

BALANCE SHEET

FOR THE YEAR ENDED 31 JANUARY 2011

		Group		Company	
	Note	2011 N'000	2010 N'000	2011 N'000	2010 N'000
ASSETS					
Cash and short term funds	2	357,607	2,302,120	146,782	1,948,175
Investment in subsidiaries	3	-	-	613,652	612,652
Long term investments	4	46,453	46,688	46,453	46,688
Loans and advances	5	36,007	123,850	762,747	481,958
Finance lease receivables	6	4,227,630	4,176,098	2,971,142	2,640,899
Lease rental due	7	217,944	147,352	175,852	147,305
Other assets	8	4,254,590	4,150,960	3,421,470	2,465,082
Intangible assets		709	-	-	-
Lease assets	9	2,834,758	1,352,210	2,626,274	1,284,238
Fixed assets (own)	10	720,984	653,670	526,858	451,882
Total assets		12,696,682	12,952,948	11,291,230	10,078,879
LIABILITIES					
Loans and overdrafts	11	1,475,880	682,721	809,273	495,469
Short term borrowings	12	4,558,777	5,306,182	4,558,777	3,913,185
Current liabilities	13	1,702,617	1,423,795	1,088,185	773,992
Medium term liabilities	14	877,007	904,779	-	-
Convertible bond	15	2,288,505	2,278,305	2,288,505	2,278,305
Deferred taxation		8,412	-	-	-
Taxation	16	48,846	248,435	45,277	230,679
		10,960,044	10,844,217	8,790,017	7,691,630
CAPITAL AND RESERVES					
Share capital	17	808,505	808,505	808,505	808,505
Share premium		679,526	679,526	679,526	679,526
Statutory reserve	18	321,405	294,817	312,335	288,940
Capital reserve		1,215	1,215	-	-
General reserve	19	(212,618)	205,229	700,847	610,278
Shareholders' fund		1,598,033	1,989,292	2,501,213	2,387,249
Non-controlling interest	20	138,605	119,439	-	-
		12,696,682	12,952,948	11,291,230	10,078,879

These financial statements were approved by the Board of Directors on 14 July 2011 and signed on its behalf by :


 Andrew Otiike-Odibi

) Directors

AVM (Rtd) A. D. Bello, GCON, CFR

The accounting policies on pages 19-22 and the notes on pages 27- 40 form an integral part of these financial statements.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2011

		Group		Company	
	Note	2011 N'000	2010 N'000	2011 N'000	2010 N'000
Gross income	21	8,647,445	8,287,858	6,205,274	5,178,687
Direct costs		<u>(6,706,212)</u>	<u>(6,363,428)</u>	<u>(4,754,271)</u>	<u>(3,984,055)</u>
Gross profit		1,941,233	1,924,430	1,451,003	1,194,632
Provision for doubtful accounts	22	(215,725)	(161,752)	(205,819)	(47,681)
Operating expenses		<u>(1,834,990)</u>	<u>(1,651,511)</u>	<u>(1,043,943)</u>	<u>(809,502)</u>
(Loss)/profit before exceptional item and taxation	23	(109,482)	111,167	201,241	337,449
Exceptional item	24	-	114,145	-	114,145
Taxation	16	<u>(47,440)</u>	<u>(118,127)</u>	<u>(45,277)</u>	<u>(116,592)</u>
(Loss)/profit after taxation		(156,922)	107,185	155,964	335,002
Non-controlling interest	20	<u>(19,166)</u>	<u>35,221</u>	<u>-</u>	<u>-</u>
(Loss)/profit after taxation and non-controlling interest		<u>(176,088)</u>	<u>142,406</u>	<u>155,964</u>	<u>335,002</u>
Appropriation:					
Transfer to statutory reserve	18	26,588	50,617	23,395	50,617
Transfer to general reserve	19	<u>(202,676)</u>	<u>91,789</u>	<u>132,569</u>	<u>284,385</u>
		<u>(176,088)</u>	<u>142,406</u>	<u>155,964</u>	<u>335,002</u>
Basic earnings per share[kobo]	34	<u>(11)</u>	<u>9</u>	<u>10</u>	<u>21</u>

The accounting policies on pages 19 - 22 and the notes on pages 27- 40 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2011

		Group		Company	
	Note	2011 N'000	2010 N'000	2011 N'000	2010 N'000
Cash flows from operating activities					
Gross income		8,612,770	8,274,734	6,178,204	5,158,684
Exceptional item		-	114,145	-	114,145
Cash payment to employees and suppliers		(3,582,446)	(3,795,880)	(1,036,929)	(880,483)
Operating lease expense		(3,463,744)	(2,534,360)	(3,463,744)	(2,534,360)
VAT output		(177,786)	(96,975)	(40,363)	(82,833)
Tax paid	16	(247,029)	(18,873)	(230,679)	(7,704)
Operating profit before changes in operating assets/liabilities		1,141,765	1,942,791	1,406,489	1,767,449
Changes in operating assets/liabilities					
Loans and advances		75,940	(12,879)	(292,692)	(347,939)
Finance lease receivable		(12,345)	183,042	(333,579)	153,621
Lease rental due		(202,931)	(75,434)	(118,791)	(75,387)
Other assets		(208,379)	(1,111,130)	(1,050,805)	(995,183)
Short term borrowings		(747,405)	2,716,821	645,592	
Current liabilities		278,822	(1,725,365)	314,193	744,704
Medium term liabilities		(27,772)	756,916	-	-
Net cash provided by operating activities	25	297,695	2,674,762	570,407	1,247,265
Cash flows from investing activities					
Investments		-	81,459	(1,000)	(79,361)
Proceeds from sale of leased assets		126,170	94,080	114,062	89,429
Proceeds from sale of fixed assets		32,416	2,396	-	2,396
Purchase of leased assets	9	(2,129,537)	(439,596)	(1,954,394)	(383,661)
Purchase of fixed assets	10	(199,888)	(120,700)	(122,043)	(42,464)
Net cash used in investing activities		(2,170,839)	(382,361)	(1,963,375)	(413,661)
Cash flows from financing activities					
Dividend paid	19	(42,000)	(174,637)	(42,000)	(174,637)
Interest on loans and overdraft		(832,728)	(1,101,901)	(690,429)	(709,297)
(Liquidation)/proceeds from convertible bond		10,200	2,258,085	10,200	2,278,305
Net cash (used in)/provided by financing activities		(864,528)	981,547	(722,229)	1,394,371
Net decrease in cash and cash equivalents		(2,737,672)	3,273,948	(2,115,197)	2,227,975
Cash and cash equivalents, at 1 February		1,619,399	(1,654,549)	1,452,706	(775,269)
Cash and cash equivalents at 31 January	26	(1,118,273)	1,619,399	(662,491)	1,452,706
		(1,118,273)	1,619,399	(662,491)	1,452,706

