C&I LEASING PLC

2014 ANNUAL REPORTS

Our Mission

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

Our Vision

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

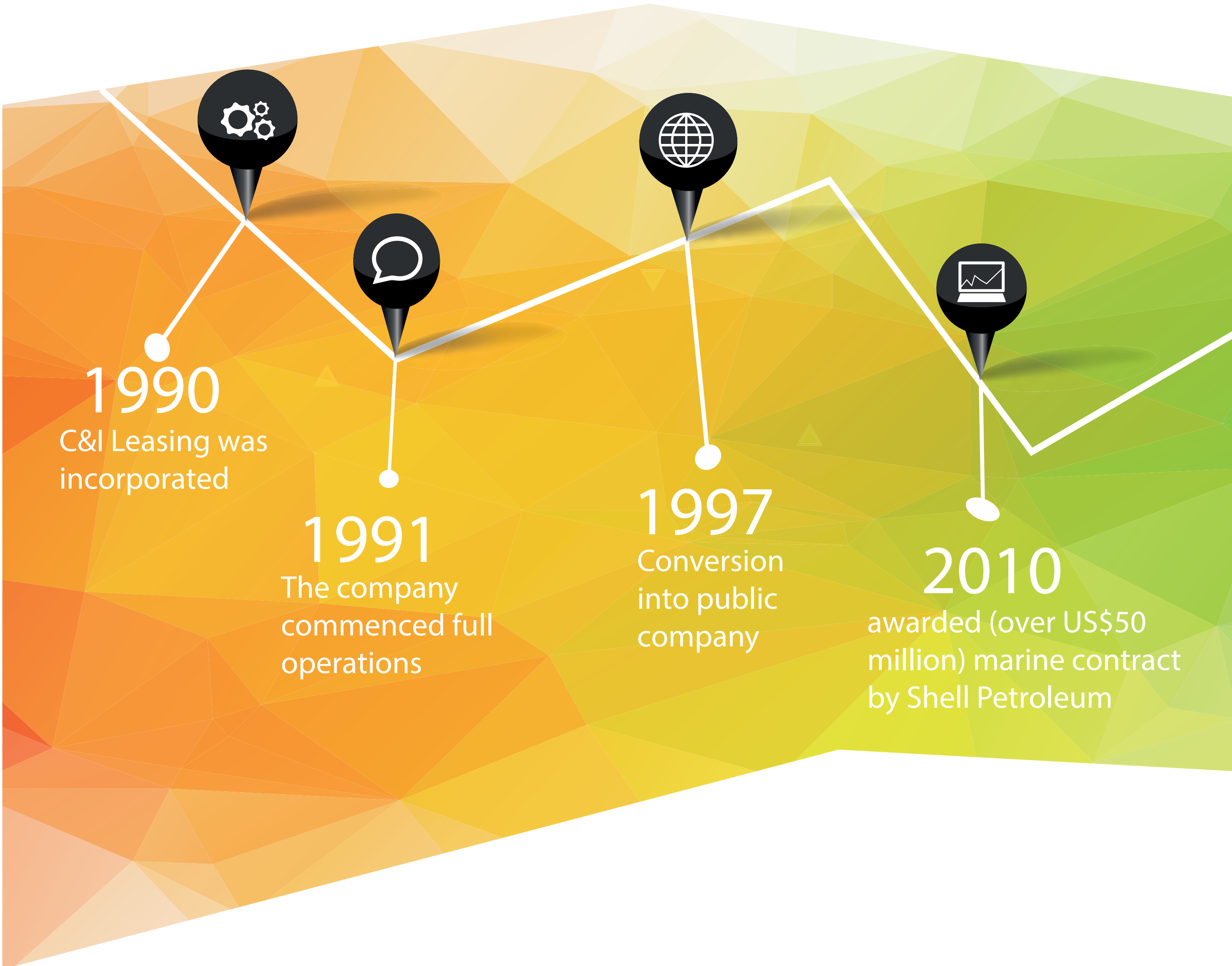

1990
C&I Leasing was incorporated
1991
The company commenced full operations
1997
Conversion into public company
2010
awarded (over US$50 million) marine contract by Shell Petroleum

Table of Contents

03 Mission and Vision
06 Notice of Annual General meeting
07 Chairman's Statement
14 The report of the Directors and Operational Review
20 Corporate Governance
30 Report of the Audit Committee
31 Report of the Independent Auditors to members of C&I Leasing
33 Consolidated Statement of Financial Position
35 Consolidated Income Statement
36 Consolidated Statement of Comprehensive Income
37 Consolidated Statement of Cash Flow
39 Consolidated Statement of Changes in Equity - Group
107 Value Added Statement - Group
108 Value Added Statement - Company
109 Financial Summary - Group
111 Financial Summary - Company
115 Proxy Form

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting of members of the Company will hold at Hago Heights Plot 29, Dr. Peter Odili Road, Trans-Amadi GRA, Port Harcourt, Rivers State on Thursday, 25th June, 2015 at 11.00 am prompt to transact the following:

Ordinary Business

1. To receive the audited financial statements for the year ended 31st December 2014 together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To elect/ re-elect retiring directors.
4. To approve the remuneration of the directors.
5. To authorize the directors to fix the remuneration of the auditors.
6. To elect members of the Audit Committee for the ensuing year accordingly.

Special Business

To consider and if thought fit, pass with or without modification(s) the following as special resolutions:

1. That a restructuring of the business of C&I Motors Limited by way of a merger with C&I Leasing Plc be and is hereby approved.
2. That the Directors be and are hereby authorized to take all such incidental, consequential and supplemental actions and to execute all requisite documents as may be necessary to give effect to the above resolutions.

Notes

1. Proxies

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. Proxies need not be member of the Company. Executed proxy forms should be deposited with the Company Secretary at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

2. 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, June 15, 2015 to Friday, June 19, 2015 both dates inclusive.

3. 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.

4. Dividend

If the dividend of 8kobo per share recommended by the directors is approved by members at the Annual General Meeting, warrant will be posted on the 7th day of July 2015 to members of whose name appear in the Register of Members at the close of business on 14th day of June 2015.

Dated the 23rd day of April, 2015

BY ORDER OF THE BOARD

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

Chairman's Statement

Distinguished Shareholders, Ladies and Gentlemen

It is with great pleasure to welcome you, on behalf of the Board of Directors, to the 24th Annual General Meeting of C&I Leasing Plc and to present to you the Annual Report and the Financial Statements of your Company for the financial year ended 31st December 2014.

THE GLOBAL ENVIRONMENT

In order to put the Group's performance under the right perspective, I will like to begin my report with a brief review of the socio-economic environment within which we operated during the 2014 financial year.

