	100%	**-**	**758,967**
Investment in joint venture	100%	**755,205**	**755,205**
other assets	100%	**5,098,160**	**4,769,369**
Inventories	100%	**1,661,640**	**1,647,036**
Operating lease assets	100%	**30,686,724**	**5,767,998**
Property, plant and equipment	100%	**1,631,281**	**1,236,624**
Deferred income tax assets	100%		
Total risk weighted assets		**50,319,227**	**34,232,426**
Risk-weighted Capital Adequacy Ratio (CAR)		**18%**	14%

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 n
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
- To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

The Company's operations are subject to regulatory requirements of Central Bank of Nigeria (CBN), Securities and Exchange Commission (SEC) and Nigerian Stock Exchange (NSE). In addition, annual returns must be submitted to Corporate Affairs Commission (CAC) on a regular basis.

8.2 Operational risks

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

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:
- requirements for appropriate segregation of duties, including independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- training and professional development.
- ethical and business standards.

8.3 Financial risks

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

	31-Dec-18 N'000	31-Dec-17 N'000
Group		
Financial assets		
Cash and balances with banks	**1,712,543**	1,239,836
Loans and receivables	**387,148**	351,957
Finance lease receivables	**1,999,330**	1,515,030
Available-for-sale assets	-	26,180
Equity instruments measured at FVTOCI	**26,054**	-
Trade and other receivables	**7,754,625**	6,584,292
Other assets	**5,098,160**	5,021,348
	16,977,860	14,738,643
Company		
Financial assets		
Cash and balances with banks	**1,419,542**	466,607
Loans and receivables	**387,151**	334,510
Finance lease receivables	**1,832,307**	1,508,560
Available-for-sale assets	-	26,180
Equity instruments measured at FVTOCI	**26,054**	-
Trade and other receivables	**6,406,366**	5,302,008
Other assets	**4,769,369**	4,819,250
	14,840,789	12,457,115

8.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial inst 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.

8.3.2 Liquidity risks

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

	Current N'000	**Non-current N'000**	**Total N'000**
Group			
31 December 2018			
Balances due to banks	883,917	-	883,917
Borrowings	5,550,877	16,274,251	21,825,128
Trade and other payables	7,020,725	-	7,020,725
	13,455,519	16,274,251	29,729,770
31 December 2017			
Balances due to banks	1,120,306	-	1,120,306
Borrowings	4,838,382	13,287,039	18,125,421
Trade and other payables	6,621,125	-	6,621,125
	12,579,813	13,287,039	25,866,852
Company			
31 December 2018			
Balances due to banks	847,441	-	847,441
Borrowings	2,931,524	9,120,705	12,052,229
Other liabilities	6,378,157	-	6,378,157
	10,157,122	**9,120,705**	**19,277,827**
31 December 2017			
Balances due to banks	1,062,622	-	1,062,622
Borrowings	2,180,874	4,263,249	6,444,123
Trade and other payables	5,957,998	-	5,957,998
	9,201,494	**4,263,249**	**13,464,743**

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

The contractual cash flows disclosed in the maturity analysis are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount stated in the financial statements which is based on the discounted cash flows using the effective interest rate.

The financial liabilities affected by discounting are the long term borrowings (including the current portion), all other financial liabilities stated are assumed to approximate their carrying values due to their short term nature and are therefore not discounted.

8.3.3 Market risk

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

8.3.4 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
The Group is exposed to foreign currency risk as a result of its foreign subsidiary as well as foreign borrowings (usually denominated in US Dollars).

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

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

8.3.5 Interest rate risk

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

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

8.3.6 Market price risk

Investments by the Group in available-for-sale financial assets expose the Group to market (equity) price risk. The impact of this risk on the 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 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
9.	**Cash and bank balances**				
	Cash in hand	**3,253**	15,662	**3,211**	15,480
	Bank balances	**985,910**	1,224,174	**692,951**	451,127
	Placement with banks	**723,380**	-	**723,380**	-
		1,712,543	1,239,836	**1,419,542**	466,607
10.	**Loans and receivables**				
	Lease rental due	**382,257**	342,709	**382,257**	342,709
	Loans and advances	**18,431**	50,371	**18,434**	32,924
		400,688	393,080	**400,691**	375,633
	Impairment allowance (Note 10.3)	**(13,540)**	(41,123)	**(13,540)**	(41,123)
		387,148	351,957	**387,151**	334,510
10.1	**Analysis of loans and receivables by security**				
	Secured	**-**	-	**-**	-
	Otherwise secured	**400,688**	393,080	**400,691**	375,633
		400,688	393,080	**400,691**	375,633
10.2	**Loans and receivables are further analysed as follows:**				
	Less than one year	**358,400**	351,595	**375,049**	351,595
	More than one year and less than five years	**42,288**	41,485	**25,642**	24,038
	More than five years	**-**	-	**-**	-
		400,688	393,080	**400,691**	375,633

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
10.3	**Impairment allowance on loans and receivables**				
	Lease rental due	**11,683**	38,118	**11,683**	38,118
	Loans and advances	**1,857**	3,005	**1,857**	3,005
		13,540	41,123	**13,540**	41,122
10.4	**Analysis of impairment allowance - Lease rental due**				
	Specific impairment	**2,014**	958	**1,144**	958
	Collective impairment	**8,824**	37,160	**37,160**	37,160
		10,838	38,118	**38,304**	38,118
10.4.1	**Movement in impairment allowance - Lease rental due**				
	At the beginning	**38,118**	468,042	**38,118**	468,042
	Re-measurement at 1 January, 2018	**(22,530)**	-	**(22,530)**	-
		15,588	468,042	**15,588**	468,042
	Charge for the year	**-**	19,104	**-**	19,104
	Written back	**(3,905)**	(449,028)	**(3,905)**	(449,028)
	At the end	**11,683**	**38,118**	**11,683**	**38,118**
10.5	**Analysis of impairment allowance - Loans and advances**				
	Specific impairment	**1,857**	3,005	**1,857**	3,005
	Collective impairment	**-**	-	**-**	-
		1,857	3,005	**1,857**	3,005
10.5.1	**Movement in impairment allowance - Loans and advances**				
	At the beginning	**3,005**	4,095	**3,005**	4,095
	Re-measurement at 1 January, 2018	**(845)**	-	**(845)**	-
		2,160	4,095	**2,160**	4,095
	Charge/(Write back)	**(303)**	(1,090)	**(303)**	(1,090)
	At the end	**1,857**	3,005	**1,857**	3,005
11.	**Trade and other receivables**				
	Trade receivables	**-**	16,805	**-**	461,486
	Operating lease service receivables	**7,158,680**	6,628,385	**5,810,421**	5,349,664
	Account receivables	**862,407**	642,277	**862,407**	194,033
		8,021,087	7,287,467	**6,672,828**	6,005,183
	Impairment allowance (Note 11.2)	**(266,462)**	(703,175)	**(266,462)**	(703,175)
		7,754,625	6,584,292	**6,406,366**	5,302,008
11.1	**Amount due from related companies**				
	Leasafric Ghana Limited	**-**	-	**17,482**	52,745
	EPIC International FZE, United Arab Emirates	**-**	-	**10,418,181**	8,632,709
		-	-	**10,435,663**	8,685,454
	Impairment allowance	**-**	-	**(50,737)**	-
		-	-	**10,384,926**	8,685,454
11.2	**Analysis of impairment allowance on trade & other receivables**				
	Specific impairment	**162,174**	586,431	**162,174**	586,431
	Collective impairment	**104,288**	116,742	**104,288**	116,742
		266,462	703,173	**266,462**	703,173

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
11.2.1	**Movement in impairment allowance on trade & other receivables**				
	At the beginning	**703,175**	1,004,178	**703,175**	1,004,178
	Impairment adjustment at 1 January 2018	**373,550**	-	**373,550**	-
		1,076,725	1,004,178	**1,076,725**	1,004,178
	Charge for the period	**(182,032)**	174,485	**(63,164)**	174,485
	Write-off	**-**	(475,488)	**-**	(475,488)
	At the end	**894,693**	703,175	**1,013,561**	703,175
12.	**Finance lease receivables**				
	Gross finance lease receivable	**3,956,811**	3,492,249	**3,789,789**	3,485,779
	Unearned lease interest/maintenance	**(1,942,424)**	(1,961,981)	**(1,942,424)**	(1,961,981)
	Net investment in finance lease	**2,014,387**	1,530,268	**1,847,365**	1,523,798
	Impairment allowance (Note 12.4)	**(15,057)**	(15,238)	**(15,058)**	(15,238)
		1,999,330	1,515,030	**1,832,307**	1,508,560

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

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
12.2	**The net investment in finance lease may be analysed as follows:**				
	Less than one year	**1,586,978**	1,193,574	**1,598,032**	1,304,955
	More than one year and less than five years	**427,409**	336,694	**249,333**	218,844
	More than five years	**(14,860)**	(15,238)	**(15,058)**	(15,238)
		1,999,527	1,515,030	**1,832,307**	1,508,561
12.3	**Analysis into current portion and non-current portion**				
	Current portion	**1,559,585**	1,193,574	**1,569,156**	1,304,955
	Non-current portion	**439,942**	336,694	**263,151**	218,844
		1,999,527	1,530,268	**1,832,307**	1,523,799
12.4	**Analysis of impairment allowance - Finance lease receivables**				
	Specific impairment	-	**-**	**-**	-
	Collective impairment	**14,860**	15,238	**15,058**	15,238
		14,860	15,238	**15,058**	15,238
12.4.1	**Movement in impairment allowance - Finance lease receivables**				
	At the beginning	**15,238**	17,419	**15,238**	17,419
	Re-measurement at 1 January, 2018	**(378)**	**-**	**(378)**	-
		14,860	17419	**14,860**	17419
	Provision no longer required	**-**	(1,598)	**-**	(1,598)
	Charge for the period	**-**	-	**198**	-
	Written-off in the year	**-**	(583)	**-**	(583)
	At the end	**14,860**	15,238	**15,058**	15,238

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
13.	**Available-for-sale assets**				
13.1	Listed and unlisted equities - at fair value				
	Diamond Bank Plc (GDR)	-	23,925	**-**	23,925
	First Bank of Nigeria Ltd	-	16,500	**-**	16,500
	Fidelity Bank Plc	-	12,000	**-**	12,000
		-	52,425	-	52,425
	Diminution (Note 13.3)	-	(26,245)	**-**	(26,245)
		-	26,180	-	26,180
13.2	**Equity instruments at fair value through other comprehensive income**				
	Diamond Bank Plc (GDR)	17,148	-	**17,148**	-
	First Bank of Nigeria Ltd	**6,170**	-	**6,170**	-
	Fidelity Bank Plc	**2,736**	-	**2,736**	-
		26,054	**-**	**26,054**	**-**
13.3	**Movement in dimunition**				
	At the beginning	**-**	32,381	-	32,381
	Charge/(write-back)	**-**	(6,136)	-	(6,136)
	At the end	**-**	26,245	-	26,245

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
14.	**Investment in subsidiaries**				
	Leasafric Ghana Limited	**-**	**-**	**754,736**	754,736
	EPIC International FZE, United Arab Emirates	**-**	**-**	**4,231**	4,231
		-	-	**758,967**	758,967

14.1 Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

Subsidiary	**Principal activity**	**Country of incorporation**	**Percentage held**	**Statutory year end**
Leasafric Ghana Limited (Note 14.1.1)	Leasing	Ghana	70.89%	31 December
EPIC International FZE, United Arab Emirates (U.A.E.) (Note 14.1.2)	Trading in ships and boats	United Arab Emirates	100%	31 December

14.1.1 Leasafric Ghana Limited

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

14.1.2 EPIC International FZE, U.A.E.

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

14.2 Condensed results of consolidated entities

The consolidated results of the consolidated entities of C & I Leasing Plc are shown in Note 14.2.1-4.
The C&I Leasing Group in the condensed results includes the results of the under listed entities:
C&I Leasing Plc
Leasafric Ghana Limited
EPIC International FZE, U.A.E.