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2011

1. The Company

1.1 Legal form

C & I Leasing Plc, a finance company licensed by the Central Bank of Nigeria, was incorporated on 28 December, 1990. The company which is wholly owned by a number of institutional investors and individuals [local and foreign] commenced business in June 1991. The company's shares were listed on the Nigerian Stock Exchange in December 1997.

1.2 Principal activities

The company's principal activities include the provision of leasing and ancillary services to companies, especially in the oil, gas and telecom sectors. Assets leased include cars, trucks, cranes, barges, and house boats. In addition, the company provides capacity utilization finance, logistics support and outsourcing and other forms of trade finance to various companies.

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
2. Cash and short term funds				
Cash in hand	1,575	225	324	225
Bank balances	356,032	2,301,895	146,458	1,947,950
	357,607	2,302,120	146,782	1,948,175

3. Investment in subsidiaries

	Holding %				
Leaseafric Ghana Limited	59	-	-	220,985	220,985
C & I Motors Limited	100	-	-	200,000	200,000
WAP Distributions Limited	100	-	-	1,000	-
CiTrans Global Limited	76.7	-	-	191,667	191,667
		-	-	613,652	612,652

4. Long term investments

	Market value N'000	Group		Company	
		2011 N'000	2010 N'000	2011 N'000	2010 N'000
Ordinary shares [Market value 2011: N46,453,000 - 2010: N46,688,824].					
Summary					
Diamond Bank Plc [GDR]	10,479	23,925	23,925	23,925	23,925
Guaranty Trust Bank Plc [GDR]	22,841	25,796	25,796	25,796	25,796
First Bank of Nigeria Plc	3,664	16,500	16,500	16,500	16,500
Fidelity Bank Plc	9,469	12,000	12,000	12,000	12,000
	46,453	78,221	78,221	78,221	78,221
Provision for diminution in value of securities [Note 22]		(31,768)	(31,533)	(31,768)	(31,533)
		46,453	46,688	46,453	46,688

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2011

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
5. Loans and advances				
<i>5[a] Analysis of loans and advances by security</i>				
Otherwise secured	133,185	209,125	860,158	567,466
Provision for doubtful accounts [Note 22]	(97,178)	(85,275)	(97,411)	(85,508)
	36,007	123,850	762,747	481,958
<i>5[b] Analysis of loans and advances by performance</i>				
Performing	34,069	106,146	761,042	467,869
Non-performing:				
Substandard	-	-	-	-
Doubtful	37,117	37,534	37,117	37,534
Lost	61,999	65,445	61,999	62,063
	133,185	209,125	860,158	567,466
<i>5[c] Maturity profile of loans and advances</i>				
The maturity of loans and advances is as follows:				
1 - 3 months	71,186	106,146	761,042	467,869
3 - 6 months	-	-	37,117	-
6 - 12 months	61,999	102,979	61,999	99,597
	133,185	209,125	860,158	567,466
6. Finance lease receivables				
Gross investment	5,000,517	4,875,301	3,245,211	3,061,671
Unearned lease interest	(506,967)	(394,096)	(244,057)	(394,096)
	4,493,550	4,481,205	3,001,154	2,667,575
Provision for doubtful accounts [Note 22]	(265,920)	(305,107)	(30,012)	(26,676)
	4,227,630	4,176,098	2,971,142	2,640,899
<i>6[a] Maturity profile :</i>				
Under one month	45,250	45,126	50,769	45,126
1 - 3 months	114,554	114,239	128,524	114,239
3 - 6 months	186,254	185,742	208,969	185,742
6 - 12 months	2,322,965	2,316,583	675,762	600,651
Over 12 months	1,824,527	1,819,515	1,937,129	1,721,817
	4,493,550	4,481,205	3,001,154	2,667,575