It is encouraging to note that for the first time since the 2008 meltdown, all analysts agree that the world economy showed more signs of definite and sustainable recovery, achieved on the back of impressive growth in the United States. According to estimates from United Nations, the global economy advanced by 2.6 per cent in 2014 from 2.5 percent in 2013 with expectations remaining upbeat within the forecast horizon. While activity in United

Chairman's Statement

> The strong improvement in revenue and profitability was primarily driven by our marine business and efficiency gains

States and the United Kingdom has gathered momentum as labor markets heal and monetary policy remains extremely accommodative, the recovery has been sputtering in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structural bottlenecks. China is still undergoing a carefully managed slowdown while the disappointing growth in other developing countries reflected not only a weak external demand but also domestic policy tightening, political uncertainties and supply-side constraints which continued to plague full global recovery.

Several major forces are driving the global outlook. Soft commodity prices, persistently low interest rates but increasingly divergent monetary policies across major economies and weak world trade in particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries with significant regional repercussions.

Overall, global growth is expected to rise moderately to 3.0 per cent in 2015 and average about 3.3 per cent through 2017. High–income countries are likely to see growth of 2.2 per cent in 2015 up from 1.8 percent in 2014 on the back of gradually recovering labor markets, ebbing fiscal consolidation and still-low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthen, growth is projected to gradually accelerate, rising from 4.4 per cent in 2014 to 4.8 per cent in 2015. Lower oil prices is expected to produce a net positive effect on global growth particularly in 2015 in spite of the diverging prospects to oil-exporting and oil-importing countries of the world.

THE NIGERIAN ECONOMY

Against the background of the gradually improving world economy, the Nigeria economy continued its growth momentum and outperforms most of the major emerging market and frontier market economies as revealed by some key performance indicators below.

The economy expanded year-on-year by 6.23% in Q3 2014(and cumulatively by 6.33% in the first three quarters) according to the Nigerian Bureau of Statistics as the oil sector continued its free fall on account of high base effect in both domestic oil production and international market price.

Average domestic oil production declined by 4.49% from 2.26mbpd in Q3 2013 to 2.15mbpd in Q3 2014. Also international oil price averaging at $100.86 per barrel in Q3 2014 declined by 5.6%, compared to $106.84 in the corresponding period in 2013 while the non-oil sector, buoyed by agriculture, remains the lead driver to growth.

After about three years of strong crude oil prices, prices took a dramatic downturn in the second half of 2014, falling by over 40 per cent to a year low of $58 per barrel after reaching a high of N110.5 per barrel in June.

The risk of upswings in general price level was rather secondary in most of the Monetary Policy meetings as inflation moderated largely during the year from 8.0 per cent at the beginning of

Chairman's Statement

the year and remained within 6-9 per cent of CBN projection for the year.

In the face of persistent pressure on the Naira, the Central Bank Nigeria (CBN) advanced the use of combination of reforms and tight monetary policy in order to drain the financial system of excess liquidity and maintain price stability. These policies include increase in Monetary Policy Rate from 12 per cent to 13 per cent, increase in public sector and private sector Cash Reserve Ratio from 50 per cent to75 per cent and 15 per cent to 20 per cent respectively, revision of the mid-point of the Naira by 8.4 per cent from N155/$ to N168/$ and stoppage of the sale of foreign exchange at the official window for some imported equipment. All these policies forced the borrowing cost to remain high throughout the year and in the latter part of the year, making credit lines not available for draw-down.

The Nation's stock of external reserves plummeted by 27 percent in 2014 from US$43.51 billion at the beginning of the year to US$34.47 billion on December 31, 2014 as a result of a combination of global and domestic factors. While the plunge in the first quarter of 2014 reflects the impact of the commencement of the tapering of the US quantitative easing programme, the cascade in the fourth quarter reflects market reaction to plummeting international crude oil prices and domestic socio-political risks informed by the electioneering process and rising insecurity. Thus, given the commitment of the CBN to continue to defend the Naira, we expect further depletion of the nation's stock of external reserves in 2015.

The performance of the equities market dragged for most part of the year, with little or no momentum to lift the market. In contrast to the preceding year where market rallies propelled the ASI to an impressive 47 percent return. Negative investor sentiments on the outlook of the domestic economy, worsening northern insurgency, uncertainty hovering around the coming general elections, weak corporate performance, incessant downward pressure on the Naira and expectations of interest rate increase in the US, weighed down performance. Investors generally threaded cautiously in the year, and as a result, the equities market ended the year with a return of negative 16 percent.

OPERATING RESULTS

The financial year 2014 was another remarkable year for the Group. Despite the challenging macro-economic and tough business environment, strong competition and heightened political uncertainties in the country, C&I Leasing Plc posted gross earnings of N13.9 billion for the group and N12.3billion for the company in 2014. This represent a growth of 13 per cent for the group and 22 per cent for the company when compared to the corresponding figure of N12.5billion and N10.2 billion achieved by the group and company respectively in 2013. Whereas, the group's profit before tax grew by 35 per cent to N412 million from the N304 million posted last year on continuing operations, the company's profit before tax grew by 65 per cent to N507million from N358million recorded last year. Group's profit after tax grew by 96 percent to N317 million from N162 million recorded last year and Company's after tax also increased by 14% to N324million from N285million achieved in the corresponding period of 2013.

The strong improvement in revenue and profitability was primarily driven by our marine business and efficiency gains, while increase in profit after tax is a reflection of tax benefits arising from gains on discontinued operations of one of our business segments-Citrans Global. We have deployed appropriate strategies to boost efficiency and profitability by leveraging on our vastly improved processes, enhanced capacities, group synergies, cost reduction measures and continuous innovations to

Chairman's Statement

maximize our opportunities and ensure sustainable profit growth.

Shareholders' Funds and Total Assets for the group increased by 13 percent and 17 percent from N5.1billion and N19.9billion in the preceding year of 2013 to N5.8 billion and N23 billion respectively in 2014, while the Company also recorded a growth of 5 percent and 7 percent from N6 billion and N17.8 billion in the preceding year of 2013 to N6.3 billion and N19.1 billion respectively in 2014 for the Shareholders' Fund and Total Assets.

The Group financial performance was negatively impacted, largely due to the slower-than-expected contribution from our automobile subsidiary, C&I Motors. The business is still in a loss-making position and we have therefore proposed to merge the business with the parent company as a division and therefore eliminate unnecessary overheads whilst still maintaining a line synergy with the group's fleet management service.