C & I LEASING PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14.2.1 Condensed results of consolidated entities

31 December 2018

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination N'000	Group N'000
Condensed statement of profit or loss						
Gross earnings	**20,338,710**	**4,642,484**	**3,200,799**	**28,181,993**	**-**	**28,181,993**
Net operating income	3,408,109	2,790,571	1,733,279	7,931,959	-	7,931,959
Impairment charge	185,864	(192,346)	-	(6,482)	-	(6,482)
Depreciation expense	(985,393)	(1,635,578)	(1,161,040)	(3,782,011)	-	(3,782,011)
Personnel expenses	(1,058,617)	(379,836)	-	(1,438,453)	-	(1,438,453)
Distribution costs	(11,816)	(3,403)	-	(15,219)	-	(15,219)
Other operating expenses	(1,377,600)	(245,787)	(33,967)	(1,657,354)	-	(1,657,354)
Profit/(loss) before tax	668,341	333,621	538,272	1,540,234	-	1,540,234
Income tax expense	(230,827)	(111,643)	-	(342,470)	-	(342,470)
Profit/(loss) after tax	**437,514**	**221,978**	**538,272**	**1,197,764**	**-**	**1,197,764**

C & I LEASING PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14.2.2 31 December 2018

Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination N'000	Group N'000
Assets						
Cash and balances with banks	1,419,542	273,090	19,912	1,712,544.0	-	1,712,544
Loans and receivables	387,151	-	-	387,151	-	387,151
Trade and other receivables	6,406,366	1,348,258	-	7,754,624	-	7,754,624
Due from related parties	10,384,926	20,825	(11,852,267)	(1,446,516)	(1,771,930)	-
Finance lease receivables	1,832,307	167,022	-	1,999,329	-	1,999,329
Available-for-sale financial assets	26,054	-	-	26,054	-	26,054
Investment in subsidiaries	758,967	-	-	758,967	(758,967)	-
Investment in joint ventures	755,205	-	-	755,205	-	755,205
Other assets	4,769,369	328,792	-	5,098,161	-	5,098,161
Inventory	1,647,036	14,596	-	1,661,632	-	1,661,632
Operating lease assets	5,767,998	3,272,601	21,553,254	30,593,853	92,872	30,686,725
Property, plant and equipment	1,236,624	394,657	-	1,631,281	-	1,631,281
Intangible assets	3,758	41,418	-	45,176	-	45,176
Current income tax assets	-	-	-	-	-	-
Deferred income tax assets	854,607	-	-	854,607	-	854,607
Total assets	**36,249,910**	**5,861,259**	**9,720,899**	**51,832,068**	**(2,438,025)**	**52,612,486**
Liabilities and equity						
Balances due to banks	847,441	36,476	-	883,917		883,917
Commercial notes	10,705,125	22,032	-	10,727,157	-	10,727,157
Trade and other payables	6,378,157	383,464	259,097	7,020,718	-	7,020,718
Current income tax liability	85,559	58,936	-	144,495	-	144,495
Borrowings	12,052,229	3,321,295	6,451,605	21,825,129	-	21,825,129
Retirement benefit obligations	54,251	-	-	54,251	-	54,251
Deferred income tax liability	-	129,220	-	129,220	-	129,220
Equity and reserves	6,127,148	1,909,835	3,010,197	11,047,180	780,421	11,827,601
Total liabilities and equity	**36,249,910**	**5,861,258**	**9,720,899**	**51,832,067**	**780,421**	**52,612,486**

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14.2.3 Condensed results of consolidated entities (Cont'd)

31 December 2017

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination N'000	Group N'000
Condensed statement of profit or loss						
Gross earnings	**16,314,946**	**3,801,857**	**2,775,323**	**22,892,126**	**(1,520,429)**	**21,371,697**
Net operating income	3,888,934	2,231,469	1,254,897	7,375,300	-	7,375,300
Impairment charge	(235,325)	-	-	(235,325)	-	(235,325)
Depreciation expense	(807,288)	(1,451,761)	(759,342)	(3,018,391)	-	(3,018,391)
Personnel expenses	(888,043)	(339,178)	-	(1,227,221)	-	(1,227,221)
Distribution costs	(23,818)	(18,366)	-	(42,184)	-	(42,184)
Other operating expenses	(1,448,078)	(159,501)	(3,059)	(1,610,638)	-	(1,610,638)
Income from joint venture	20,531	-	-	20,531	-	20,531
Profit from discountinued operation	15,294	-	-	15,294	-	15,294
Profit before tax	522,207	262,663	492,496	1,277,366	-	1,277,366
Income tax expense	(70,949)	(91,834)	-	(162,783)	-	(162,783)
Profit/(Loss) after tax	**451,258**	**170,829**	**492,496**	**1,114,583**	**-**	**1,114,583**

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14.2.4 Condensed results of consolidated entities (Cont'd)

31 December 2017

Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination N'000	Group N'000
Assets						
Cash and balances with banks	466,607	655,172	118,057	1,239,836	-	1,239,836
Loans and receivables	334,507	17,450	-	351,957	-	351,957
Trade and other receivables	5,302,008	1,622,534	-	6,924,542	(340,250)	6,584,292
Due from related parties	8,685,454	-	(8,685,885)	(431)	431	-
Finance lease receivables	1,508,560	6,470	-	1,515,030	-	1,515,030
Available-for-sale financial assets	26,180	-	-	26,180	-	26,180
Investment in subsidiaries	758,967	-	-	758,967	(758,967)	-
Investment in joint ventures	52,634	-	-	52,634	-	52,634
Other assets	4,819,250	202,098	-	5,021,348	-	5,021,348
Inventory	512,378	-	-	512,378	-	512,378
Operating lease assets	4,764,100	3,037,244	19,366,044	27,167,388	-	27,167,388
Property, plant and equipment	1,186,743	397,779	-	1,584,522	-	1,584,522
Intangible assets	8,855	7,094	6	15,955	-	15,955
Current income tax assets	-	55,178	-	55,178	-	55,178
Deferred income tax assets	854,607	-	-	854,607	-	854,607
Total assets	**29,280,850**	**6,001,019**	**10,798,222**	**46,080,091**	**(1,098,786)**	**44,981,305**
Liabilities and equity						
Balances due to banks	1,062,622	57,684	-	1,120,306	-	1,120,306
Commercial notes	9,643,606	28,900	-	9,672,506	-	9,672,506
Trade and other payables	5,957,998	324,179	338,948	6,621,125	-	6,621,125
Current income tax liability	139,275	-	-	139,275	-	139,275
Borrowings	6,444,123	3,798,690	8,230,420	18,473,233	(347,812)	18,125,421
Retirement benefit obligations	33,899	-	-	33,899	-	33,899
Deferred income tax liability	-	168,082	-	168,082	-	168,082
Equity and reserves	5,999,327	1,623,482	2,228,855	9,851,664	(750,973)	9,100,691
Total liabilities and equity	**29,280,850**	**6,001,017**	**10,798,223**	**46,080,090**	**(1,098,785)**	**44,981,305**

	Group		Company	
	31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
15. Investment in Joint Venture				
Investment accounted for using equity method - in Joint venture				
Sifax Logistics & Marine Services Limited	**755,205**	52,634	**755,205**	52,634
	755,205	52,634	**755,205**	52,634
15.1 Share of profit / (loss) in Joint Venture				
Sifax Logistics & Marine Services Limited	**507,794**	20,531	**507,794**	20,531
Total Profit / (loss) for the year	**507,794**	20,531	**507,794**	20,531
16. Other assets				
Prepayments	**1,121,468**	848,266	**913,181**	670,883
Withholding tax receivables	**3,882,099**	3,053,349	**3,882,099**	3,053,349
Other debit balances	**101,229**	21,311	**12,093**	16,485
Insurance claims receivables	**257,862**	247,293	**226,494**	227,404
Deposit for investments (Note 16.1)	**-**	851,129	**-**	851,129
Impairment allowance (Note 16.2)	**(264,498)**	-	**(264,498)**	-
	5,098,160	5,021,348	**4,769,369**	4,819,250

16.1 The prior year balance of N851 million represents investment in Joint Venture (JV) with Petrotech. The Joint Venture is now dissolved after C and I Leasing Plc acquired full control and ownership of the JV's net assets in the current year.

	Group		Company	
	31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
16.2 Movement in impairment allowance on other assets				
At the beginning	**-**	-	**-**	-
Re-measurement at 1 January, 2018	**257,937**		**257,937**	-
	257,937	**-**	**257,937**	**-**
Charge	**6,184**	-	**6,184**	-
Write-back in the year	**377**	-	**377**	
At the end	**264,498**	**-**	**264,498**	**-**
17. Inventories				
Motor vehicles	**-**	28,050	**-**	28,050
Tracking devices	**56,370**	421,798	**56,370**	421,798
Vehicle spare parts	**-**	101,198	**-**	101,198
Consumables	**1,189,510**	13,407	**1,174,914**	13,407
Fuel Dump-PMS	**5,477**	-	**5,470**	-
Goods in transit	**462,357**	-	**462,357**	-
	1,713,714	564,453	**1,699,111**	564,453
Inventory write-down (Note 17.1)	**(52,074)**	(52,074)	**(52,075)**	(52,075)
	1,661,640	512,379	**1,647,036**	512,378
17.1 Movement in impairment allowance				
At the beginning	**52,074**	8,739	**52,075**	8,739
Charge/(write-back) in the year	**-**	43,335	**-**	43,336
At the end	**52,074**	52,074	**52,075**	52,075

18. Operating lease assets

Group	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2017	9,153,906	30,059	15,218,051	6,388,926	340,386	31,131,328
Additions	1,833,581	3,754	5,903,841	-	21,000	7,762,176
Transfer of asset	-	-	6,231,851	(6,231,851)	-	-
Transfer to Joint Venture	-	-	-	(64,204)	-	(64,204)
Disposal	(267,925)	-	-	-	-	(267,925)
Exchange difference	10,367	-	(184,353)	-	13,521	(160,465)
At 31 December 2017	10,729,929	33,813	27,169,390	92,871	374,907	38,400,910
Additions	2,257,330	312	5,035,314	8,741,057	-	16,034,013
Disposal	(910,255)	-	-	-	-	(910,255)
Write-off		-	(64,151)	-	-	(64,151)
Acquisition of JV assets (Note 18.1)	-	-	-	(8,741,057)	-	(8,741,057)
Exchange difference	271,966	-	-	-	(32)	271,934
At 31 December 2018	**12,348,970**	**34,125**	**32,140,553**	**92,871**	**374,875**	**44,991,394**
Accumulated depreciation						
At 1 January 2017	5,527,128	22,726	2,812,784	-	246,923	8,609,561
Charge	1,678,537	2,289	1,169,286	-	18,664	2,868,776
Disposals	(227,523)	-	-	-	-	(227,523)
Exchange difference	2,385	(35)	(29,664)	-	10,023	(17,291)
At 31 December 2017	6,980,527	24,980	3,952,406	-	275,610	11,233,523
Charge for the year	1,739,798	2,484	2,036,387	-	17,274	3,795,943
Disposals / write-offs	(848,991)	-	(21,384)	-	-	(870,375)
Exchange difference	140,407	-	-	-	5,172	145,579
At 31 December 2018	**8,011,741**	**27,464**	**5,967,409**	**-**	**298,056**	**14,304,670**
Carrying amount						
At 31 December 2018	**4,337,229**	**6,661**	**26,173,144**	**92,871**	**76,819**	**30,686,724**
At 31 December 2017	3,749,402	8,833	23,216,984	92,871	99,297	27,167,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