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
6[b] Analysis by performance				
Performing	3,563,954	2,648,009	3,001,154	2,648,008
Non-performing	929,596	1,833,196	-	19,567
	4,493,550	4,481,205	3,001,154	2,667,575
6[c] This is analysed into current and Long term portions as follows:				
Current	1,591,825	1,357,919	1,063,149	319,377
Long term	2,901,725	3,123,286	1,938,005	2,348,198
	4,493,550	4,481,205	3,001,154	2,667,575
7. Lease rental due				
Lease rental due	367,531	164,600	283,344	164,553
Provision for doubtful accounts [Note 22]	(149,587)	(17,248)	(107,492)	(17,248)
	217,944	147,352	175,852	147,305
8. Other assets				
Stock	630,530	1,221,760	-	-
Goods-in-transit	-	34,598	-	-
Prepayments	159,832	158,985	27,711	4,538
Out-sourcing receivables [Note 8.1]	1,360,432	943,365	1,360,432	943,365
Trade debtors	247,068	-	-	-
Joint venture accounts	454,972	356,922	454,972	356,922
Inter-company receivables	-	31,499	41,976	31,499
Sundry debtors	832,514	529,840	405,232	203,194
Deposit for shares	-	200,000	500,000	200,000
C & I Leasing Staff Trust Scheme	790,005	790,005	790,005	790,005
	4,475,353	4,266,974	3,580,328	2,529,523
Provision for doubtful accounts [Note 22]	(220,763)	(116,014)	(158,858)	(64,441)
	4,254,590	4,150,960	3,421,470	2,465,082

8.1 Out-sourcing receivables

This represents receivable for services provided to corporate organisations in respect of logistics and rental of household and industrial equipment in the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

9. Operating lease assets

Group	Autos and Trucks N'000	Office Equipment N'000	Marine Equipment N'000	Cranes N'000	Total N'000
Cost					
At 1 February	1,623,733	21,516	1,124,969	477,925	3,248,143
Additions	793,069	-	1,251,835	84,633	2,129,537
Disposals	(180,289)	-	(281,525)	-	(461,814)
At 31 January	<u>2,236,513</u>	<u>21,516</u>	<u>2,095,279</u>	<u>562,558</u>	<u>4,915,866</u>
Depreciation					
At 1 February	752,552	21,386	837,032	284,963	1,895,933
Charge for the year	398,921	51	118,040	38,482	555,494
Disposals	(125,746)	-	(244,573)	-	(370,319)
At 31 January	<u>1,025,727</u>	<u>21,437</u>	<u>710,499</u>	<u>323,445</u>	<u>2,081,108</u>
Net book value					
At 31 January, 2011	<u>1,210,786</u>	<u>79</u>	<u>1,384,780</u>	<u>239,113</u>	<u>2,834,758</u>
At 31 January, 2010	<u>871,181</u>	<u>130</u>	<u>287,937</u>	<u>192,962</u>	<u>1,352,210</u>
Company					
	Autos and Trucks N'000	Office Equipment N'000	Marine Equipment N'000	Cranes N'000	Total N'000
Cost					
At 1 February	1,535,486	21,516	1,124,968	486,568	3,168,538
Additions	617,925	-	1,251,836	84,633	1,954,394
Disposals	(168,862)	-	(281,525)	-	(450,387)
At 31 January	<u>1,984,549</u>	<u>21,516</u>	<u>2,095,279</u>	<u>571,201</u>	<u>4,672,545</u>
Depreciation					
At 1 February	732,276	21,386	837,032	293,606	1,884,300
Charge for the year	368,793	51	118,040	38,482	525,366
Disposals	(118,822)	-	(244,573)	-	(363,395)
At 31 January	<u>982,247</u>	<u>21,437</u>	<u>710,499</u>	<u>332,088</u>	<u>2,046,271</u>
Net book value					
At 31 January, 2011	<u>1,002,302</u>	<u>79</u>	<u>1,384,780</u>	<u>239,113</u>	<u>2,626,274</u>
At 31 January, 2010	<u>803,210</u>	<u>130</u>	<u>287,936</u>	<u>192,962</u>	<u>1,284,238</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2010

10. Fixed assets [own]

Group	Autos and Trucks N'000	Furniture & Fittings N'000	Office Equipment N'000	Plant and Machinery N'000	Land and Buildings N'000	Construction in Progress N'000	Total N'000
Cost							
At 1 February	177,947	60,940	155,294	72,120	464,628	28,304	959,233
Additions	67,481	19,903	43,357	6,365	2,833	59,949	199,888
Reclassifications	2,600	2,560	-5,160	-	-1,040	1,040	-
Disposal	-15,786	-	-	(34,582)	-	-12,054	-62,422
At 31 January	232,242	83,403	193,491	43,903	466,421	77,239	1,096,699
Depreciation							
At 1 February	75,130	26,391	95,924	43,664	64,454	-	305,563
Charge for the year	37,778	14,572	18,252	6,908	27,263	-	104,773
Reclassifications	173	-	-173	-	-	-	-
Disposal	-8,831	-	-	-25,790	-	-	-34,621
At 31 January	104,250	40,963	114,003	24,782	91,717	-	375,715
Net book value							
At 31 January, 2011	127,992	42,440	79,488	19,121	374,704	77,239	720,984
At 31 January, 2010	102,817	34,549	59,370	28,456	400,174	28,304	653,670

Company	Autos and Trucks N'000	Furniture & Fittings N'000	Office Equipment N'000	Plant and Machinery N'000	Land & Building N'000	Construction in Progress N'000	Total N'000
Cost							
At 1 February	84,936	19,678	103,789	21,719	355,314	28,304	613,740
Additions	26,810	4,187	25,177	5,920	-	59,949	122,043
Reclassifications	2,600	2,560	(5,160)	-	(1,040)	1,040	-
Disposal	-	-	-	-	-	(12,054)	(12,054)
At 31 January	114,346	26,425	123,806	27,639	354,274	77,239	723,729
Depreciation							
At 1 February	35,139	12,525	77,441	13,085	23,668	-	161,858
Charge for the year	8,235	3,505	12,489	3,679	7,105	-	35,013
Reclassifications	173	-	(173)	-	-	-	-
At 31 January	43,547	16,030	89,757	16,764	30,773	-	196,871
Net book value							
At 31 January, 2011	70,799	10,395	34,049	10,875	323,501	77,239	526,858
At 31 January, 2010	49,797	7,153	26,348	8,634	331,646	28,304	451,882