As approved during the last AGM, the company has divested its holding in one of the similar loss making subsidiaries, Citrans by selling it to the management of the entity at par of the investment on September 30, 2014. The profit made on the discontinued operations has been consolidated in the Income statement.

The good news now is that virtually all the other business segments and subsidiaries are profitable and fully operational in the market including the new subsidiary, EPIC FZE International which commenced operations in March 2014. To this end, we have rapidly established a footnote and strong reputation among our clientele, thanks to our asset quality, innovations and prompt delivery service.

DIVIDEND AND CAPITALIZATION

In accordance with our tradition of delivering superior value to shareholders, the Board of Directors are pleased to propose to shareholders at the Annual General Meeting, the payment of a dividend of 8 kobo for every ordinary share of 50 kobo compared to 4 kobo of last year representing a 100% increase in dividend pay-out. This put us in the category of companies having uninterrupted record of dividend payment for over twenty years and if the recommendation is approved, the dividend of N129,360,800 will be paid on or before 7th July, 2015.

In addition to this, the Board has decided to strengthen the capital base of the company and improve the health of our statement of financial position (i.e. Balance Sheet) by converting the existing convertible loans stock issued in 2010 to ordinary shares at current market price and raising fresh capital by offering rights/public issue to existing and new shareholders alike.

CONCLUSION

I would like to reassure our esteemed shareholders that the Group's prospects are promising and bright. Indeed, 'the future is robust.' We are confident that the company will continue to leverage on brand reputation, scale of operations and innovations to grow market share and volume, step up investments in our core businesses, driven down costs, and increase our productivity and efficiency to enable us deliver top line and bottom line growth to the delight of all stakeholders.
With the successful conclusion of the 2015 elections, our country's political and sovereign risk rating has reduced considerably paving ways for availability of cheaper funds and multi lateral relationships with the external world. We

Chairman's Statement

expect organic boost in our performance with the steady growth in global economic recovery and the ability of the government to capitalize on the enormous goodwill both locally and internationally from the improved image to attract foreign investments into the country.

Our company is strategically poised to take advantage and maximize opportunities provided by the local content policy. It is our expectation that the passing of the Petroleum Industry Bill (PIB) before the end of the year will bring sweeping changes to the oil and gas industry and thereby consolidate our position among the major players in the maritime industry.

Finally, I wish to state that this is my last AGM as your chairman. Before retiring from office this year, I wish to express my deep gratitude and appreciation to my colleagues on the Board with whom I have served from inception, for their understanding and co-operation. I am proud to say that your wise counsel and concerted efforts made it easy for the company to remain stable and focused. Similarly, allow me to express my gratitude to members of the Audit Committee for their devotion, contribution and commitment. To all of you, our distinguished shareholders, professional advisers and bankers, I say thank you for your patronage, interest, trust and confidence. I would really miss you all.

Thank you all.

AVM (Rtd) Abdul D. Bello, GCON,CFR
FRC/2013/IODN/00000003944

Our Board of Directors

Chairman

Air Vice-Marshall A. D. Bello
Chairman, C&I Leasing Plc

AVM A. D. Bello (Rtd) joined the Nigerian Air Force in 1963 and retired in 1983 as Chief of Air Staff. He was the Chairman of NAL Merchant Bank Limited (now part of Sterling Bank Plc) from 1986 to 1991 and a Director of DHL International Nigeria Ltd from 1995 - 2003. AVM Bello (Rtd.) is currently our Chairman and Director in several companies including the Nigerian subsidiary of Dornier AEIP.

Vice Chairman

Chief Henry C. Okolo
Vice Chairman, C&I Leasing Plc

Chief Henry Okolo is a Chartered Accountant and the Chief Executive Officer of Dorman Long Engineering Limited. He holds a B.Sc. in Accounting from the University of Nigeria, Nsuka (1978). Chief Okolo was the immediate past coordinator of the West African Enterprise Network (Nigerian Chapter) from 1995 – 1997 and the Vice Chairman of the Nigerian Economic Summit Group.

Directors

Mr. Emeka Ndu
GMD, C&I Leasing Plc

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

Mr. Omotunde Alao-Olaifa
Director, C&I Leasing Plc

Tunde Alao-Olaifa is an Associate Director at Leadway Assurance Company Limited with particular focus on Proprietary Investment and Unquoted assets. In addition to his investment function, he is also tasked with managing the firm's Corporate Finance, He graduated from University of Ibadan with a degree in Political Science and an MBA from Pan Atlantic University (Lagos Business School).

Mr. Ikechukwu Duru
Director, C&I Leasing Plc

Mr. Duru is presently a General Manager in Credit Alliance Financial Services Limited. He holds an MBA from the University of Lagos (1998) and is a member of both the Chartered Institute of Stockbrokers (2003) and the chartered Institute of Taxation.

Mr. Larry O. Ademeso
Director, C&I Leasing Plc

Mr. Larry O. Ademeso is currently the MD/CEO of Custodian Life Assurance Ltd. Prior to his present position, he was the MD/CEO of Royal Exchange Prudential Life Plc. from 2009 - 2011 and joined the Crusader Group as the MD/CEO of the Crusader Life Assurance Ltd. Mr. 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

Sir. Sule Ugboma
Director, C&I Leasing Plc

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 Limited. He is also a Director in several companies in Nigeria.

Mr. Kholi Jacob Kwame
Director, C&I Leasing Plc

Mr. Kholi is a graduate of Accounting from the University of Ghana (1989), He is a member of Institute of Chartered Accountants of Ghana (1995). He joined Venture Fund Management Company (Now Aureos Ghana Advisers Ltd.) and is currently a Managing Partner (West Africa). He is also a Director in several companies in Nigeria.

Mr. Andrew Otike-Odibi
Executive Director, C&I Leasing Plc

Mr. Andrew Otike-Odibi is a chartered Accountant. He joined C&I Leasing 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

Princess Mrs. N. U. I. Uche
Director, C&I Leasing Plc

Princess Mrs. N.U.I Uche is a fellow of the Institute of Chartered Accountants of Nigeria, a Certified Information Systems Auditor certified in Risk and Information Systems Control, and an Associate member of the Chartered Institute of Taxation of Nigeria. She holds a B. Sc Honours Degree in Accounting from the University of Lagos (1982) and was trained in an accounting firm of Akintola Williams Deloitte before joining OUT Consulting limited where she is the principal Consultant.

The Reports of the Directors

The Directors are pleased to submit their annual report on the affairs of the company and its subsidiaries, together with the audited financial statements and auditors' report for the year ended 31 December 2014.