18. Operating lease assets

Company

	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2017	4,094,529	30,059	6,086,739	64,204	340,386	10,615,917
Additions	363,929	3,754	81,776	-	21,000	470,459
Transfer to Joint Venture	-	-	-	(64,204)	-	(64,204)
Disposals	-	-	-	-	(51,373)	(51,373)
At 31 December 2017	4,458,458	33,813	6,168,515	-	310,013	10,970,799
Additions	778,581	312	1,203,177	8,741,057	-	10,723,127
Write-off	-	-	(64,151)	-	-	(64,151)
Acquisition of JV assets (Note 18.1)	-	-	-	(8,741,057)	-	(8,741,057)
Disposals	(5,840)	-	-	-	-	(5,840)
At 31 December 2018	**5,231,199**	**34,125**	**7,307,541**	-	**310,013**	**12,882,878**
Accumulated depreciation						
At 1 January 2017	3,370,258	22,726	1,851,772	-	246,920	5,491,676
Charge	372,545	2,258	372,932	-	18,664	766,399
Disposals	-	-	-	-	(51,373)	(51,373)
At 31 December 2017	3,742,803	24,984	2,224,704	-	214,211	6,206,702
Charge for the year	429,399	2,484	484,330	-	19,189	935,402
Write off	-	-	(21,384)	-	-	(21,384)
Disposals	(5,840)	-	-	-	-	(5,840)
At 31 December 2018	**4,166,362**	**27,468**	**2,687,650**	**-**	**233,400**	**7,114,880**
Carrying amount						
At 31 December 2018	1,064,837	6,657	4,619,891	-	76,613	5,767,998
At 31 December 2017	715,655	8,829	3,943,811	-	95,802	4,764,097

18.1 The amount of N8.7 billion represents the Marine equipment transferred to SIFAX joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

19. Property, plant and equipment

Group

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment	Buildings N'000	Land N'000	Construction in progress N'000	
Valuation/Cost									
At 1 January 2017	728,642	82,535	364,595	38,041	-	449,417	731,086	77,239	2,4
Additions	146,568	2,497	27,836	10,555	-	-	36,055	-	2
Revaluation surplus	-	-	-	-	-	39,651	-	-	
Disposals	-	936	(69,086)	-	-	4,657	-	-	(
At 31 December 2017	875,210	85,968	323,345	48,596	-	493,725	767,141	77,239	2,6
Additions	141,280	3,598	32,528	14,085	11,133	4,738	29,523	-	2
Revaluation surplus	-	-	-	-	-	3,567	-	-	
Disposals	(201)	-	(374)	(3,500)	-	-	-	-	
Exchange difference	67,929	572	5,158	-	-	(39,381)	(7,533)	-	
At 31 December 2018	1,084,218	90,138	360,657	59,181	11,133	462,649	789,131	77,239	2,9
Accumulated depreciation									
At 1 January 2017	450,853	57,726	308,141	28,307	-	146,788	-	-	9
Charge	109,466	8,147	21,208	6,877	-	6,835	-	-	1
Disposals	-	(1,193)	(56,453)	-	-	-	-	-	(
At 31 December 2017	560,319	64,680	272,896	35,184	-	153,623	-	-	1,0
Charge for the year	153,294	7,624	25,980	6,848	2,227	10,214	-	-	2
Disposal in the year	(25)	-	(375)	(3,500)	-	-	-	-	
Exchange difference	13,456	337	(1,212)	-	-	1,496	-	-	
At 31 December 2018	**727,044**	**72,641**	**297,289**	**38,532**	**2,227**	**165,333**	**-**	**-**	**1,3**
Carrying amount									
At 30 June 2018	357,174	17,497	63,367	20,650	8,907	297,316	789,131	77,239	1,6
At 31 December 2017	314,891	21,288	50,449	13,412	-	340,102	767,141	77,239	1,5

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

The land and buildings of the Group were revalued on 31 December 2018 by Messrs. Ubosi Eleh and Co. Estate Surveyors and Valuers. The open market value of the l buildings were put at N1,124,000,000 (31 December 2017 : N1,071,000,000).

The revaluation surplus of N73.5 million (31 December 2017: N88.1 million) which is the difference between the market and the historical net values of the eligible property, p equipment being revalued has been discounted by 55%, as stipulated in paragraph 3.11 of the Central Bank of Nigeria (CBN) revised Prudential Guidelines for Financial Inst Therefore, the amount of N33.1 million (31 December 2017: N39.7 million) have been included in land and buildings and recognised in the revaluation reserve through t comprehensive income.

19. Property, plant and equipment

Company

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment N'000	Buildings N'000	Land N'000	Construction in progress N'000	Total N'000
Valuation/Cost									
At 1 January 2017	262,770	66,199	282,851	38,763	-	435,203	696,343	77,239	1,859,368
Additions	-	6,575	14,919	9,833	-	5,167	-	-	36,494
Revaluation surplus	-	-	-	-	-	-	39,651	-	39,651
At 31 December 2017	262,770	72,774	297,770	48,596	-	440,370	735,994	77,239	1,935,513
Additions	-	2,829	27,189	14,085	11,133	4,738	29,523	-	89,497
Revaluation surplus	-	-	-	-	-	3,567	-	-	3,567
Transfer/reclassifications	-	-	-	-	-	13,974	(13,974)	-	-
Disposal	-	-	-	(3,500)	-	-	-	-	(3,500)
At 31 December 2018	**262,770**	**75,603**	**324,959**	**59,181**	**11,133**	**462,649**	**751,543**	**77,239**	**2,025,077**
Accumulated depreciation									
At 1 January 2017	249,426	51,571	236,090	30,082	-	147,247	-	-	714,416
Charge	602	5,333	16,940	5,103	-	6,376	-	-	34,354
At 31 December 2017	250,028	56,904	253,030	35,185	-	153,623	-	-	748,770
Charge for the year	3,094	5,582	18,184	6,848	2,227	7,250	-	-	43,183
Disposal in the year	-	-	-	(3,500)	-	-	-	-	(3,500)
At 31 December 2018	**253,122**	**62,486**	**271,214**	**38,533**	**2,227**	**160,873**		**-**	**788,453**
Carrying amount									
At 31 December 2018	**9,648**	**13,117**	**53,745**	**20,649**	**8,907**	**301,776**	**751,543**	**77,239**	**1,236,624**
At 31 December 2017	12,742	15,870	44,740	13,411	-	286,747	735,994	77,239	1,186,743

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

The land and buildings of the Group were revalued on 31 December 2018 by Messrs. Ubosi Eleh and Co. Estate Surveyors and Valuers. The open market value of the land and buildings were put at N1,124,000,000 (31 December 2017 : N1,071,000,000).

The revaluation surplus of N73.5 million (31 December 2017: N88.1 million) which is the difference between the market and the historical net values of the eligible property, plant and equipment being revalued has been discounted by 55%, as stipulated in paragraph 3.11 of the Central Bank of Nigeria (CBN) revised Prudential Guidelines for Financial Institutions. Therefore, the amount of N33.1 million (31 December 2017: N39.7 million) have been included in land and buildings and recognised in the revaluation reserve through the other comprehensive income.

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
20. Intangible assets				
Computer software				
Cost	**183,149**	186,902	**161,556**	171,638
Additions	**38,399**	6,329	**1,711**	-
Asset written off	**-**	(10,082)	**-**	(10,082)
Exchange difference	**-**	-	**-**	-
	221,548	183,149	**163,267**	161,556
Accumulated amortisation				
At 1 January	**167,194**	159,271	**152,701**	147,166
Amortisation charge	**8,995**	16,616	**6,808**	14,228
Asset written off	**-**	(8,693)	**-**	(8,693)
Exchange difference	**190**	-	**-**	-
	176,379	167,194	**159,509**	152,701
Carrying amount	**45,169**	15,955	**3,758**	8,855

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

The software is not internally generated.

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
21. Balances due to banks				
First City Monument Bank Plc	**-**	9,011	**-**	9,011
Access Bank Plc	**-**	18,889	**-**	-
Diamond Bank Plc	**859,060**	712,456	**859,060**	712,456
First Security Discount House	**-**	-	**-**	-
Standard Chartered Bank	**-**	-	**-**	-
Guaranty Trust Bank	**-**	3,705	**-**	3,705
Citi Bank	**31**	31	**31**	31
Fidelity Bank Plc	**-**	5,712	**-**	5,712
Zenith Bank Plc	**(8,838)**	2,863	**(8,838)**	543
First Bank of Nigeria Ltd	**-**	323,383	**-**	323,383
United Bank for Africa	**-**	16,510	**-**	7,781
Keystone Bank	**(2,812)**	-	**(2,812)**	-
Intercontinental Bank - Cedi	**36,476**	27,746	**-**	-
	883,917	1,120,306	**847,441**	1,062,622

21.1 These are balances obtained from banks during the year.

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
22. Commercial notes				
Institutional clients	**2,981,449**	2,688,325	**2,982,234**	2,686,516
Individual clients	**7,745,708**	6,984,181	**7,722,891**	6,957,090
	10,727,157	9,672,506	**10,705,125**	9,643,606
22.1 Analysis of commercial notes				
Current	**10,727,157**	9,672,506	**10,705,125**	9,643,606
Non-current	**-**	-	**-**	-
	10,727,157	9,672,506	**10,705,125**	9,643,606

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
23.	**Trade and other payables**				
	Financial liabilities:				
	Trade payables	**-**	108,684	**-**	108,684
	Security deposits	**-**	5,960	**-**	5,960
	Statutory deductions (WHT, PAYE)	**645,320**	372,227	**452,466**	190,632
	Accounts payable	**4,974,831**	4,638,731	**4,840,879**	4,240,504
	Advance payment received on account	**727,688**	1,112,578	**727,688**	1,112,578
	Deferred rental income	**3,200**	3,560	**3,200**	3,560
		6,351,039	6,241,740	**6,024,233**	5,661,918
	Non-financial liabilities:				
	Accrued expenses	**669,686**	379,385	**353,923**	296,080
	Total trade and other payables	**7,020,725**	6,621,125	**6,378,156**	5,957,998
24.	**Taxation**				
24.1	**Income tax expense**				
	Income tax	**167,622**	141,706	**55,979**	49,872
	Education tax	**11,154**	15,855	**11,154**	15,855
	Technology tax	**13,134**	5,222	**13,134**	5,222
	Current income tax	**191,910**	162,783	**80,267**	70,949
	Back duty audit by FIRS (2012 - 2015)	**150,560**	-	**150,560**	-
	Deferred tax charge	**-**	-	**-**	-
	Income tax expense	**342,470**	162,783	**230,827**	70,949
	Reconciliation of effective tax rate				
	The income tax expense for the year can be reconciled to the accounting profit as follows:				
	Profit before tax	**1,540,234**	1,262,072	**668,340**	506,913
	Tax calculated using the domestic corporation tax rate of 30%	**466,969**	310,867	**205,401**	156,662
	Effect of tax rates in foreign jurisdictions	**(149,925)**	(232,585)	**-**	-
	Tax income exempt	**(270,301)**	(480,365)	**(270,301)**	(254,324)
	Non-deductible expenses	**219,644**	492,947	**219,644**	312,540
	Effect of education tax levy	**11,154**	-	**11,154**	15,855
	Effect of technology tax levy	**13,134**	-	**13,134**	5,222
	Effect of minimum tax	**-**	48,592	**-**	49,872
	Effect of disposal of items of PPE	**630**	-	**630**	(3,378)
	Tax reliefs	**(103,835)**	(24,096)	**(103,835)**	(211,500)
	Total income tax expense	**187,470**	115,360	**75,827**	70,949
24.2	**Current income tax liability**				
	At the beginning	**139,275**	102,393	**139,275**	102,393
	Merged operations	**-**	-		-
	Charge (Note 24.1)	**139,393**	(22,785)	80,267	(22,785)
	Under/(over)-provision in prior year	**-**	93,734		93,734
	Withholding tax credit notes utilised	**(169,485)**	(81,695)	(169,294)	(81,695)
	Payments	**(115,249)**	(46,630)	(115,249)	(46,630)
	Adjustment/exchange difference	**-**	-		-
	Back duty tax	**150,560**	94,258	150,560	94,258
	At the end	**144,494**	139,275	**85,559**	139,275
24.3	**Current income tax assets**				
	At the beginning	**(55,178)**	(26,556)	**-**	-
	Charge in the year	**-**	-	**-**	-
	Refunds	**55,178**	26,556	**-**	-
	Under/(over)-provision in prior years	**-**	(55,178)	**-**	-
	Adjustment/exchange difference	**-**	-	**-**	
	At the end	**-**	(55,178)	**-**	-