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

11. Loans and overdrafts

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
Zenith Bank Plc	506,391	492,742	506,391	492,742
Leadway Assurance Company Limited	105,889	-	-	-
Leadway Capital Limited	83,660	-	-	-
Diamond Bank Plc	272,562	184,280	9,167	-
Guaranty Trust Bank Plc	98,361	2,327	98,361	2,327
Intercontinental Bank Plc	-	6	-	6
Standard Chartered Bank Limited	53,888	159	-	159
Stanbic IBTC Bank Plc	308	-	308	-
First Bank Plc	343,371	2,972	183,596	-
FCMB Plc	-	235	-	235
Fidelity Bank Plc	11,450	-	11,450	-
	<u>1,475,880</u>	<u>682,721</u>	<u>809,273</u>	<u>495,469</u>

Short term bank loans and overdrafts represent borrowings from commercial banks for the financing of the Group's operations. These loans, which have a tenor of 2 - 3 years are secured against the physical assets of the Group at interest rates of 18 to 20% per annum. The loans are secured against the operating assets of the company.

12. Short-term borrowings

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
Refinanced lease facilities	2,095,901	2,507,717	2,095,901	2,067,379
Secured lease notes	114,965	1,243,578	114,965	290,919
Commercial notes	2,347,911	1,554,887	2,347,911	1,554,887
	<u>4,558,777</u>	<u>5,306,182</u>	<u>4,558,777</u>	<u>3,913,185</u>

Refinance lease facilities represents outstanding balance of loan obtained from Fidelity Bank Plc, Diamond Bank Plc and Stanbic IBTC Bank Plc for N1.03 billion, N510 million and N556 million at an interest rate of 16%, 18% and 18% respectively. The repayment periods are four years for all the banks. Collateral securities for these loans are on the legal ownership of leased items and counter indemnity of C&I Leasing Plc in favour of the banks.

12.1 Maturity profile of short term borrowing

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
Under one month	1,625,703	1,059,215	1,625,703	1,059,215
1 - 3 months	795,509	853,291	795,509	853,291
3 - 6 months	24,411	791,461	24,411	791,461
6 - 12 months	257,970	1,091,885	257,970	286,826
12 months and above	1,855,184	1,510,330	1,855,184	922,392
	<u>4,558,777</u>	<u>5,306,182</u>	<u>4,558,777</u>	<u>3,913,185</u>

13. Current liabilities

Security deposits	191,058	358,284	38,826	211,854
Information Technology Development levy [Note 13.1]	12,839	10,961	12,839	10,961
Maintenance reserve [Note 13.2]	743,143	324,646	743,143	324,646
Unearned income	66,225	6,562	18,000	6,562
VAT payable	104,574	72,579	104,574	72,579
Staff pension [Note 13.3]	99,420	66,146	99,420	66,146
Inter-company balances	-	-	4,920	-
Trade creditors	114,604	-	-	-
Accounts payable and accruals	370,754	584,617	66,463	81,244
	<u>1,702,617</u>	<u>1,423,795</u>	<u>1,088,185</u>	<u>773,992</u>

13.1 Information Technology Development levy

The Information Technology Development Levy represents 1% of profit before tax in accordance with Section 12[2a] of the National Information Technology Development Agency [NITDA] Act which came into force on 24 April 2007.

13.2 Maintenance reserve

This represents management's estimated cost of maintenance of vehicles on rent to corporate organisations. These estimates are incorporated into the cost of the leases and recovered through monthly rentals.

13.3 Staff Pension

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
At 1 February	66,146	56,633	66,146	56,633
Provision in the year	302,668	216,834	302,668	216,834
Payment during the year	(269,394)	(207,321)	(269,394)	(207,321)
At 31 January	<u>99,420</u>	<u>66,146</u>	<u>99,420</u>	<u>66,146</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
14. Medium term liabilities				
Due to Aureos [Note 14.1]	186,185	153,578	-	-
Borrowings [Note 14.2]	690,822	751,201	-	-
At 31 January	<u>877,007</u>	<u>904,779</u>	<u>-</u>	<u>-</u>

14.1 Due to Aureos

This represents 10% cumulative redeemable preference shares in Leasafric Ghana held by Aureos West Africa Fund Llc (AWAF) which by a share transfer agreement dated 30 December 2009 was transferred to C&I Leasing Plc. The preference shares are redeemable five years from the date of the shareholders' agreement. However, this transaction has not been approved by both Bank of Ghana and the Central Bank of Nigeria, and also not effected in C&I Leasing Plc books.

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
14.2 Borrowings				
Borrowings are secured over leased assets of the group.				

15. Convertible bond

At 1 February	2,278,305	-	2,278,305	-
Issued during the year	-	2,278,305	-	2,278,305
Exchange difference adjustment	10,200	-	10,200	-
At 31 January	<u>2,288,505</u>	<u>2,278,305</u>	<u>2,288,505</u>	<u>2,278,305</u>

On 2 April 2009, the Board of Directors approved the issue of a zero coupon 2009/2014 redeemable convertible loan stock at N4.75 at par of US\$10 million and N790 million to Aureos African Fund [the Fund] and C & I Leasing Staff Trust Scheme respectively. The proceeds of the US\$10 million was received on 12th January 2010 and converted to Naira using an exchange rate of N148.83 to the USD, while that of C & I Leasing Staff Trust Scheme was received on 12 May, 2011.