LEGAL FORM

C & I Leasing Plc was incorporated under the Companies and Allied Matters Act as a limited liability Company on 28th December, 1990 and commenced operation on 26th June, 1991. It was licensed by the Central bank of Nigeria to offer operating and finance leases and other ancillary services. In 1997, C & I Leasing Plc concluded a major restructuring and diversification project that saw its conversion 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 in Nigeria. 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 and across the west coast of Africa.

The company which is wholly owned by a number of institutional investors and individuals has considerably diversified and currently has the following subsidiaries as at year end with the following ownership structures:

C & I Motors Limited –	100% owned
Leasafric Ghana Limited –	85.03%
Epic International FZE –	100% owned

PRINCIPAL ACTIVITIES

The Company's principal activities remained providing transportation logistics solutions in the form of car and marine vessel rental, fleet management and automobile distribution through its main operating entity and its subsidiaries. C & I Leasing is managed along five business units, namely: Hertz/Fleet Management, Marine Services, Personnel Outsourcing, Financial Services and Citracks unit.

Hertz/Fleet Management (Light and Heavy Duty Equipment)

The unit primarily comprises of Hertz Car Rental, Light Fleet Management and Heavy Duty Automobiles and has experienced robust growth over the last few years to become the largest outsourced fleet services operator, serving major organizations across the 36 states of the Federation. This, it has successfully achieved by providing short and long term rental needs to large corporations and individuals. There is still growing demand for the product and strategies are being put in place to further increase the fleet size within the current year. More so, in order to mitigate risks associated with such rapid growth, we plan to deploy cutting edge technological solutions to its operations.

Marine Services

The unit has been structured to offer wide range of marine services to both onshore and offshore terminals in order to take advantage of the opportunities in the Nigerian local content. These services include Line and Hose Handling, Berthing and Escort Services, Mooring Support, Fire-Fighting, Pollution Control, Security and Floating and Self-Elevating Platforms. The new contract for provision of four patrol boats to Shell and NLNG commenced March 2014 and contributed in no small way in boosting the overall performance of the company during the period under review.

Personnel Outsourcing

The unit provides companies with training, personnel outsourcing and human resource consultancy services and has consistently contributed close to fifty per cent of the company's gross revenue with higher prospect in the coming years.

Financial Services

The unit is primarily structured to provide household and equipment leases to high net worth individuals and corporate bodies.

The Reports of the Directors

This scope has however been broadened to include support to the growth of the company's automobile distribution network and other emerging opportunities in the leasing business. We expect that the rate of default in rental payment to reduce with the redefinition of the target markets and enhancement of credit appraisal systems.

Citracks

This is a new acquisition to the company providing web-based, end-to-end tracking and other logistics and fleet management solutions to various individuals and corporate entities.

OUR SUBSIDIARY COMPANIES

Presently, the company has three operating subsidiaries, excluding the divestment of its holding in Citrans in September 30, 2014.

C&I Motors Limited

C & I Motors was incorporated as a private limited company on 12 June 2007 and commenced operations on 23 April 2008. The Company is the sole franchisee of Suzuki vehicles in Nigeria and its principal activities include importation of brand new Suzuki vehicles, spare parts distribution, marketing and after sales support services for Suzuki brand of cars in Nigeria. The potentials of this business have been limited by the harsh economic climate in the country and access to long-term funding for the business. Due to its consistent negative impact on the Group overall result, C & I Motors is presently undergoing a one-year moratorium before being merged with the parent company.

Leasafric Ghana Limited

Leasafric was incorporated as a leasing company to provide finance leases to individuals and companies in Ghana. The foreign subsidiary has further gained ground due to the inclusion of Hertz Ghana to its operations. The performance of the company during the period under review is remarkable and has almost doubled its contribution to the group result by providing a growth of 95% over and above its profit after tax of N54 million achieved last year.

Epic International FZE

Epic International FZE was incorporated on 15th June 2011, as a free trade zone establishment in United Arab Emirates and licensed to trade in ships, its parts, component and automobile. The Company commenced operations fully in March 2014, providing two vessels each to Shell and NLNG on hire through its parent company, C & I Leasing Plc. The impact of the new vessel under construction will be felt by second quarter of year 2015.

RESULT AT A GLANCE

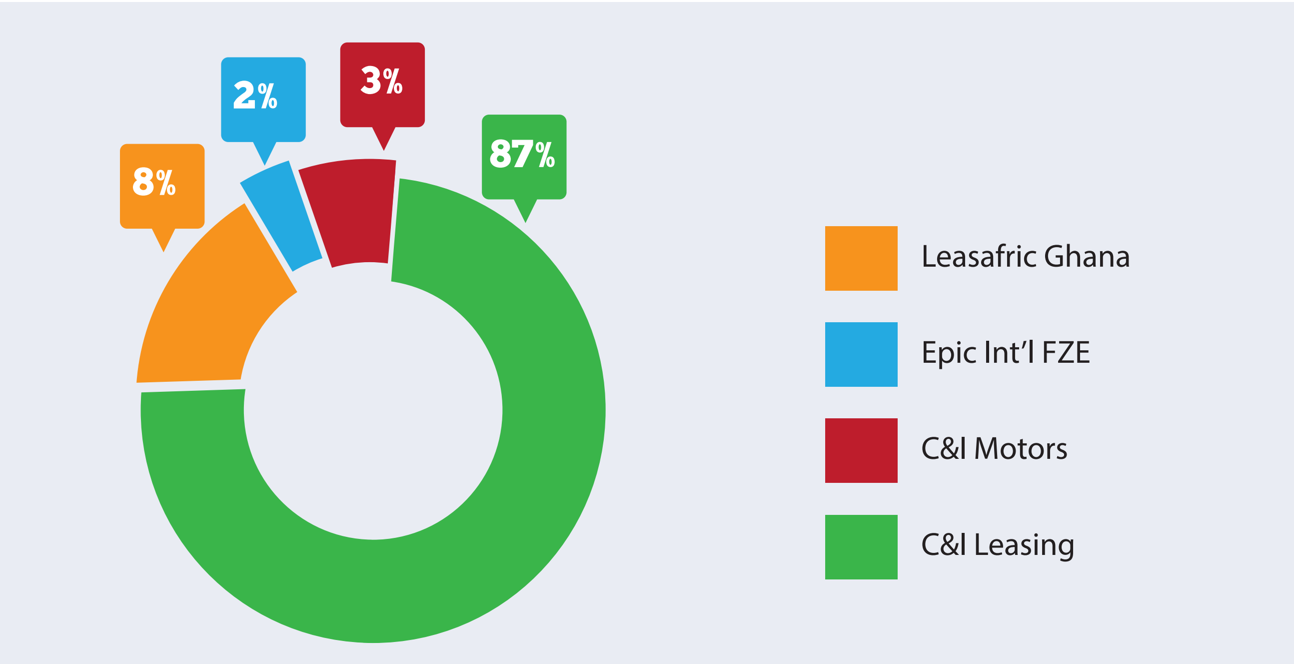
The gross earnings of the group and the profit before tax increased by 13% and 35% respectively. The Earnings Per Share (EPS) increased by 69% and shareholders fund grew by 13%. It is worthy of note that nothing has come to our attention to indicate that the company will not continue as a going concern in the foreseeable future. Highlights of the Group's operating results for the year under review are as follows:

The Reports of the Directors

C & I LEASING -GROUP

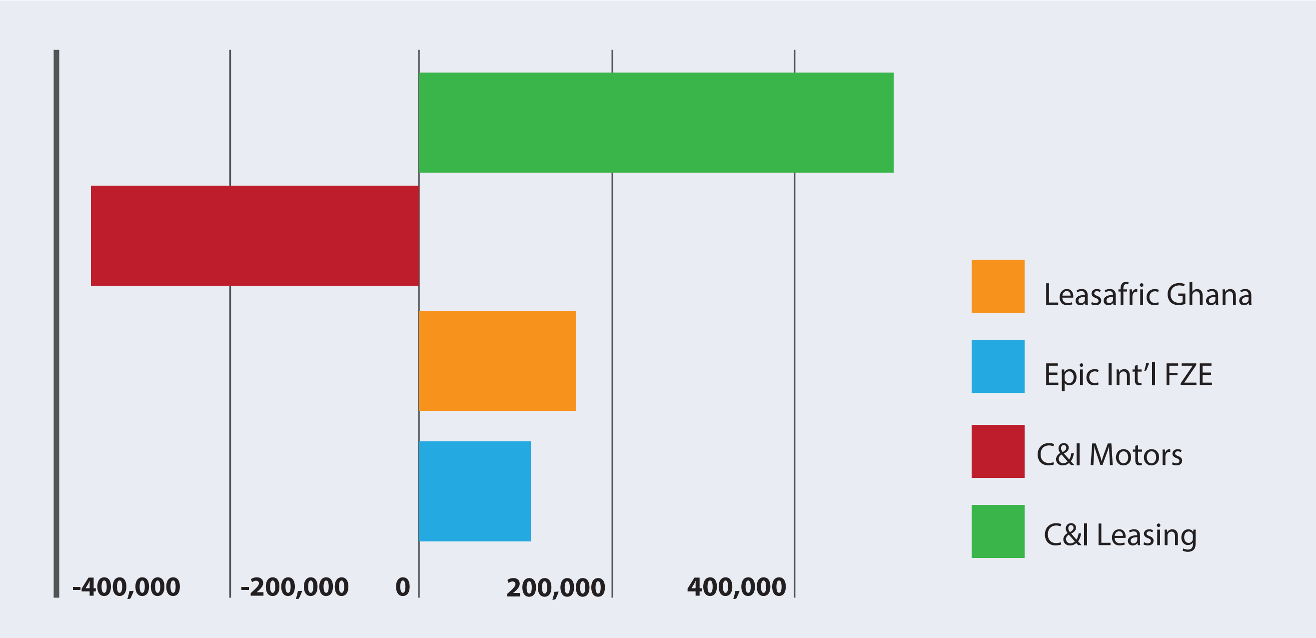
	Group			Company		
	12 Months to 31st Dec. 2014	12 Months to 31st Dec. 2013	%	12 Months to 31st Dec. 2014	12 Months to 31st Dec. 2013	%
	N'000	N'000	Change	N'000	N'000	Change
Taxation	**411,806**	**304,523**	**35%**	**507,301**	**358,304**	**42%**
Income Tax	(233,739)	(142,926)	**64%**	(182,830)	(72,990)	**150%**
Profit for the year from Continuing Operations	**178,067**	**161,597**	**10%**	**324,471**	**285,314**	**14%**
Discontinued Operations						
Operations	139,426	-	**100%**	-	-	**100%**
Profit for the Year	**317,493**	**161,597**	**96%**	**324,471**	**285,314**	**14%**
Profit Attributable to:						
Owners of the Parent	309,672	183,459	**69%**	324,471	285,314	**14%**
Non-Controlling Interest	7,821	(21,862)	**-136%**	-	-	**100%**
	317,493	**161,597**	**96%**	**324,471**	**285,314**	**14%**
Appropriation of Profit/(Loss) attributable to owners of the parent:						
Transfer to Statutory Reserve	149,586	112,403	**33%**	97,342	85,593	**14%**
Transfer to Statutory Credit Reserve	214,352	31,799	**574%**	214,352	31,799	**574%**
Transfer to Retained Earnings	(54,266)	39,257	**-238%**	12,779	167,922	**-92%**
	309,672	**183,459**	**69%**	**324,473**	**285,314**	**14%**
Basic Earnings/(Loss) Per Share [Kobo]	**19.15**	**11.35**	**69%**	**20.07**	**17.64**	**14%**
Shareholders Fund	5,804,642	5,118,442	13%	6,346,377	6,017,721	5%