		Group		Company	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
		N'000	N'000	**N'000**	N'000
24.4	**Deferred income tax assets**				
	At the beginning	**(854,607)**	(850,965)	**(854,607)**	(854,607)
	Merged operations	**-**	-	**-**	-
	Charge	**-**	(3,642)	**-**	-
	At the end	**(854,607)**	(854,607)	**(854,607)**	(854,607)
24.4.1	**Analysis of deferred income tax assets**				
	Property, plant and equipment	**(854,607)**	(854,607)	**(854,607)**	(854,607)
		(854,607)	(854,607)	**(854,607)**	(854,607)
24.5	**Deferred income tax liability**				
	At the beginning	**168,082**	167,732	**-**	-
	Exchange difference	**(38,868)**	350	**-**	-
	At the end	**129,214**	168,082	**-**	-
25.	**Borrowings**				
	Term loans (Note 25.2)	**8,832,819**	11,888,895	**2,716,721**	4,006,287
	Finance lease facilities (Note 25.3)	**5,732,799**	4,948,286	**2,481,330**	1,985,161
	Redeemable bonds (Note 25.4)	**7,259,510**	1,288,240	**6,854,178**	452,675
		21,825,128	18,125,421	**12,052,229**	6,444,123

The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the period (December 2017 : Nil).

25.1	**Movement in borrowings**				
	At the beginning	**18,125,421**	16,699,542	**6,444,123**	8,377,788
	Addition	**12,055,316**	14,552,724	**11,848,844**	9,311,179
	Repayment	**(8,936,516)**	(12,695,636)	**(6,240,738)**	(11,183,156)
	Foreign currency translation and exchange loss on foreign currency denominated loans	**580,907**	(431,209)	**-**	(61,688)
	At the end	**21,825,128**	18,125,421	**12,052,229**	6,444,123
25.2	**Term loans**				
	First City Monument Bank Plc (Note 25.2.2)	**-**	1,580,381	**-**	1,580,381
	ABSA Bank Limited, South Africa	**-**	81,178	**-**	81,178
	B.V. Scheepswerf Damen Gorinchem, The Netherlands (Note 25.2.3)	**3,158,679**	4,581,786	**-**	-
	Financial Derivative Company	**945,853**	78,248	**945,853**	78,248
	Bank of industry (Note 25.2.4)	**3,218,445**	3,648,633	**-**	-
	Secured lease notes (Note 25.2.5)	**1,509,842**	1,918,668	**1,770,868**	2,266,480
		8,832,819	11,888,895	**2,716,721**	4,006,287
25.2.1	**Analysis of term loans**				
	Current	**1,658,013**	2,231,670	**705,883**	1,040,950
	Non-current	**7,174,806**	9,657,225	**2,010,838**	2,965,337
		8,832,819	11,888,895	**2,716,721**	4,006,287

25.2.2 First City Monument Bank Plc

Facility represents US $15,725,000 (N2,500,000,000) term loan secured from First City Monument Bank Plc on 2 December 2011 for a period of 66 months with a moratorium of 9 months on principal, to finance acquisition of crew and tug boats. The interest on the loan is 9% per annum Dollar interest rate. In December 2017, the facility was extended for additional 20 months. The loan is secured by mortgage on the boats being financed.The balance of the loan as at 31 December, 2018 is Nil.

25.2.3 B.V. Scheepswerf Damen Gorinchem, The Netherlands

Facility represents US $22,185,680 term loan secured from B.V. Scheepswerf Damen Gorinchem, The Netherlands, for a period of five years . The interest on the loan is 4.8% per annum. The facility is required to enable the Company meets its financial obligations on new boat acquisition. The facility was obtained by EPIC International FZE, U.A.E. The loan stood at $8,815,491.90 as at 31 December, 2018..

25.2.4 Bank of industry

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

25.2.5 Secured Leased Notes

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

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
25.3	**Finance lease facilities**				
	Diamond Bank Plc (Note 25.3.2)	**1,582,446**	1,319,219	**1,582,446**	1,319,219
	Stanbic IBTC Bank Plc (Note 25.3.3)	**1,774,015**	1,160,244	**508,239**	412,685
	First Bank of Nigeria Limited (Note 25.3.4)	**49,807**	164,975	**49,807**	164,975
	Access Bank Plc	**-**	87,700	**-**	87,700
	Barclays Bank Ghana (Note 25.3.5)	**1,331,503**	1,463,159	**-**	-
	FSDH Merchant Bank Limited	**-**	581	**-**	581
	Growth & Development Limited	**149,458**	-	**149,458**	-
	Intercontinental Bank, Ghana	**104,522**	221,528	**-**	-
	Fidelity Bank Plc	**191,380**	-	**191,380**	-
	Others	**549,668**	530,879	**-**	-
		5,732,799	4,948,285	**2,481,330**	1,985,160
25.3.1	**Analysis of finance lease facility**				
	Current	**2,784,188**	2,403,182	**1,241,422**	993,186
	Non-current	**2,948,611**	2,545,104	**1,239,908**	991,975
		5,732,799	4,948,286	**2,481,330**	1,985,161

25.3.2 Diamond Bank Plc

This facility represents N1.2 billion motor vehicle corporate lease renewable annually for the purpose of financing 80% of cost required to purchase vehicles to service lease or fleet management contract for vehicles from corporate organisations. The interest is at 18% per annum (subject to changes in line with money market conditions) and its tenor is 4 years (48 months).

25.3.3 Stanbic IBTC Bank Plc

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

25.3.4 First Bank of Nigeria Limited

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

25.3.5 Barclays Bank of Ghana

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

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
25.4	**Redeemable bonds**				
	FSDH Merchant Bank Ltd (Note 25.4.2)	**708,912**	452,675	**303,580**	452,675
	Convertible bond (Note 25.4.3)	-	835,565	**-**	-
	Fixed rate 5 years senior secured bond (Note 25.4.4)	**6,550,598**	-	**6,550,598**	-
		7,259,510	1,288,240	**6,854,178**	452,675
25.4.1	**Analysis of redeemable bonds**				
	Current	**1,108,676**	203,530	**984,219**	146,738
	Non-current	**6,150,834**	1,084,710	**5,869,959**	305,937
		7,259,510	1,288,240	**6,854,178**	452,675

25.4.2 FSDH Merchant Bank Ltd

The redeemable bonds represent N600M notes issued by subscribers (as indicated above) on 30 November 2016 for a period of 5 years. Interest on the notes is payable at 18% per annum. The loan is repayable at 6 monthly intervals over a period of 5 years. The loan is direct, unconditional and secured obligation of C&I Leasing Plc. Redeemable bonds include financial instruments classified as liabilities measured at amortized costs.

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

25.4.3 Convertible bond

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

25.4.4 Fixed rate 5years senior secured bond

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

		Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
27.	**Retirement benefit obligations**				
	Defined contribution pension plan (Note 27.1)	**54,251**	33,899	**54,251**	33,899
		54,251	33,899	**54,251**	33,899
27.1	**Defined contribution pension plan**				
	At the beginning	**33,899**	37,024	**33,899**	37,024
	Contributions	620,920	708,823	620,920	708,823
	Remittances	(600,568)	(711,948)	(600,568)	(711,948)
	At the end	**54,251**	**33,899**	**54,251**	33,899

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

	Group		Company	
	31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
28. Share capital				
28.1 Authorised share capital				
3,000,000,000 ordinary shares of 50k each	**1,500,000**	1,500,000	**1,500,000**	1,500,000
28.2 Issued and fully paid				
404,252,000 (2017: 1,617,010,000) ordinary shares of 50k each	**202,126**	808,505	**202,126**	808,505

In an extraordinary meeting held on 9th November, 2017 at a special resolution, it was agreed that the company should adopt a share capital reconstruction by a reduction of its issued share capital of N808,505,000 to N202,126,250 through the cancellation and reissuance of 1,212,757,500 units issued shares currently held and consolidation of every four issued ordinary share of 50k each in the company to one new ordinary share of 50k each. The per value of N606.378,750 arising from the consolidated 1,212,757,500 units is transferred to share premium account.

	Group		Company	
	31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
28.3 Share premium				
At the end	**1,285,905**	679,526	**1,285,905**	679,526

The increase in share premium of N606,378,750 represent the per value of 1,212,757,500 units under the share reconstructed.

	Group 2018	Group 2017	Company 2018	Company 2017
29 Retained earnings				
At the beginning	**1,960,108**	511,859	**657,899**	(176,751)
Impact of adopting IFRS 9 (Note 39)	**(34,343)**	-	**(34,343)**	-
Transfers between reserves (Note 39.1)	**34,343**	-	**34,343**	-
Restated balance at 1 January 2018	**1,960,108**	**511,859**	**657,899**	**(176,751)**
Dividend declared and paid	**-**	-	**-**	-
Transfer from statement of profit or loss	**1,133,146**	1,064,858	**437,513**	451,259
Transfer to statutory reserve	**(65,627)**	(82,352)	**(65,627)**	(82,352)
Transfer from statutory credit reserve	**(260,183)**	465,743	**(260,182)**	465,743
At the end	**2,767,444**	1,960,108	**769,603**	657,899
30. Deposit for shares (Convertible)				
At the beginning	**2,283,312**	2,466,012	**2,283,312**	2,466,012
Repayment of Loan Stock	**(324,640)**	-	**(324,640)**	-
Exchange difference	**16,328**	(182,700)	**16,328**	(182,700)
At the end	**1,975,000**	2,283,312	**1,975,000**	2,283,312

30.1 This represents US$12,486,143.09 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 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. As at 31 December 2018, the Company intended to convert the loan notes to its equity and had elected to include the notes in equity as deposit for shares. The amount outstanding as at 31 December, 2018 is US$10,000,000.