The Fund has the sole discretion to convert the loan stock into ordinary shares in the ratio of one loan stock for one ordinary share, subject to a time period of 60 months from the date of issue at the subscription price per loan stock paid by the Fund.

16. Taxation

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
Income tax	39,096	102,786	36,933	101,251
Education tax	8,344	15,341	8,344	15,341
As per profit and loss account	47,440	118,127	45,277	116,592
At 1 February	248,435	149,181	230,679	121,791
Payments during the year	(247,029)	(18,873)	(230,679)	(7,704)
At 31 January	<u>48,846</u>	<u>248,435</u>	<u>45,277</u>	<u>230,679</u>

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004, [as amended] while education tax charge is based on the Education Tax Act CAP E4 LFN 2004.

16.1 Deferred taxation

The deferred tax computation for the year resulted in an asset of N1,626,984,950 [2010 - N1,150,892,765] which was not recognised in these financial statements as there was no reasonable expectation of its realization.

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
17. Share capital				
Authorised share capital :				
3,000,000,000 ordinary shares of 50k each	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Issued and fully paid :				
1,617,010,000 [2010: 1,617,010,000] ordinary shares of 50k each	<u>808,505</u>	<u>808,505</u>	<u>808,505</u>	<u>808,505</u>
At 31 January, 2011	<u>808,505</u>	<u>808,505</u>	<u>808,505</u>	<u>808,505</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
18. Statutory reserve				
At 1 February	294,817	244,200	288,940	238,323
Transfer from profit and loss account	<u>26,588</u>	<u>50,617</u>	<u>23,395</u>	<u>50,617</u>
At 31 January	<u>321,405</u>	<u>294,817</u>	<u>312,335</u>	<u>288,940</u>

Statutory reserve has been computed at 15% of profit before tax for the year.

	Group		Company	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
19. General reserve				
At 1 February	205,229	419,056	610,278	500,530
Dividend paid during the year	(42,000)	(174,637)	(42,000)	(174,637)
Exchange equalization reserve [Note 19.1]	(173,171)	(172,956)	-	-
Non-controlling interest [Note 20]	-	41,977	-	-
Transfer from profit and loss account	<u>(202,676)</u>	<u>91,789</u>	<u>132,569</u>	<u>284,385</u>
At 31 January	<u>(212,618)</u>	<u>205,229</u>	<u>700,847</u>	<u>610,278</u>

19.1 Exchange equalization reserve

At 1 February	172,956	33,369	-	-
Arising in the year	<u>215</u>	<u>139,587</u>	<u>-</u>	<u>-</u>
At 31 January	<u>173,171</u>	<u>172,956</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

	Group		Company				
	2011 N'000	2010 N'000	2011 N'000	2010 N'000			
20. Non-controlling Interest							
At 1 February	119,439	196,637	-	-			
Opening balance adjustment	-	(41,977)					
Profit and loss account	19,166	(35,221)	-	-			
At 31 January	138,605	119,439	-	-			
21. Gross income							
Lease rental income	8,449,199	7,772,159	6,173,811	4,919,833			
Interest on loans and advances	8,677	10,221	8,677	10,221			
Other income	189,569	505,478	22,786	248,633			
	8,647,445	8,287,858	6,205,274	5,178,687			
22. Provision for doubtful accounts							
	Finance lease N'000	Loans and advances N'000	Lease rental due N'000	Other assets N'000	Investment N'000	Total 2011 N'000	Total 2010 N'000
Group							
At 1 February	305,107	85,275	17,248	116,014	31,533	555,177	393,425
Provision for the year:							
General provision	5,628	-	-	5,059	-	10,687	84,480
Specific provision	-	11,903	132,345	132,268	2,715	279,231	146,957
Release of prior year provision	(44,815)	-	-	(26,898)	(2,480)	(74,193)	(69,685)
Per profit and loss account	(39,187)	11,903	132,345	110,429	235	215,725	161,752
Provision written off	-	-	(6)	(5,680)	-	(5,686)	-
At 31 January	265,920	97,178	149,587	220,763	31,768	765,216	555,177
Company							
At 1 February	26,676	85,508	17,248	64,441	31,533	225,406	177,726
Provision for the year:							
General provision	3,336	-	-	4,976	-	8,312	31,064
Specific provision	-	11,903	90,250	122,017	2,715	226,885	86,302
Release of prior year provision	-	-	-	(26,898)	(2,480)	(29,378)	(69,685)
Per profit and loss account	3,336	11,903	90,250	100,095	235	205,819	47,681
Provision written off	-	-	(6)	(5,678)	-	(5,684)	-
At 31 January	30,012	97,411	107,492	158,858	31,768	425,541	225,407

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2011

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
23. (Loss)/profit on ordinary activities before taxation				
This is stated after charging/(crediting):				
Interest expenses on bank loans	834,745	1,100,901	684,745	709,298
Depreciation - Leased assets	555,494	571,176	525,366	556,594
- Own assets	104,773	87,602	35,013	29,992
Auditors' remuneration	26,941	24,268	13,255	13,255
Provision for doubtful accounts	215,725	161,752	205,819	47,681
Pension charges	23,527	26,460	23,383	26,460
Exchange (gain)/loss	(191)	30,319	-	-
(Profit)/loss on disposal of fixed assets	(4,615)	9,650	12,054	1,979
Profit on disposal of leased assets	(34,675)	(22,774)	(27,070)	(21,982)

24. Exceptional item

In 2008, the sum of N114 million was paid to C&I Leasing Plc by MBI Services. The liability was waived in 2009 and recognized as exceptional item in the 2010 financial statements. Management confirmed that MBI Services Limited was neither a subsidiary nor a related party.