Group's position - December 2014
Gross Earnings

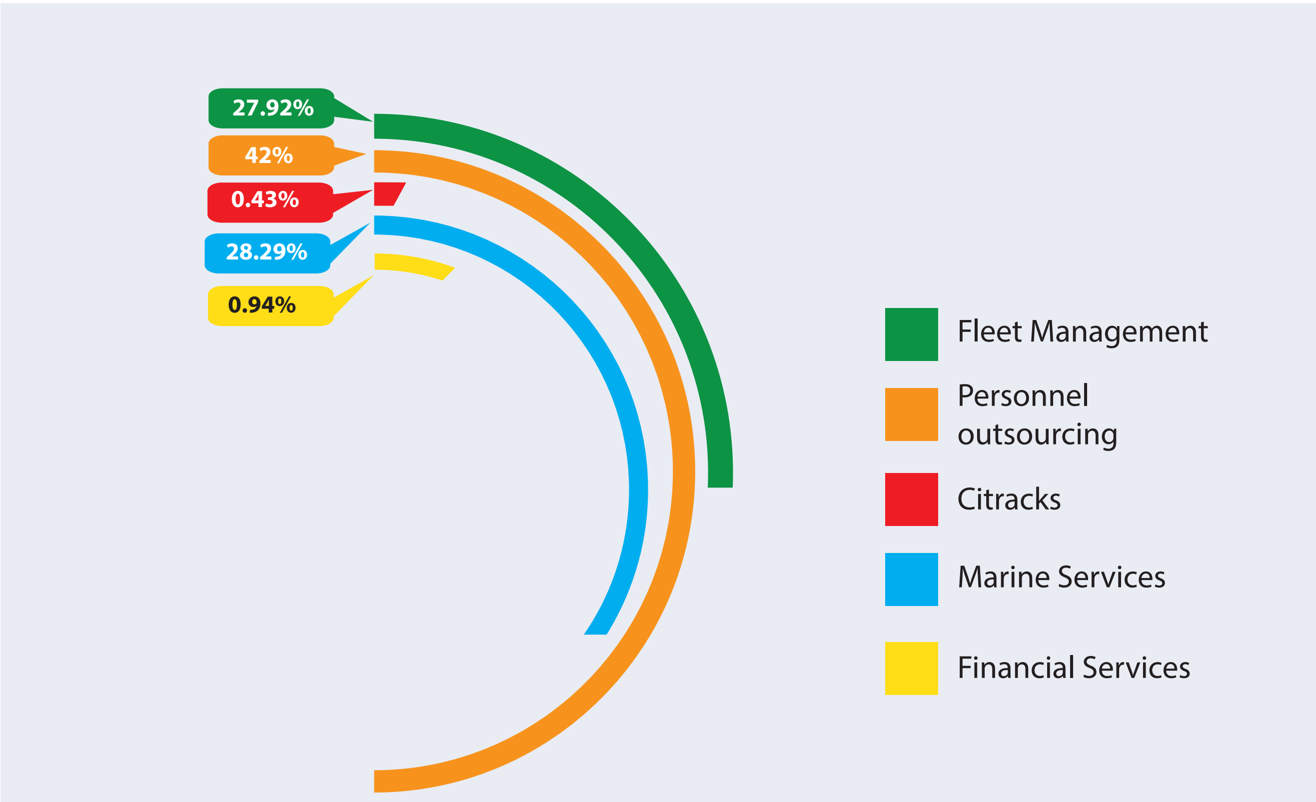


The Reports of the Directors

Group's position - December 2014
Profit Before Tax

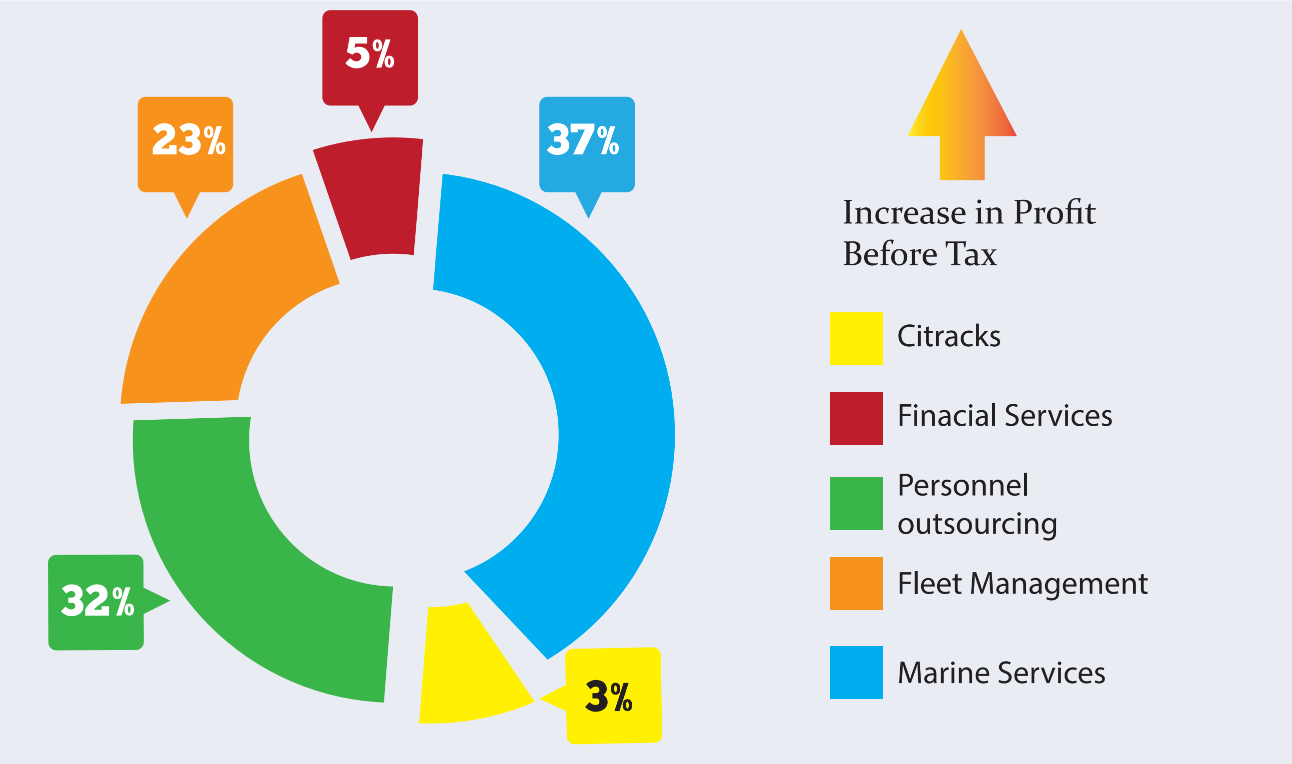


Company's position - December 2014
Gross Earnings



The Reports of the Directors

Company's position - December 2014
Profit Before Tax



FINANCIAL PERFORMANCE AND BUSINESS REVIEW

There is no doubt that 2014 was another challenging year of business operations in the corporate world. Notwithstanding, C & I Leasing enjoyed competitive advantage due to its strong franchise value, expertise and rich antecedents over other competitors. We were able to exploit the opportunities within the environment, which translated into better performance that further attests to the durability and resilience of our brand.

The commencement of work with four new boats generated more revenue and it is expected to climb further in the current year. Investment in one additional boat for a newly awarded contract with Mobil is also expected to translate to more profit in the coming year.

We encountered challenges within the economic, political, regulatory and social environments bothering on exchange rates, inflation, interest rate and other funding costs. The NGN/US$ exchange rate reached an all-time high of 175:1 in November and 181:1 in December. High interest rate and borrowing constraint remained a major challenge. In spite of the average lending rate of 20%, banks still struggled to provide adequate funding for our growth initiative. While the passage of the leasing bill is still being awaited by all stakeholders, practitioners are groaning under the burden of unfavorable tax laws and legal bottlenecks.