	Group		Company	
	31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
31. Statutory reserve				
At the beginning	**1,121,580**	1,039,228	**733,555**	651,203
Transfer from statement of profit or loss	**65,627**	82,352	**65,627**	82,352
At the end	**1,187,207**	1,121,580	**799,182**	733,555

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

	Group		Company	
	31 December 2018 N'000	31 December 2017 N'000	**31 December 2018 N'000**	31 December 2017 N'000
32. Statutory credit reserve				
At the beginning	**160,600**	626,343	**147,842**	613,585
Impact of adopting IFRS 9	**(34,343)**	-	**(34,343)**	-
Impact of adopting IFRS 9 - component entity	**(12,758)**	-	**-**	-
Arising in the year	**260,183**	(465,743)	**260,183**	(465,743)
At the end	**373,682**	160,600	**373,682**	147,842

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 2018 N'000	31 December 2017 N'000	31 December 2018 N'000	31 December 2017 N'000
33.	**Foreign currency translation reserve**				
	At the beginning	**1,126,805**	1,097,318	**-**	-
	Arising in the year	**1,851,597**	29,487	**-**	-
	At the end	**2,978,402**	1,126,805	**-**	-

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

		Group 2018	Group 2017	Company 2018	Company 2017
34.	**Fair value reserve**				
	At the beginning	**5,288**	(848)	**5,288**	(848)
	Gain/(loss) arising in the year	**(127)**	6,136	**(127)**	6,136
	At the end	**5,161**	5,288	**5,161**	5,288

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

		Group 2018	Group 2017	Company 2018	Company 2017
35.	**Revaluation reserve**				
	At the beginning	**683,400**	643,246	**683,400**	643,751
	Arising during the year	**33,090**	40,154	**33,090**	39,649
	At the end	**716,490**	683,400	**716,490**	683,400

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

		Group 2018	Group 2017	Company 2018	Company 2017
36.	**Non-controlling interest**				
	At the beginning	**271,567**	221,838	**-**	-
	Share of profit from Leasafric Ghana Ltd	**64,618**	49,729	**-**	-
	At the end	**336,185**	271,567	**-**	-
37.	**Cash and cash equivalents**				
	Cash and balances with banks	**1,712,543**	1,239,836	**1,419,542**	466,607
	Balance due to banks	**(883,917)**	(1,120,306)	**(847,441)**	(1,062,623)
		828,626	119,530	**572,101**	(596,016)

38. Impairment charges / (write-back)

38.1 The table below shows the ECL charges on financial instruments recorded in profit or loss for the year ended 31 December 2018:

		At 1 January 2018		At 31 December 2018		Charges / (write back) to P or L in the year
	Note	Specific N'000	Collective N'000	Specific N'000	Collective N'000	N'000
Group						
Cash and balances with banks		-	-	-	-	**-**
Loans and receivables		5,940	11,808	5,019	8,824	**(3,905)**
Trade and other receivables		210,006	119,620	162,174	(14,580)	**(182,032)**
Due from related parties		-	-	-	-	**-**
Finance lease receivables		-	14,860	-	207,583	**192,723**
Other assets		227,404	30,534	226,494	31,141	**(303)**
Total impairment loss		443,350	176,822	393,687	232,968	**6,483**

		At 1 January 2018		At 31 December 2018		Charged to P or L in the year
	Note	Specific N'000	Collective N'000	Specific N'000	Collective N'000	N'000
Company						
Cash and balances with banks		-	-	-	-	**-**
Loans and receivables		5,940	11,808	4,149	13,296	(303)
Trade and other receivables		210,006	119,620	162,174	104,288	(63,164)
Due from related parties		-	173,709	-	50,737	(122,972)
Finance lease receivables		-	14,860	4,103	10,955	198
Other assets		227,404	30,534	226,494	31,821	377
Total impairment loss		443,350	350,531	396,920	211,097	**(185,864)**

38.2 The table below shows the impairment charges recorded in profit or loss under IAS 39 for the year ended 31 December 2017:

	Group N'000	Company N'000
Impairment charge/(write-back)		
Finance lease receivables	(1,598)	(1,598)
Lease rental due	19,104	19,104
Inventories	43,334	43334
Trade and other receivables	174,485	174,485
Per statement of profit or loss	235,325	235,325

38.3 Reconciliation of impairment allowance on financial and non-fiancial assets

	Financial Assets Impairment Analysis						Others	
	Loans and advances N'000	Lease rental due N'000	Trade and other receivables N'000	Finance lease receivables N'000	Due to related parties N'000	Other Assets N'000	Inventory N'000	Total N'000
Group								
At 1 January 2017								
Specific impairment	4,095	430,882	887,434	(54,976)	-	-	8,740	1,276,175
Collective impairment	-	37,160	116,742	72,395	-	-	-	226,297
	4,095	468,042	1,004,176	17,419			8,740	1,502,472
Additional provision								
Specific impairment	-	19,104	174,485	(1,598)	-	-	43,335	235,326
Collective impairment	-	-	-	-	-	-	-	-
No longer required	-	-	-	-	-	-	-	-
Statement of profit or loss	-	19,104	174,485	(1,598)	-		43,335	235,326
Written off	(1,090)	(449,028)	(475,488)	(583)	-	-	-	(926,189)
At 31 December 2017								
Specific impairment	3,005	958	586,431	(57,157)	-	-	52,075	585,312
Collective impairment	-	37,160	116,742	72,395	-	-	-	226,297
Total	3,005	38,118	703,173	15,238	-	-	52,075	811,609
Re-measurement at 1 January 2018	-	(23,375)	(373,550)	(378)	173,709	257,937	-	34,343
	3,005	**14,743**	**329,623**	**14,860**	**173,709**	**257,937**	**52,075**	**845,952**
Additional provision / (write back)								
impairment charged	-	-	-	192,723	-	-	-	192,723
Impairment write back	-	(3,905)	(182,032)	-	-	(303)	-	(186,240)
Statement of profit or loss	-	(3,905)	(182,032)	192,723	-	(303)	-	6,483
At 31 December 2018								
Specific impairment	3,005	2,014	162,174	-	-	226,494	-	393,687
Collective impairment	-	8,824	(14,580)	207,583	-	31,141	-	232,968
	3,005	**10,838**	**147,594**	**207,583**	**-**	**257,635**	**-**	**626,655**

38.4 Reconciliation of impairment allowance on inventories, loans and receivables, finance lease receivables and trade and other receivables

	Financial Assets Impairment Analysis						Others	
	Loans and advances N'000	Lease rental due N'000	Trade and other receivables N'000	Finance lease receivables N'000	Due to related parties N'000	Other Assets N'000	Inventory N'000	Total N'000
Company								
At 1 January 2017								
Specific impairment	4,095	430,882	887,434	(1,966)	-	-	8,740	1,329,185
Collective impairment	-	37,160	116,742	19,385	-	-	-	173,287
	4,095	468,042	1,004,176	17,419	-	-	8,740	1,502,472
Additional provision								
Specific impairment	-	19,104	174,485	(1,598)	-	-	43,335	235,326
Collective impairment	-	-	-	-	-	-	-	-
No longer required		-	-		-	-	-	-
Statement of profit or loss	-	19,104	174,485	(1,598)	-	-	43,335	235,326
Written off	(1,090)	(449,028)	(475,488)	(583)	-	-	-	-
At 31 December 2017								
Specific impairment	3,005	958	586,431	(4,147)	-	-	52,075	638,322
Collective impairment	-	37,160	116,742	19,385	-	-	-	173,287
	3,005	38,118	703,173	15,238	-	-	52,075	811,609
Re-measurement at 1 January 2018	-	(23,375)	(373,550)	(378)	173,709	257,937	-	34,343
	3,005	14,743	329,623	14,860	173,709	257,937	52,075	845,952
Additional impairment								
Impairment charged	-	-	-	-	-	-	-	-
Impairment write back	-	(303)	(63,164)	198	(122,972)	377	-	(185,864)
Statement of profit or loss	-	(303)	(63,164)	198	(122,972)	377	-	(185,864)
At 31 December 2018								
Specific impairment	3,005	1,144	162,174	4,103	-	226,494	-	396,920
Collective impairment	-	13,296	104,288	10,955	50,737	31,821	-	211,097
	3,005	**14,440**	**266,462**	**15,058**	**50,737**	**258,315**	**-**	**608,017**

	Group		Company	
	2018 N'000	2017 N'000	**2018 N'000**	2017 N'000
38.5 Summary analysis of IFRS and prudential impairment allowance				
Loans and receivables	**-**	3,005	**-**	3,005
Lease rental due	**17,445**	38,118	**17,445**	38,118
Trade and other receivables	**147,594**	703,175	**266,462**	703,173
Finance lease receivables	**207,583**	15,821	**15,058**	15,238
Due to related parties	**50,737.00**	-	**50,737**	-
Other Assets	**257,635**	-	**258,315**	-
Inventories	**-**	8,740	**-**	52,073
Total IFRS impairment losses	**680,994**	**768,859**	**608,017**	**811,607**
Analysis of provision for loan losses per prudential guidelines				
Loans and advances	**1,756**	2,423	**1,756**	2,423
Lease rental due	**15,121**	30,533	**15,121**	30,533
Trade and other receivables	**470,747**	859,766	**470,747**	859,766
Finance lease receivables	**535**	15,238	**535**	15,238
Due to related parties	**101,474**	-	**101,474**	-
Other Assets	**226,494**	-	**226,494**	-
Inventories	**52,073**	52,073	**52,073**	52,073
Total prudential provision for losses	**868,200**	960,033	**868,200**	960,033

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

39. Transition disclosures

The following pages set out the impact of adopting IFRS 9 on the statement of financial position, and retained earnings including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's ECLs. A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of 1 January 2018 is, as follows:

	Notes	IAS 39 measurement			Re-measurement		IFRS 9	
		Category	Amount	Reclassification	ECL	Other	Amount	Category
			N'000	N'000	N'000	N'000	N'000	
GROUP								
Financial assets								
Total Financial assets measured at amortised cost	1							
Cash and balances with banks		Loans and receivables	1,239,836		-	-	1,239,836	Amortised cost
Loans and receivables		Loans and receivables	351,957		23,375	-	375,332	Amortised cost
Trade receivables		Loans and receivables	6,584,292		373,550	-	6,957,842	Amortised cost
Due from related companies		Loans and receivables	-		(173,709)	-	(173,709)	Amortised cost
Finance lease receivables		Loans and receivables	1,515,030		378	-	1,515,408	Amortised cost
Other assets		Loans and receivables	5,021,348		(257,937)	-	4,763,411	Amortised cost
Total financial assets measured at amortised cost			**14,712,463**	**-**	**(34,343)**	**-**	**14,678,120**	
Equity instruments at fair value through other comprehensive income (FVOCI)	2							
Investment: Available for sale assets (AFS) now measured at FVTOCI		AFS	26,180			-	26,180	Fair value through OCI (FVOCI)
Non-financial assets	3							
Inventory		N/A	1,661,640		-	-	1,661,640	N/A
Deferred tax assets		N/A	854,607		-	-	854,607	N/A
			2,516,247	**-**	**-**	**-**	**2,516,247**	
Total Assets subjected to impairment			**17,254,890**	**-**	**(34,343)**	**-**	**17,220,547**	
Financial liabilities								
Balances due to banks		Other financial liabilities	1,120,306		-	-	1,120,306	Amortised cost
Borrowings		Other financial liabilities	18,125,421		-	-	18,125,421	Amortised cost
Commercial notes		Other financial liabilities	9,672,506		-	-	9,672,506	Amortised cost
Trade and other payables		Other financial liabilities	6,621,125		-	-	6,621,125	Amortised cost
			35,539,358	-	-	-	35,539,358	
Non-financial liabilities								
Deferred income tax liability		N/A	168,082		-	-	168,082	Amortised Costs
Total liabilities			**35,707,440**	**-**	**-**	**-**	**35,707,440**	

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	IAS 39 measurement			Re-measurement		IFRS 9	
		Category	Amount	Reclassification	ECL	Other	Amount	Category
			N'000	N'000	N'000	N'000	N'000	
Company								
Financial assets								
Total Financial assets measured at amortised cost	1							
Cash and balances with banks		Loans and receivables	466,607		-		466,607	Amortised cost
Loans and receivables		Loans and receivables	334,507		23,375		357,882	Amortised cost
Trade and other receivables		Loans and receivables	5,302,008		373,550		5,675,558	Amortised cost
Due from related companies		Loans and receivables	8,685,454		(173,709)		8,511,745	Amortised cost
Finance lease receivables		Loans and receivables	1,508,560		378		1,508,938	Amortised cost
Other assets		Loans and receivables	4,819,250		(257,937)		4,561,313	Amortised cost
Total financial assets measured at amortised cost			**21,116,386**	**-**	**(34,343)**	**-**	**21,082,043**	
Equity instruments at fair value through other comprehensive income (FVOCI)	2							
Investment: Available for sale assets (AFS)		AFS	26,180		-	-	26,180	Fair value through OCI (FVOCI)
Non-financial assets	3							
Deferred tax assets		N/A	854,607					N/A
Total Financial Assets			**21,997,173**	**-**	**(34,343)**	**-**	**21,108,223**	
Financial liabilities								
Balances due to banks		Other financial liabilities	1,062,622		-	-	1,062,622	Amortised cost
Borrowings		Other financial liabilities	6,444,123		-	-	6,444,123	Amortised cost
Commercial notes		Other financial liabilities	9,643,606		-	-	9,643,606	Amortised cost
Trade and other payables		Other financial liabilities	5,957,998		-	-	5,957,998	Amortised cost
			23,108,349	-	-	-	23,108,349	
Non-financial liabilities								
Deferred income tax liability		N/A	-		-	-	-	N/A
Total liabilities			**23,108,349**	**-**	**-**	**-**	**23,108,349**	