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
25. Reconciliation of (loss)/profit after tax to net cashflow from operating activities:				
(Loss)/profit after taxation	(156,922)	107,185	155,964	335,002
Adjustments :				
Depreciation	660,267	658,778	560,379	586,585
Provision for doubtful accounts	215,725	161,752	205,819	47,681
Interest on overdrafts	834,745	1,101,901	684,745	709,297
Exchange equalization reserve	(173,171)	(172,955)	-	-
(Decrease)/increase in tax payable	(199,589)	99,254	(185,402)	108,887
Profit on disposal of leased assets	(34,675)	(22,774)	(27,070)	(21,982)
(Profit)/ loss on disposal of fixed assets	(4,615)	9,650	12,054	1,979
Changes in assets and liabilities:				
(Increase)/decrease in loans and advances	75,940	(12,879)	(292,692)	(347,939)
(Increase)/decrease in lease rental due	(202,931)	(75,434)	(118,791)	(75,387)
Short term borrowings	(747,405)	-	645,592	-
Increase/(decrease) in finance lease receivable	(12,345)	183,042	(333,579)	123,621
Decrease/(increase) in other assets	(208,379)	(1,111,130)	(1,050,805)	(995,183)
Increase in current liabilities	278,822	991,456	314,193	774,704
Increase/(Decrease) in medium term liabilities	(27,772)	756,916	-	-
Net cash provided by operating activities	297,695	2,674,762	570,407	1,247,265

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011**

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
26. Cash and cash equivalents				
Cash and short term funds [Note 2]	357,607	2,302,120	146,782	1,948,175
Bank loans and overdrafts	(1,475,880)	(682,721)	(809,273)	(495,469)
	<u>(1,118,273)</u>	<u>1,619,399</u>	<u>(662,491)</u>	<u>1,452,706</u>

27. Information regarding Directors and employees

i. Directors

(a) Directors' emoluments				
Fees	6,613	3,540	6,613	3,540
Other emoluments	73,486	27,078	39,435	20,496
	<u>80,099</u>	<u>30,618</u>	<u>46,048</u>	<u>24,036</u>
Fees and emoluments disclosed above excluding pension contributions include amounts paid to :				
The Chairman	800	500	500	500
The highest paid Director	9,575	9,575	9,575	9,575

- (b) 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 :

	Group		Company	
	2011	2010	2011	2010
	Number	Number	Number	Number
N240,001 - N400,000	8	8	8	8
N400,001 - N1,550,000	2	2	1	1
N1,550,001 - N5,000,000	1	1	-	-
N5,000,001 - N8,000,000	-	-	-	-
N8,000,001 - N11,000,000	1	1	1	1
	<u>12</u>	<u>12</u>	<u>10</u>	<u>10</u>

ii. Employees

The average number of persons [excluding Directors] employed by the Company during the year ended 31 January 2011 was 910 (2010: 577)].

	Group		Company	
	2011	2010	2011	2010
	N'000	N'000	N'000	N'000
Staff costs for the above persons :				
Wages and salaries	699,566	547,172	524,371	413,554
Other personnel cost	36,484	15,215	34,636	20,036
Pension contribution	23,527	26,460	23,383	26,460
	<u>759,577</u>	<u>588,847</u>	<u>582,390</u>	<u>460,050</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2011

27. Information regarding Directors and employees (cont'd)

Number of employees in receipt of emoluments, [excluding pensions]
within the following ranges were:

		Group		Company	
		2011	2010	2011	2010
N	N	Number	Number	Number	Number
70,001 -	80,000	-	230	-	214
80,001 -	90,000	-	103	-	94
90,001 -	100,000	-	37	-	29
100,001 -	110,000	-	10	-	9
110,001 -	120,000	-	17	-	17
120,001 -	130,000	-	13	-	6
140,001 -	150,000	-	43	-	43
150,001 -	190,000	-	24	-	21
190,001 -	200,000	-	4	-	2
200,001 -	220,000	-	30	-	23
220,001 -	230,000	-	2	-	1
230,001 -	250,000	7	14	-	12
250,001 -	370,000	23	70	19	52
370,001 -	420,000	352	25	351	20
430,001 -	580,000	376	18	339	16
580,001 -	700,000	51	10	42	5
700,001 -	750,000	28	1	26	-
840,001 -	850,000	15	12	5	8
1,000,001 -	1,100,000	4	1	3	1
1,100,001 -	1,150,000	1	1	1	-
1,200,001 -	1,400,000	61	3	57	2
1,500,000 -	1,550,000	8	-	4	-
1,650,000 -	2,050,000	75	2	63	2
		1001	670	910	577

Average number of persons employed in the financial year and
the related staff costs were as follows:

	Number	Number	Number	Number
Managerial	18	19	17	11
Senior Staff	227	198	214	142
Junior Staff	756	453	679	424
	1001	670	910	577

28. Contingent liabilities

1. The Company's land and buildings were used as part of collateral security in respect of import finance loan totalling N952,658,950 (balance at year end - N210m) that was granted by a commercial bank to C&I Motors Limited, a subsidiary of the company. The company also guaranteed a credit facility of N221million (balance at year end - N157m) to its subsidiary - CITRANS Global Limited obtained from a bank in Nigeria.