As a Group, the performance standards were quite impressive as the gross earning was N13.9 billion for the year ended December 31, 2014, representing a 13% increase over the previous year figure of N12.4 billion. The Group profit

The Reports of the Directors

before taxation also grew by 35% from N304.5 million in 2013 to about N411.8 million in 2014 due to the performance of the parent company and Leasafric Ghana.

During the year, we continued to focus on the delivery of our key strategic pillars, namely providing an outstanding customer service experience to our clientele through the KYC (Know Your Customer) initiative, improvement of long-term shareholders value of return as well as being the employer of choice for any discerning lease in the markets where we operate. With the Federal Government's plan to fully liberate and deregulate operations in the oil and gas sector of the economy, it is expected that the addition of EPIC International FZE, a company licensed in UAE as a trading outfit in boats and ships will help to increase the demand for operating and finance leases from the oil and gas industry. The rapid growth in the telecommunications sector, as a part of Nigeria's infrastructure development and privatization also presented a positive opportunity for the business growth and development.

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-
Agusto & Co.:		Bbb-

These were investment grade ratings with the outlook of the business considered stable by the two agencies. We plan to improve our operational efficiency, manage risk more effectively and improve our control system in order to sustain and surpass these ratings. This will have a positive impact on average borrowing rate and improve our profitability.

FUTURE OUTLOOK

Looking ahead, we plan to jettison all non-profitable businesses of the group with C&I Motors currently undergoing a one-year moratorium period before its absorption into the parent company.

We will also seek various alternative avenues to finance our operations as the approval for a right/ public offer to existing and new shareholders along with the conversion option has been recommended and will be finalized in the current year. This will provide additional opportunity for raising fresh capital and allow the company to strengthen its growth momentum on its core businesses and other profitable ventures.

The year 2015, we believe, will be a solid year with stronger performance as already evidenced in our first quarter result. Barring any unforeseen circumstances, we intend to double our performance and deliver higher returns to our shareholders.

DIVIDEND

The Board of Directors, pursuant to the powers vested in it by the provisions of Section 379 of the Companies and Allied Matters Act (CAMA) of Nigeria, proposed a dividend of 8 kobo per share (December 2013 : 4 kobo per share) from the retained earnings account as at 31 December 2014. This is subject to approval by shareholders at the Annual General Meeting.

Payment of dividends is however subject to withholding tax at a rate of 10% in the hand of recipients.

APPROPRIATIONS

In compliance with the provisions of the law, N97.3 million representing 30% of the profit after tax was transferred to statutory reserves; N214.4 million representing 66% of the profit after tax was transferred to statutory credit reserves while N12.8 million representing the balance of profit after tax has been transferred to general reserves to boost shareholders' funds.

The Reports of the Directors

STATE OF AFFAIRS

In the opinion of the Directors, the state of the affairs of the company is satisfactory and there has been no material change since the date of the statement of financial position.

CORPORATE GOVERNANCE:

C & I Leasing Plc adopts a responsible attitude towards corporate governance. The Board of Directors recognizes the importance of best corporate governance principles and its contribution to the growth and value creation to the various stakeholders. We take cognizance of the relevant corporate governance guides and adopt these principles in the governance of the company. We ensure compliance and disclosures, effective internal control, risk identification, evaluation and monitoring, adoption of appropriate accounting systems, providing leadership to ensure that our company continues to exist as a going concern.

THE BOARD OF DIRECTORS:

Board Composition

The Board is made up of the chairman, seven non-executive directors and two executive directors. The Board is sufficiently diversified to provide necessary balance required for effectiveness. They possess the requisite academic qualifications and experience in Board affairs and are well abreast of their responsibilities and are conversant with the company's business. They are therefore able to exercise sound judgment on matters relating to the company's business in order to make valuable contribution to the company's progress. The Chairman is a separate individual from the Managing Director, who implements the management strategies and policies adopted by the Board. The Non - Executive Directors are independent of the management and are free from constraints which may materially affect their judgment as directors of the Company. They are responsible for providing good leadership and steering the company to achieving its long term goals. The Managing Director/Chief Executive is responsible for the day-to-day running of the Company, assisted by the Executive Director.

Responsibilities of the Board

The Board is not just responsible to the providers of capital, but also to all relevant stakeholders who have legitimate claims to the organization. The Board has the responsibility to ensure that the company is appropriately managed and achieve its strategic objectives with the aim of creating a sustainable long term value to the shareholders through:

- Reviewing and providing guidance for the company's corporate and business strategy, major plans of action and risk management policy.
- Approval of annual budgets and business plans.
- Approval of major capital expenditures, acquisitions and divestitures.
- Ensuring the integrity of the company's accounting and financial reporting systems and that appropriate systems are in place for monitoring risk, financial control and compliance with the law.
- Appointment and evaluating the performance of the CEO and other senior managers.
- Enquiries into major performance deficiencies and any other unforeseen management crisis.
- Compliance with sound and effective corporate governance and social responsibilities.

We as directors are conscious of the crucial duties expected of us in the carrying out our duties and we employ them as guides to our actions at all times.

The Reports of the Directors

Record of Directors attendance at Meeting:

The Members of the Board of Directors hold periodic meeting to decide on policy matters and to direct the affairs of the company, review its operations, finances and formulate growth strategy. Board agenda and report are provided ahead of meeting.

Further to the provision of section 258(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the record of the Directors' attendance at board meeting during the year under review is available at the company's corporate head office for inspection.

The Board has a formal schedule of meetings each year and met six (6) times in the course of the year under review. Furthermore, in line with corporate governance principles, the table below shows the frequency of meetings of the Board of Directors and members' attendance at these meetings during the year under review:

ATTENDANCE FOR BOARD OF DIRECTORS MEETING	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
AVM A.D. BELLO	6	6
CHIEF CHUKWUMA H. OKOLO	6	5
MR. CHUKWUEMEKA NDU	6	6
MR. TUNDE ALAO-OLAIFA	6	6
MR. LARRY OLUGBENGA ADEMESO	6	5
MR IKECHUKWU DURU	6	6
PRINCESS (MRS.) N.U.I. UCHE	6	5
MR. RAVI SHARMA/DR. OLUSEGUN OSO	6	5
SIR PATRICK UGBOMA	6	5
MR. ANDREW OTIKE-ODIBI	6	6

The Board of Directors held its meetings on the following dates of the year: February 27, 2014, May 27, 2014, July 9, 2014, August 13,2014 ,November 4, 2014 and December 11, 2014.