39.1 Transition disclosures continued

The impact of transition to IFRS 9 on reserves and retained earnings is as follows:

	Group	Company
	Reserves and retained earnings N'000	Reserves and retained earnings N'000
Fair value reserve - Debt		
Closing balance under IAS 39 (31 December 2017)	**5,288**	**5,288**
IFRS 9 ECL Impact	-	-
Opening balance under IFRS 9 (1 January 2018)	5,288	5,288
Statutory Credit Reserve (Non-distributable reserve)		
Closing balance under IAS 39 (31 December 2017)	**160,600**	**147,842**
Recognition of IFRS 9 ECL impairment	**(12,758)**	**-**
Transfered from retained earnings	**(34,343)**	**(34,343)**
Opening balance under IFRS 9 (1 January 2018)	113,499	113,499
Retained earnings		
Closing balance under IAS 39 (31 December 2017)	**1,960,108**	**657,899**
Recognition of IFRS 9 ECL impairment	**(34,343)**	**(34,343)**
Transfered to statutory credit reserve	**34,343**	**34,343**
Opening balance under IFRS 9 (1 January 2018)	1,960,108	657,899
Total change in equity due to adopting IFRS 9	**-**	**-**

The following table reconciles the aggregate opening allowance for impairment under IAS 39-Financial instruments to the ECL allowances under IFRS 9.

	Group		
	Allowance for impairment under IAS 39 / IAS 37 at 31 December 2017 N'000	Re-measurement N'000	ECLs under IFRS 9 at 1 January 2018 N'000
Impairment allowance for:			
Loans and receivables (IAS 39) / financial assets at amortised cost (IFRS 9)			
Cash and balances with banks	-	-	-
Loans and receivables	41,123	(23,375)	17,748
Trade and other receivables	703,175	(373,550)	329,625
Due from related parties	-	173,709	173,709
Finance lease receivables	15,821	(378)	15,443
Other assets	-	257,937	257,937
Held to maturity (IAS 39) / financial assets at amortised cost (IFRS 9)			
Investment securities at amortised cost	-	-	-
Available for sale financial instruments (IAS 39) / Financial assets at FVOCI (IFRS 9)			
Investment securities at FVOCI	26,245	-	26,245
Total impairment allowance	**786,364**	**34,343**	**820,707**

	Company		
	Allowance for impairment under IAS 39/IAS 37 at 31 December 2017 N'000	Re-measurement N'000	ECLs under IFRS 9 at 1 January 2018 N'000
Impairment allowance for:			
Loans and receivables (IAS 39) / financial assets at amortised cost (IFRS 9)			
Cash and balances with banks	-	-	-
Loans and receivables	41,123	(23,375)	17,748
Trade and other receivables	703,175	(373,550)	329,625
Due from related parties	-	173,709	173,709
Finance lease receivables	15,238	(378)	14,860
Other assets	-	257,937	257,937
Held to maturity (IAS 39) / financial assets at amortised cost (IFRS 9)			
Investment securities at amortised cost	-	-	-
Available for sale financial instruments (IAS 39) / Financial assets at FVOCI (IFRS 9)			
Investment securities at FVOCI	26,245	-	26,245
Total impairment allowance	**785,781**	**34,343**	**820,124**

39.2 Transition disclosures - continued

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Company as detailed below:

a **Reclassification from retired categories with no change in measurement**

The following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under IAS 39 were 'retired', with no changes to their measurement basis:
(i) Those previously classified as available for sale and now classified as measured at FVOCI;
(ii) Those previously classified as held to maturity and now classified as measured at amortised cost; and
(iii) Those previously classified as loans and receivables and now classified as measured at amortised

b. **Designation of equity instruments at FVOCI**

The Company has elected to irrevocably designate investments in equity of N52.4 million in a portfolio of non-trading equity securities at FVOCI as permitted under IFRS 9. These securities were previously classified as available-for-sale and measured at fair value. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

		Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
40.	**Lease rental income**				
	Operating lease	**16,866,009**	2,508,548	**9,774,227**	2,060,488
	Finance lease	**2,518,970**	11,464,403	**2,168,824**	7,126,704
		19,384,979	13,972,951	**11,943,051**	9,187,192
41.	**Lease expenses**				
	Operating lease maintenance expense	**572,496**	3,755,531	**72,857**	4,427,184
	Finance lease assets maintenance	**7,676,815**	844,432	**6,975,799**	570,517
	Lease insurance expense	**423,428**	261,839	**196,425**	86,306
		8,672,739	4,861,802	**7,245,081**	5,084,007
42.	**Outsourcing income**				
a.	Outsourcing rental	**7,108,035**	6,230,228	**7,108,035**	6,230,228
b.	Outsourcing service expense	**(6,315,473)**	(5,525,571)	**(6,315,473)**	(5,525,571)
	Net outsourcing income	**792,562**	704,657	**792,562**	704,657
43.	**Vehicle sales and repairs**				
	Vehicles	**-**	82,588	**-**	82,588
	Accessories	**-**	101,775	**-**	101,775
	Repairs and maintenance	**-**	212,000	**-**	212,000
	Others	**-**	102,461	**-**	102,461
		-	498,824	**-**	498,824
43.1	**Vehicles sales and repairs - cost of sales**				
	Vehicles	**-**	57,170	**-**	57,170
	Accessories	**-**	30,912	**-**	30,912
	Repairs and maintenance	**-**	309,566	**-**	309,566
	Others	**-**	85,882	**-**	85,882
		-	483,530	**-**	483,530
43.2	Profit from discontinued operation	**-**	15,294	**-**	15,294

In 2017, management took decision to wind up the operation of motor sales division of the Company (C&I Motors), which necessitate the nil balance in current year.

		Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
44.	**Tracking and tagging income**				
a.	Tracking income	**218,490**	195,660	**218,490**	195,660
b.	Tracking expenses	**(81,390)**	(72,591)	**(81,390)**	(72,591)
		137,100	123,069	**137,100**	123,069
45.	**Interest income**				
	Interest on bank deposits	**140,433**	60,285	**78,295**	773
		140,433	60,285	**78,295**	773

		Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
46.	**Other operating income**				
	Gain on sale of finance lease assets	**-**	61,555	**-**	61,555
	Gain on sale of property, plant and equipment	**259,512**	84,005	**59,454**	-
	Insurance claims received	**7,658**	4,908	**7,658**	4,908
	Insurance income on finance leases	**1,643**	2,563	**1,643**	2,563
	Investment income	**11,256**	2,634	**-**	2,634
	Income from acquisition of JV	**28,789**	-	**28,788**	-
	Franked investment income	**40,813**	-	**40,813**	-
	Rent received	**19,560**	17,800	**19,560**	17,800
	Foreign Exchange Gain/(Loss)	**124,915**	135,496	**-**	61,688
	Others	**328,116**	567,787	**325,129**	514,120
		822,262	876,748	**483,045**	665,268
47.	**Finance cost**				
	Finance lease interest	**2,455,659**	2,277,274	**563,885**	484,683
	Commercial notes interest	**1,399,194**	929,280	**1,399,194**	929,280
	Term loans interest	**132,654**	172,783	**132,654**	172,783
	Interest on Bond	**685,131**	121,273	**685,131**	121,273
		4,672,638	3,500,610	**2,780,864**	1,708,019
48.	**Depreciation and amortization expense**				
	Operating lease assets	**3,542,723**	2,868,776	**935,401**	766,396
	Property, plant and equipment	**230,214**	152,533	**43,184**	34,354
	Amortisation of intangible assets:				
	- Computer software	**9,074**	16,616	**6,808**	14,228
		3,782,011	3,037,925	**985,393**	814,978
49.	**Personnel expenses**				
	Salaries and allowances	**1,247,726**	1,026,499	**904,746**	743,418
	Pension contribution expense	**49,897**	71,132	**43,482**	65,329
	Training and medical	**140,831**	129,588	**110,389**	79,295
		1,438,454	1,227,219	**1,058,617**	888,042
50.	**Distribution expenses**				
	Marketing	**-**	4,245	**-**	4,245
	Advertising	**15,218**	37,938	**11,816**	19,573
		15,218	42,183	**11,816**	23,818

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
51. Administrative expenses				
Auditors' remuneration	**24,060**	23,998	**16,940**	16,940
Directors' emoluments	**53,976**	48,083	**39,940**	43,540
Foreign exchange loss	**132,005**	421,539	**132,005**	421,539
Bank charges	**324,955**	141,159	**259,451**	118,898
Fuel and maintenance	**137,645**	178,168	**135,106**	168,674
Insurance	**58,863**	24,491	**58,863**	24,491
Public relations	**10,647**	17,081	**10,647**	17,081
Travel and entertainment	**215,010**	137,938	**198,282**	128,315
Legal and professional expenses	**251,146**	193,296	**212,372**	176,194
Communications	**84,937**	72,965	**64,323**	61,830
Subscriptions	**125,749**	84,049	**94,777**	57,951
Losses/write-offs	**-**	996	**-**	996
Back duty tax - VAT/WHT	**-**	94,258	**-**	94,258
Levies and penalties	**11,614**	7,461	**6,234**	5,404
Other administrative expenses	**226,746**	145,623	**148,660**	104,277
	1,657,353	1,591,105	**1,377,600**	1,440,388

	Group 2018	Group 2017	Company 2018	Company 2017
52. Reconciliation of profit after tax to net cash provided by operating activities:				
Profit/(loss) after tax	**1,133,146**	**1,064,858**	**437,514**	**451,259**
Adjustment to reconcile profit after tax to net cash provided by operating activities:				
Depreciation of property, plant and equipment	**206,186**	152,533	**43,179**	34,350
Depreciation of operating lease assets	**3,795,943**	2,868,776	**935,402**	766,396
Write off of operating lease assets	**64,151**	-	**42,766**	-
Amortisation	**8,995**	16,618	**6,808**	15,617
Impairment charge	**(443,473)**	130,010	**(97,810)**	193,589
Interest on finance lease facilities and loans	**3,987,507**	3,500,610	**2,095,733**	1,708,019
Non controlling interest in increase in share capital	**64,618**	49,729	**-**	-
Exchange (gain)/loss	**(201,397)**	(38,136)	**-**	(182,700)
Increase/(decrease) in current income tax liability	**289,953**	165,207	**230,827**	71,473
Increase/(decrease) in current income tax assets	**55,178**	-	**-**	-
(Decrease)/Increase in deferred income tax assets	**-**	-	**-**	-
(Decrease)/Increase in deferred income tax liability	**(38,868)**	350	**-**	-
(Decrease)/Increase in deferred income tax assets	**-**	-	**-**	-
Revaluation gain	**36,657**	503	**29,527**	-
Profit on disposal of operating lease assets	**(212,830)**	(32,264)	**-**	-
Profit on disposal of property, plant and equipment	**(259,512)**	(84,005)	**-**	-
Operating profit before changes in operating	**7,353,108**	6,729,931	**3,286,432**	2,606,744
Net decrease/(increase) in operating assets (Note 53)	**(16,490,295)**	(13,034,937)	**(11,235,957)**	(8,124,005)
Net increase in operating liabilities (Note 54)	**5,170,978**	7,459,756	**4,538,814**	6,639,566
Total adjustments	**(3,966,209)**	1,154,750	**(3,410,711)**	1,122,305
Net cash provided by operating activities	**(2,833,063)**	2,219,608	**(2,973,197)**	1,573,564