2 The Company had no pending litigation at year end.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

29. Comparative figures

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

30. Segment information by geographical distribution.

Below is the profit and loss account and net interest margin by geographic segment for the year ended

Profit and loss account

	Nigeria N'000	Ghana N'000	2011 Total N'000	2010 N'000
Gross income	8,360,628	286,817	8,647,445	8,287,858
Loan loss expense	(260,539)	44,815	(215,724)	(161,752)
Direct costs	<u>(6,554,871)</u>	<u>(151,341)</u>	<u>(6,706,212)</u>	<u>(6,363,428)</u>
Gross profit	1,545,218	180,291	1,725,509	1,762,678
Operating expenses and provisions	<u>(1,670,154)</u>	<u>(164,837)</u>	<u>(1,834,991)</u>	<u>(1,651,511)</u>
Profit before taxation	<u>(124,936)</u>	<u>15,454</u>	<u>(109,482)</u>	<u>111,167</u>
Total assets employed	11,291,119	1,405,563	12,696,682	12,952,948
Gross profit margin	<u>18%</u>	<u>63%</u>	<u>20%</u>	<u>21%</u>

31. Segment information by Company and Subsidiaries

The following table set out the group's profit and loss information, net assets margin and selected balance sheet items by company and subsidiaries' business segment for the year ended 31 January 2011.

Profit and loss account

	C & I Leasing N'000	C & I Motors N'000	Leasafric N'000	CiTrans N'000	WAP N'000	2011 Total N'000	2010 N'000
Gross Income	6,105,062	1,860,890	286,817	382,995	11,681	8,647,445	8,287,858
Direct cost	<u>(4,782,339)</u>	<u>(1,528,195)</u>	<u>(151,341)</u>	<u>(243,618)</u>	<u>(719)</u>	<u>(6,706,212)</u>	<u>(6,363,428)</u>
Gross profit	1,322,723	332,695	135,476	139,377	10,962	1,941,233	1,924,430
Provision for doubtful debt	(205,819)	(10,251)	44,815	(44,469)	-	(215,724)	(161,752)
Operating expenses	<u>(922,592)</u>	<u>(543,698)</u>	<u>(164,837)</u>	<u>(155,537)</u>	<u>(48,327)</u>	<u>(1,834,991)</u>	<u>(1,651,511)</u>
Profit before taxation	<u>194,312</u>	<u>(221,254)</u>	<u>15,454</u>	<u>(60,629)</u>	<u>(37,365)</u>	<u>(109,482)</u>	<u>111,167</u>
Share Capital [Number]	1,617,010	-	-	-	-	1,617,010	1,617,010
Total assets employed	9,163,382	1,226,898	1,405,563	895,228	5,611	12,696,682	12,952,948
Depreciation of assets	560,379	47,353	33,002	17,970	1,563	660,267	658,778
ROCE [%]	<u>2</u>	<u>(18)</u>	<u>1</u>	<u>(7)</u>	<u>(666)</u>	<u>(1)</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2011

32. Related party transactions

Outstanding balances on transactions entered into with related parties at 31 January, 2011:

Name of related party	Nature of relationship	Nature of Transaction	2011 N'000	2010 N'000
Leasafric Ghana	Subsidiary	Intercompany	31,765	21,887
C&I Motors	Subsidiary	Intercompany	473,680	350,445
Citrans Global	Subsidiary	Intercompany	253,293	49,788
Diamond Bank Plc	Shareholder	Term loan	2,985	-
Petra Services	Shareholder	Term loan	32,275	49,449

33. Subsequent events review

There were no post balance sheet events which could have had material effect on the state of affairs of the company as at 31 January 2011 and the profit for the year ended on that date which have not been adequately provided for or disclosed in these financial statements.

34. Basic earnings per share

Basic earnings per share [EPS] is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue.

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue and the potential dilutive shares outstanding during the year.

	Group		Company	
	2011	2010	2011	2010
Net profit attributable to shareholders [N'000]	(176,088)	142,406	155,964	335,002
Number of ordinary shares in issue as at year end ['000]	1,617,010	1,617,010	1,617,010	1,617,010
Time weighted average number of ordinary shares in issue ['000]	1,617,010	1,617,010	1,617,010	1,617,010
Number of ordinary shares in dilution as at year end ['000]	2,088,590	2,088,590	2,088,590	2,088,590
Basic earnings per share [kobo]	(11)	9	10	21
Diluted earnings per share [kobo]	(8)	7	7	16

35. Compliance with Banks and Other Financial Institutions Act (BOFIA)

The Company contravened the following sections of the Banks and Other Financial Institutions Act during the year:

Section	Nature	Penalty N'000
27(1) (a)and©	Late submission of 2010 audited financial Statements	6

**VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2011**

	Group				Company			
	2011 N'000	%	2010 N'000	%	2011 N'000	%	2010 N'000	%
Gross income	8,647,445		8,287,858		6,205,274		5,178,687	
Purchase of goods and services - Local	(7,066,659)		(6,384,688)		(4,884,659)		(3,677,189)	
- Foreign	(316,178)		(391,744)		-		-	
VALUE ADDED	1,264,608	100	1,511,426	100	1,320,615	100	1,501,498	100
DISTRIBUTION :								
Payment to employees:								
- Salaries, wages and other benefits	759,577	60	588,847	39	582,390	44	460,050	31
To pay government:								
- Taxation	47,440	4	118,127	8	45,277	4	116,592	8
- Information technology development levy	-	-	3,268	-	-	-	3,268	-
Retained for future replacement of assets, expansion of business and payment of dividend to shareholders:								
- Depreciation	660,267	52	658,778	44	560,379	42	586,586	39
- (Loss)/Profit for the year	(202,676)	(16)	142,406	9	132,569	10	335,002	22
	1,266,676	100	1,511,426	100	1,320,615	100	1,501,498	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 AT 31 JANUARY