	Group 2018	Group 2017	Company 2018	Company 2017
53. Decrease/(increase) in operating assets				
Loans and receivables	**(26,696,224)**	(20,819,923)	**(19,181,722)**	(15,545,292)
Finance lease receivables	**(484,300)**	213,601	**(1,699,472)**	(916,591)
Other assets	**(779,383)**	(1,264,253)	**11,884,253**	8,591,336
Inventories	**(1,149,261)**	192,358	**(1,134,658)**	192,359
Trade and other receivables	**12,618,873**	8,643,279	**(1,104,358)**	(445,817)
	(16,490,295)	(13,034,937)	**(11,235,957)**	(8,124,005)

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	N'000	N'000	**N'000**	N'000
54. Increase in operating liabilities				
Commercial notes	**1,054,651**	2,612,135	**1,061,519**	2,306,419
Other liabilities	**3,495,407**	4,138,798	**2,856,375**	3,624,324
Retirement benefit obligations	**620,920**	708,823	**620,920**	708,823
	5,170,978	7,459,756	**4,538,814**	6,639,566

55. Basic earnings per share

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

	Group		Company	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	N'000	N'000	**N'000**	N'000
Profit after taxation	**1,133,146**	1,064,858	**437,514**	451,259
	Number	Number	**Number**	Number
Number of shares at year end	**404,252**	1,617,010	**404,252**	1,617,010
Time weighted average number of shares in issue	**404,252**	1,617,010	**404,252**	1,617,010
Diluted number of shares	**1,391,753**	1,617,010	**1,391,753**	1,617,010
Earnings per share (EPS) (kobo) - basic	**280.31**	**65.85**	**108.23**	**27.91**
Earnings per share (EPS) (kobo) - diluted	**81.42**	**65.85**	**31.44**	**27.91**
	N'000	N'000	**N'000**	N'000
56. Information regarding Directors and employees				
56.1 Directors				
56.1.1 Directors' emoluments				
Fees	**38,314**	26,143	**24,278**	23,280
Other emoluments	**15,662**	21,940	**15,662**	21,940
	53,976	48,083	**39,940**	45,220
56.1.2 Fees and emoluments disclosed above excluding pension contributions include amounts paid to:				
The Chairman	**3,000**	7,669	**3,000**	4,806
Other Directors	**50,976**	40,414	**36,940**	40,414

		Group		Company	
		31 December 2018 Number	31 December 2017 Number	**31 December 2018 Number**	31 December 2017 Number

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

N	N	Group 2018	Group 2017	Company 2018	Company 2017
240,001 -	400,000	**-**	-	**-**	-
400,001 -	1,550,000	**10**	8	**7**	6
1,550,001 -	5,000,000	**1**	1	**-**	1
5,000,000 -	8,000,000	**-**	-	**1**	-
8,000,001 -	11,000,000	**1**	1	**1**	1
		12	10	**9**	8

56.2 Employees

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

	Group 2018	Group 2017	Company 2018	Company 2017
Managerial	**25**	29	**14**	19
Senior staff	**28**	48	**25**	45
Junior staff	**463**	476	**381**	398
	516	553	**420**	462

56.2.2 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 2018	Group 2017	Company 2018	Company 2017
250,001 -	370,000	**149**	159	**140**	150
370,001 -	420,000	**209**	226	**168**	188
430,001 -	580,000	**80**	80	**53**	50
580,001 -	700,000	**20**	24	**20**	21
700,001 -	750,000	**14**	18	**10**	15
840,001 -	850,000	**12**	14	**10**	12
1,000,001 -	1,100,000	**12**	12	**5**	5
1,100,001 -	1,150,000	**5**	5	**4**	4
1,200,001 -	1,400,000	**5**	5	**4**	4
1,500,000 -	1,550,000	**5**	5	**4**	4
1,650,000 -	2,050,000	**5**	5	**2**	2
		516	553	**420**	455

57. Reclassification of comparative figures

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

58. Events after the reporting date

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

59. 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.

60. Contingent assets/(liabilities)

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

61. 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. These include loans and borrowings.

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

61.1 Intercompany related transactions

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

			Total transaction value in the year		Balance receivable at:		Balance payable at	
			31 December 2018	31 December 2017	**31 December 2018**	31 December 2017	**31 December 2018**	31 December 2017
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	**50,203**	-	-	-	**31,352**	18,851
EPIC International FZE United Arab Emirates	Subsidiary	Purchases, payments, shared services, receipts and transfer on behalf of other party.	**1,751,579**	-	**10,418,181**	8,666,602	-	-
SIFAX	JV with C& I	Joint venture to execute marine vessle services	**569,484**	-	-	-	**642,649**	73,165
Petrotech Marine	JV with C& I	Joint venture to execute marine vessle services, however, the JV has been taken over wholly by C and I Leasing Plc	-	-	-	851,129	-	
Cordros Capital Limited	Common Director	Financial Advisers and investment in commercial papers	**125,890**	**111,346**	-		**237,236**	111,346
Leadway Group	Common Director	Insurance Business	-	-	-	-	-	-
Emeka Ndu	Non-Executive Director	Director's fees and Sitting allowance	**4,220,000**	3,855,000	-	-	-	-
Andrew Otike-Odibi	Executive Director	Salary	-	-	-	-	-	-
Alexander Mbakogu	Executive Director	Salary	-	-	-	-	-	-
Maureen Ogbonna	Key Mgt. Personnel	Salary	-	-	-	-	-	-
Adesoji Aiyeola	Key Mgt. Personnel	Salary	-	-	-	-	-	-
Oguntunrin Babatunde	Key Mgt. Personnel	Salary	-	-	-	-	-	-
Wisdom Nwogu	Key Mgt. Personnel	Salary	-	-	-	-	-	-
			6,717,156	**3,966,346**	**10,418,181**	**9,517,731**	**911,236**	**203,362**

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.

62. Segment reporting

62.1 Segment results of operations

The segment information provided to the Group management committee for the reportable segments for the year ended 31 December 2018:

	Fleet management N'000	Personnel outsourcing N'000	Marine services N'000	Citrack N'000	Total N'000
Gross earnings	**3,888,026**	**7,206,319**	**9,014,464**	**229,902**	**20,338,711**
Operating income	3,355,137	7,024,501	6,968,646	209,562	17,557,846
Operating expenses	(2,104,330)	(6,315,473)	(5,140,751)	(81,390)	(13,641,944)
Depreciation and amortisation	(469,642)	(7,905)	(505,705)	(2,141)	(985,393)
Personnel expense	(258,957)	(106,991)	(657,340)	(35,329)	(1,058,617)
Other operating expenses	(280,622)	(303,484)	(568,544)	(50,902)	(1,203,552)
Profit before taxation	**241,586**	**290,648**	**96,306**	**39,800**	**668,340**
Total assets employed	4,066,064	2,348,780	8,848,553	284,456	15,547,853
Interest expense	532,889	181,818	2,045,817	20,340	2,780,864
Earnings before interest and tax	774,474	472,465	2,142,123	60,142	3,449,204
ROCE (EBIT / total asset)	**19%**	**20%**	**24%**	**21%**	**22%**

	31 December 2018 N'000	31 December 2017 N'000
Geographical information		
1. Revenue		
Nigeria	**20,338,710**	16,314,946
Ghana	**4,642,482**	3,801,857
United Arab Emirates	**3,200,799**	1,254,894
	28,181,991	21,371,697
2. Total assets		
Nigeria	**36,249,910**	29,280,850
Ghana	**6,641,679**	6,001,019
United Arab Emirates	**9,720,899**	9,699,436
	52,612,488	44,981,305

'63. **Penalty**

Included in the panalties paid in the year is the penalty of N250,000 paid to the Central Bank of Nigeria for the company's default in rendition of credit information to credit bureau.

C & I LEASING PLC

CONSOLIDATED STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2018

GROUP

	31 December 2018 N'000	%	31 December 2017 N'000	%
Gross income	**28,181,992**		21,371,697	
Interest expense	**(4,672,638)**		(3,500,610)	
	23,509,354		17,871,087	
Bought in goods and services:				
- Local	**(12,226,577)**		(8,843,261)	
- Foreign	**-**		-	
Value added	**11,282,777**	**100**	9,027,826	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**1,438,454**	**13**	1,227,219	14
To pay government:				
Current income tax	**191,910**	**2**	162,783	2
To pay shareholders:				
Dividend	**-**	**-**	-	-
To pay providers of capital:				
Interest	**4,672,638**	**41**	3,500,610	39
Retained for future replacement of assets and expansion of business:				
- Depreciation	**3,782,011**	**33**	3,037,925	33
- Deferred income tax	**-**	**-**	-	-
- Profit for the year	**1,197,764**	**11**	**1,099,289**	12
	11,282,777	**100**	9,027,826	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

CONSOLIDATED STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY

	31 December 2018 N'000	%	31 December 2017 N'000	%
Gross income	**20,338,710**		16,314,946	
Interest expense	**(2,780,864)**		(1,708,019)	
	17,557,846		14,606,927	
Bought in goods and services:				
- Local	**(12,215,192)**		(10,700,058)	
- Foreign	**-**		-	
Value added	**5,342,654**	**100**	3,906,869	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**1,058,617**	**20**	888,042	23
To pay Government:				
Current income tax	**80,267**	**2**	59,866	2
To pay shareholders:				
Dividend	**-**	**-**	-	-
To pay providers of capital:				
Interest	**2,780,864**	**52**	1,708,019	44
Retained for future replacement of assets and expansion of business:				
- Depreciation of property, plant and equipment	**985,393**	**18**	814,978	21
- Deferred income tax	-	-	-	-
- Profit for the year	**437,513**	**8**	435,964	11
	5,342,654	**100**	3,906,869	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.

FINANCIAL SUMMARY - GROUP
31 DECEMBER

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and balances with banks	**1,712,543**	1,239,836	983,183	1,417,825	1,470,072
Loans and receivables	**387,148**	351,957	226,512	471,528	743,985
Trade and other receivables	**7,754,625**	6,584,292	6,056,406	6,542,523	3,970,054
Due from related companies	**-**	-	-	-	-
Finance lease receivables	**1,999,330**	1,515,030	1,728,632	2,433,283	2,492,275
Available for sale assets	**26,054**	26,180	20,044	15,379	15,729
Investment in joint ventures	**755,205**	52,634	-	-	-
Other assets	**5,098,160**	5,021,348	3,745,527	160,990	83,827
Inventories	**1,661,640**	512,379	704,737	431,200	573,709
Operating lease assets	**30,686,724**	27,167,387	22,521,767	15,475,375	11,730,045
Property, plant and equipment	**1,631,281**	1,584,522	1,479,740	1,418,287	1,231,117
Intangible assets	**45,169**	15,955	27,631	34,321	145,365
Current income tax assets	**-**	55,178	26,556	22,699	12,897
Deferred income tax assets	**854,607**	854,607	850,965	854,607	864,951
Total assets	**52,612,486**	44,981,305	38,371,700	29,278,017	23,334,026
Liabilities					
Balance due to banks	**883,917**	1,120,306	910,963	718,804	579,861
Commercial notes	**10,727,157**	9,672,506	7,060,371	5,598,090	4,926,881
Trade and other payables	**7,020,723**	6,621,125	5,300,648	3,261,843	2,004,314
Current income tax liability	**144,494**	139,275	102,392	464,216	212,216
Borrowings	**21,825,128**	18,125,421	16,699,543	13,356,957	9,663,465
Retirement benefits obligation	**54,251**	33,899	37,024	47,989	35,238
Deferred income tax liability	**129,214**	168,082	167,732	141,125	107,409
Total liabilities	**40,784,884**	35,880,614	30,278,673	23,589,024	17,529,384
Equity					
Share capital	**202,126**	808,505	808,505	808,505	808,505
Share premium	**1,285,905**	679,526	679,526	679,526	679,526
Deposit for shares	**1,975,000**	2,283,312	2,466,012	2,453,528	2,091,430
Statutory reserve	**1,187,207**	1,121,580	1,039,228	829,325	722,521
Statutory credit reserve	**373,682**	160,600	626,343	613,725	262,799
Retained earnings	**2,767,444**	1,960,108	511,859	(54,767)	388,405
Foreign currency translation reserve	**2,978,402**	1,126,805	1,097,318	(393,369)	204,342
AFS fair value reserve	**5,161**	5,288	(848)	(5,513)	(5,163)
Revaluation reserve	**716,490**	683,400	643,246	581,094	484,903
	11,491,417	8,829,124	7,871,189	5,512,054	5,637,268
Non-controlling interest	**336,185**	271,567	221,838	176,939	167,374
Total equity	**11,827,602**	9,100,691	8,093,027	5,688,993	5,804,642
Total liabilities and equity	**52,612,486**	44,981,305	38,371,700	29,278,017	23,334,026