	2011 N'000	2010 N'000	2009 N'000	2008 N'000
ASSETS				
Cash and short-term funds	357,607	2,302,120	383,288	280,612
Investments in subsidiaries	-	-	81,459	200,000
Long term investments	46,453	46,688	25,198	78,221
Loans and advances	36,007	123,850	135,315	168,862
Lease rental due	217,944	147,352	72,873	2,773,959
Finance lease receivables	4,227,630	4,176,098	4,416,412	49,201
Other assets	4,254,590	4,150,960	3,140,501	1,533,897
Intangible assets	709	-	-	-
Lease assets	2,834,758	1,352,210	1,555,097	1,202,066
Fixed assets (owned)	720,984	653,670	632,618	442,086
	12,696,682	12,952,948	10,442,761	6,728,904
LIABILITIES				
Bank loans and overdrafts	1,475,880	682,721	2,037,837	470,931
Short term borrowings	4,558,777	5,306,182	-	-
Current liabilities	1,702,617	1,423,795	5,758,741	3,272,589
Medium term liabilities	877,007	904,779	147,863	914,808
Convertible bond	2,288,505	2,278,305	-	-
Deferred taxation	8,412	-	-	-
Taxation	48,846	248,435	149,181	79,988
	10,960,044	10,844,217	8,093,622	4,738,316
CAPITAL AND RESERVES				
Share capital	808,505	808,505	808,505	800,297
Share premium	679,526	679,526	679,526	542,722
Statutory reserves	319,337	294,817	244,200	182,912
Capital reserve	1,215	1,215	1,215	1,215
General reserve	(210,550)	205,229	419,056	295,307
Shareholders' Funds	1,598,033	1,989,292	2,152,502	1,822,453
Non-controlling interest	138,605	119,439	196,637	168,135
	12,696,682	12,952,948	10,442,761	6,728,904
Gross income	8,647,445	8,287,858	6,774,402	2,550,375
(Loss)/profit on ordinary activities before taxation	(109,482)	111,167	408,588	325,755
(Loss)/profit on ordinary activities after taxation	(156,922)	107,185	334,229	375,363
Non-controlling interest	(19,166)	35,221	(28,502)	13,725
Per N0.50 share data [Basic] (kobo)				
(Loss)/earnings per share	(10.89)	8.81	19.00	0.26
Diluted earnings per share	(8.43)	16.00	-	-
Dividend	-	2.00	12.00	6.00
Net assets	0.99	1.48	1.33	1.12

Basic earnings and dividend per share are based on profit after taxation and the number of issued share capital at the end of 31 January every year.

Net assets per share are based on the number of ordinary share in issue as at 31 January every year.

FINANCIAL SUMMARY - COMPANY AT 31 JANUARY

	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
ASSETS					
Cash and short-term funds	146,782	1,948,175	121,733	427,028	31,814
Investments in subsidiaries	613,652	612,652	420,985	-	-
Long term investments	46,453	46,688	78,221	300	20,300
Loans and advances	762,747	481,958	153,698	83,949	37,050
Lease rental due	175,852	147,305	49,201	285,478	-
Finance lease receivables	2,971,142	2,640,899	1,467,065	858,638	76,143
Other assets	3,421,470	2,465,082	1,216,169	707,485	786,651
Lease assets	2,626,274	1,284,238	1,192,105	1,189,754	1,060,498
Fixed assets (owned)	526,858	451,882	429,362	320,502	296,544
	11,291,230	10,078,879	5,128,539	3,873,134	2,309,000
LIABILITIES					
Bank loans and overdrafts	809,273	495,469	465,121	25,590	-
Short term borrowings	4,558,777	3,913,185	-	-	-
Current liabilities	1,088,185	773,992	2,499,357	1,388,616	1,753,772
Medium term liabilities	-	-	303,152	808,052	87,666
Convertible bond	2,288,505	2,278,305	-	-	-
Tax payable	45,277	230,679	59,422	15,276	(20,898)
	8,790,017	7,691,630	3,327,052	2,237,534	1,820,540
CAPITAL AND RESERVES					
Share capital	808,505	808,505	800,297	800,297	300,000
Share premium	679,526	679,526	542,722	542,722	-
Statutory reserves	310,267	288,940	173,037	114,076	93,958
General reserve	702,915	610,278	285,431	178,505	94,502
Shareholders' Funds	2,501,213	2,387,249	1,801,487	1,635,600	488,460
	11,291,230	10,078,879	5,128,539	3,873,134	2,309,000
Gross income	6,205,274	8,287,858	2,482,169	1,613,569	1,345,448
Profit on ordinary activities before taxation	201,241	337,449	389,143	164,737	119,481
Profit on ordinary activities after taxation	155,964	335,002	341,887	134,122	99,310
Dividend	-	-	-	-	60,000
Per N0.50 share data [Basic] (kobo)					
Earnings per share	9.65	20.72	23.00	0.08	0.20
Diluted earnings per share	9.65	16.04	23.00	0.00	0.00
Dividend	-	2.00	12.00	6.00	10.00
Net assets	1.55	1.48	1.38	1.02	0.81

Basic earnings and dividend per share are based on profit after taxation and the number of issued share capital at the end of 31 January every year.

Net assets per share are based on the number of ordinary share in issue as at 31 January every year.