FINANCIAL SUMMARY - GROUP
31 DECEMBER

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Income statement					
Gross earnings	**28,181,993**	21,371,697	17,015,799	14,577,657	13,883,942
Operating income	**27,674,199**	21,335,872	17,015,799	7,351,019	7,378,260
Operating expenses	**(19,742,240)**	(14,002,757)	(11,304,440)	(2,713,031)	(3,288,141)
Net operating income	**7,931,959**	7,333,115	5,711,359	4,637,988	4,090,119
Impairment charge	**(6,483)**	(235,325)	(604,798)	(130,020)	52,985
Depreciation expenses	**(3,782,011)**	(3,037,925)	(2,147,560)	(1,968,852)	(1,606,265)
Personnel expenses	**(1,438,454)**	(1,227,219)	(788,638)	(762,388)	(713,699)
Distribution expenses	**(15,218)**	-	-	-	-
Other operating expenses	**(1,657,353)**	(1,591,105)	(1,134,140)	(1,311,089)	(1,411,334)
Share of profit from joint venture	**507,794**	20,531	-	-	-
Profit/(loss) before tax	**1,540,234**	1,262,072	1,036,223	465,639	411,806
Income tax expense	**(342,470)**	(162,783)	(115,357)	(316,871)	(233,739)
Profit/(loss) after tax	**1,197,764**	1,099,289	920,866	148,768	178,067
Profit from discontinued operation	**-**	15,294	-	-	139,426
	1,197,764	1,114,583	920,866	148,768	317,493
Profit/(loss) attributable to:					
Owners of the parent	**1,133,146**	1,064,854	875,968	139,203	309,672
Non-controlling interest	**64,618**	49,729	44,899	9,565	7,821
	1,197,764	1,114,583	920,867	148,768	317,493
Earnings/(loss) per share in kobo (basic)	**280.31**	65.85	54.17	8.61	19.15

C & I LEASING PLC

FINANCIAL SUMMARY - COMPANY
31 DECEMBER

	2018 N'000	2017 N'000	2016 N'000	2015 N'000	2014 N'000
Statement of financial position					
Assets					
Cash and balances with banks	**1,419,542**	466,607	255,259	657,616	392,446
Loans and receivables	**387,151**	334,507	226,512	471,528	743,985
Trade and other receivables	**6,406,366**	5,302,008	4,856,190	11,945,566	7,354,182
Due from related companies	**10,384,926**	8,685,454	7,768,864	-	-
Finance lease receivables	**1,832,307**	1,508,560	1,724,539	1,919,164	2,099,601
Available for sale financial assets	**26,054**	26,180	20,044	15,379	15,729
Investments in subsidiaries	**758,967**	758,967	758,967	1,458,967	1,458,967
Investment in joint ventures	**755,205**	52,634	-	-	-
Other assets	**4,769,369**	4,819,250	3,549,525	153,703	57,784
Inventories	**1,647,036**	512,378	704,736	62,992	30,466
Operating lease assets	**5,767,998**	4,764,096	5,124,241	5,384,311	5,710,877
Property, plant and equipment	**1,236,624**	1,186,743	1,144,951	1,094,794	1,060,541
Intangible assets	**3,758**	8,855	24,472	34,321	145,365
Deferred income tax assets	**854,607**	854,607	854,607	813,120	813,120
Total assets	**36,249,910**	29,280,850	27,012,907	24,011,461	19,883,063
Liabilities					
Balance due to banks	**847,441**	1,062,622	803,740	677,208	579,839
Commercial notes	**10,705,125**	9,643,606	7,337,187	5,587,884	4,914,135
Trade and other liabilities	**6,378,156**	5,957,998	4,669,794	3,041,772	1,657,673
Current income tax liability	**85,559**	139,275	102,393	440,816	201,815
Borrowings	**12,052,229**	6,444,123	8,377,788	7,610,963	6,147,986
Retirement benefit obligations	**54,251**	33,899	37,024	47,989	35,238
Deferred income tax liability	-	-	-	-	-
Total liabilities	**30,122,761**	23,281,523	21,327,926	17,406,632	13,536,686
Equity					
Share capital	**202,126**	808,505	808,505	808,505	808,505
Share premium	**1,285,905**	679,526	679,526	679,526	679,526
Deposit for shares	**1,975,000**	2,283,312	2,466,012	2,453,528	2,091,430
Statutory reserve	**799,182**	733,555	651,203	651,203	608,294
Statutory credit reserve	**373,682**	147,842	613,585	597,077	246,151
Retained earnings	**769,603**	657,899	(176,753)	1,223,732	1,594,561
Foreign currency translation reserve	**-**	-	-	(384,323)	(161,830)
AFS fair value reserve	**5,161**	5,288	(848)	(5,513)	(5,163)
Revaluation reserve	**716,490**	683,400	643,751	581,094	484,903
Total equity	**6,127,149**	5,999,327	5,684,981	6,604,829	6,346,377
Total liabilities and equity	**36,249,910**	29,280,850	27,012,907	24,011,461	19,883,063

C & I LEASING PLC

FINANCIAL SUMMARY - COMPANY
31 DECEMBER

	2018 N'000	2017 N'000	2016 N'000	2015 N'000	2014 N'000
Income statement					
Gross earnings	**20,338,710**	16,314,946	14,511,291	12,847,336	12,458,699
Operating income	**19,830,916**	16,279,121	14,511,291	12,847,336	12,458,699
Operating expenses	**(16,422,808)**	(12,390,188)	(11,633,297)	(9,422,781)	(9,486,119)
Net operating income	**3,408,108**	3,888,933	2,877,994	3,424,555	2,972,580
Impairment write back / (charge)	**185,864**	(235,325)	(604,798)	(129,237)	(10,640)
Depreciation expenses	**(985,393)**	(814,978)	(556,472)	(1,174,806)	(1,102,822)
Personel expenses	**(1,058,617)**	(888,042)	(714,557)	(647,069)	(595,731)
Distribution expenses	**(11,816)**	(23,818)	-	-	(754,419)
Loss on disposal of subsidiary	**-**	-	-	-	(1,667)
Other operating expenses	**(1,377,600)**	(1,440,388)	(963,785)	(1,067,609)	-
Share of profit from joint venture	**507,794**	20,531			
Profit before tax	**668,340**	**506,913**	38,382	405,834	507,301
Income tax expense	**(230,827)**	(70,949)	(48,592)	(262,803)	(182,830)
Profit after tax	**437,513**	435,964	(10,210)	143,031	324,471
Profit from discontinued operation		15,294			
Profit attributable to:					
Owners of the parent	**437,513**	451,258	(10,210)	143,031	324,471
	437,513	451,258	(10,210)	143,031	324,471
Earnings per share in kobo (basic)	**108.23**	27.91	-0.63	8.85	20.00

NOTES

PROXY FORM

RC No: 161070

THE 28TH ANNUAL GENERAL MEETING OF C&I LEASING PLC WILL HOLD ON TUESDAY 30TH JULY 2019 AT 11.00 AM PROMPT AT THE INCUBATOR 7/8 CHIEF YESUF ABIODUN WAY CITY OF DAVID ROAD ONIRU VICTORIA ISLAND LAGOS

I/We ....

....

(Name of shareholder(s) in block letter)

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

....

or failing him Chief Chukwuma Henry Okolo or failing him, Mr Andrew Otike-Odibi or failing him the Chairman of the meeting as my proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 30th day of July, 2019 at 11:00 a.m. and at any adjournment thereof:

Dated this .... day of .... 2019.

Signature(s) of Shareholder(s) ....

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

RESOLUTIONS	FOR	AGAINST
To receive and consider the Financial Statements for the year ended 31st December, 2018 together with the reports of the Directors, Auditors and Audit Committee thereon.		
To re-elect Sir Patrick Ugboma as a director		
To re-elect Mr Larry Ademeso as a director		
To approve the appointment of Mr Zahi El Khatib as a director		
To elect Mr Babatunde Edun as a director		
To authorize directors to re-appoint PKF Professional Services as the company's Auditors		
To authorize directors to fix the remuneration of the Auditors.		
To elect members of the Audit Committee for the ensuing year.		
That the company be authorized to consolidate all finance leases and financial services business into C&I Capital Plc.		

....

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

ADMISSION CARD

Name of Shareholder (in block letters) ____

(Surname) (Other names)

Number of Shares ____________________

IMPORTANT INFORMATION

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

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

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

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

Signature of person attending: ....

NOTES

E-Dividend – Mandate Form

Centurion Registrars Limited

Dear Shareholder(s)

In view of the robust developments in the financial sector, C & I Leasing Plc is pleased to introduce our e-dividend module to you. This is to facilitate the payment of your dividend through direct credit to your bank account irrespective of the type of account, Current/Savings. It makes dividend payment faster and safer. We advise that you take advantage of this service by supplying the information as required below and return same to us accordingly.
Please ensure you state the actual name used in purchasing the shares and the signature(s) you signed at that time and **fill in BOLD prints**.
Thank you.

Basil Aharanwa
Registrar

The Registrar
Centurion Registrars Limited
33C, Cameron Road,
Ikoyi,
Lagos.

Please take this as authority to credit my/our under-mentioned account with any dividend payment(s) due on my/our shareholding particulars of which are stated below from the date hereof:

Shareholder's Name

(Surname) (Other Names)

Shareholders account no(s)

CSCS Investor Account No.

CSCS Clearing House No

Name of Stock Broker

Mobile Phone Number(s)

Fax Number E-Mail Address

Bank Name Branch

Bank Account Number Sort Code

Dated this……………………………………………Day of…………………….……………………..20……..…

Authorized signatory/Bank Stamp Authorized Signatory/Bank Stamp Shareholder's Signature

Joint Shareholder's Signature

Your completed forms should be returned to Centurion Registrars Limited.
Please note that it is very important that you clearly state your bank Name, Bank Account Number, E-mail Address and Mobile Phone Numbers to ensure proper processing of your mandate.

For more information, contact us on 01-2710574, 01-7433581 or E-mail: cusomercare@centurionregistrars.com

NOTES


LEASING PLC
your preferred business partner
COMPETITIVE ADVANTAGE THROUGH INNOVATION
Since 2010 we have been growing our marine business to meet your diverse needs both on-shore and off shore. Today we've got patrol boats, crew boats, pilot boats,tug boats and platform support vessels for Security, line and hose handling, berthing and escortservices, mooring support, fire-fighting, pollution control, floating and self-elevating platform services. And there's still so much more on the way. How may we serve you today?
Head Office
Leasing House, 2 Leasing Drive, Off Bisola Durosinmi Etti Drive, Off Admiralty Way, Lekki Phase 1, Lagos Tel +234-903-8869179-88
Port Harcourt
C&I Leasing Plc C&I Leasing Drive Off Elekahia-Oginigba Link Road, Transamadi Industrial Layout Port Harcourt
Abuja
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