BOARD CHANGES

The following directors namely: Mr. Jacob Kholi, Mr. Larry Olugbenga Ademeso and Mr. Tunde Alao-Olaifa are due for retirement by rotation at the Annual General Meeting and they are eligible to offer themselves for re-election at the Annual General Meeting.

COMMITTEES

In line with Code of Best Practice in Corporate Governance, the Board performs its functions using various Board Committees, which allow for deeper attention to specific issues for the Board. The committees are as follows:

The Reports of the Directors

a. Board Operations Committee:

The operations committee consists of five members, made up of three non-executive directors and two executive directors. It performs oversight functions relating to strategic operational issues. During the year, the committee met three times as follows:

ATTENDANCE FOR BOARD OPERATIONS COMMITTEE MEETING	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
CHIEF CHUKWUMA H. OKOLO	3	3
MR. CHUKWUEMEKA NDU	3	3
MR. LARRY OLUGBENGA ADEMESO	3	3
MR RAVI SHARMA/DR. OLUSEGUN OSO	3	2
MR. ANDREW OTIKE- ODIBI	3	3

The Board Operations Committee held its meetings on the following dates of the year: January 7, 2014, July 8, 2014 and December 3, 2014

b. Risk Management Committee:

This Committee has as its main objective, to oversee the Company's risk management process and to inform/advise the Board of Directors , Board Operations Committee and the Audit Committee about the Company's main risks and mitigating actions. The Committee is inter alia, responsible for assessing the adequacy and effectiveness of the Company's management of the risk and compliance function of the Company. Their terms of reference include, but are not limited to the following:

- Review and approval of the company's risk management policy including risk appetite and risk strategy;
- Review of the adequacy and effectiveness of risk management and control;
- Oversight of management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms;
- Review of the company's compliance level with applicable laws and regulatory requirements which may impact the company's risk profile;
- Periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile; and
- Review and recommend for approval of the Board risk management procedures and controls for new products and services.

The Reports of the Directors

The composition of the Risk Management Committee as well as the record of attendance at meetings for the year are detailed below:

ATTENDANCE FOR RISK MANAGEMENT COMMITTEE MEETING	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
PRINCESS N. U. I. UCHE	2	2
MR. CHUKWUEMEKA NDU	2	2
MR. TUNDE ALAO-OLAIFA	2	2
MR. RAVI SHARMA/ DR. OLUSEGUN OSO	2	1

The Risk Management Committee held its meetings on the following dates of the year: July 8, 2014 and November 3, 2014.

Responsibilities in respect of financial statements

The Companies and Allied Matters Act 2004 requires the directors to prepare financial statement for each financial year that gives a true and fair view of the state of financial affairs of the company at the end of the year and of its profit and loss. The responsibilities include ensuring that the company:

a. Keeps 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;

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

c. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment, in conformity with the requirements of the International Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act, CAP C20 LFN 2004.

The Directors are of the opinion that the financial statements give a true and fair view of the state of affairs of the company, the financial position of the company 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.

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

The Reports of the Directors

DIRECTORS DECLARATION

None of the directors have:

- Ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- Ever been declared bankrupt or sequestrated in any jurisdiction by any judgement of any competent court; 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 or foreign legislation.

CODE OF BUSINESS ETHICS

Management has communicated the principles in the Company's code of conduct to its employees in the discharge of their duties. These codes set the professionalism and integrity required for business operations which cover compliance with the law, conflicts of interest, environmental issues, reliability of financial reporting, bribery and strict adherence to the principles so as to eliminate the potential for illegal practices.

SHAREHOLDING STRUCTURE.

The analysis of shareholding in the company as at December 31, 2014 was as follows:

LIST OF SUBSTANTIAL INTEREST IN SHARES AS OF 31 DECEMBER, 2014

Shareholder	Number of Shares held	% of Shareholding
LEADWAY ASSURANCE CO. LTD	140,000,353	8.66%
GRAND TOTAL	140,000,353	8.66%

The Reports of the Directors

C & I LEASING PLC DIRECTORS SHAREHOLDING AS OF CLOSE OF BUSINESS 31 DEC. 2014

S/No	NAMES	TOTAL (DEC 2014)	SHAREHOLDING DIRECT (DEC 2014)	SHAREHOLDING INDIRECT (DEC 2014)	INDIRECT HOLDER
1	AVM A. D. BELLO (RTD), GCON, CFR - (CHAIRMAN)	54,565,773	717,554	53,848,219	PETRA PROPERTIES
2	OKOLO H.C. - (VICE CHAIRMAN)	14,269,093	14,269,093		
3	NDU CHUKWUEMEKA E. - (MANAGING DIRECTOR / CEO)	1,334,271	1,334,271		
4	LEADWAY ASSURANCE CO. LTD (OMOTUNDE ALAO-OLAIFA)	140,000,353	140,000,353		
5	CRUSADER INSURANCE CO. PLC (LARRY OLUGBENGA ADEMESO)	59,126,435	59,126,435		
6	CREDIT ALLIANCE FIN. SERV. LTD (DURU I.K.)	60,000,010	60,000,010		
7	OUT CONSORTIUM (PRINCESS N.U.I UCHE)	78,062,508	78,062,508		
8	AUREOS WEST AFRICA FUND LLC (KHOLI JACOB)	43,394,691	43,394,691		
9	UGBOMA PATRICK SULE	80,416,666	80,416,666		
10	OTIKE-ODIBI ANDREW - (EXECUTIVE DIRECTOR)	814,300	814,300		
	DIRECTORS TOTAL	**531,984,100**	**478,135,881**	**53,848,219**	
	% OF TOTAL	**32.90%**	**29.57%**	**3.33%**	
	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 DEC. 2013

S/No	NAMES	TOTAL (DEC 2013)	SHAREHOLDING DIRECT (DEC 2013)	SHAREHOLDING INDIRECT (DEC 2013)	INDIRECT HOLDER
1	AVM A. D. BELLO (RTD), GCON, CFR - (CHAIRMAN)	717,554	717,554	-	
2	OKOLO H.C. - (VICE CHAIRMAN)	14,269,093	14,269,093	-	
3	NDU CHUKWUEMEKA E. - (MANAGING DIRECTOR / CEO)	51,182,490	1,334,271	49,848,219	PETRA PROPERTIES
4	OMOTUNDE ALAO-OLAIFA	140,000,353	-	140,000,353	LEADWAY ASSURANCE CO. LTD
5	LARRY OLUGBENGA ADEMESO	59,126,435	-	59,126,435	CRUSADER INSURANCE CO. PLC
6	DURU IKECHUKWU	60,000,010	-	60,000,010	CREDIT ALLIANCE FIN. SERV. LTD
7	PRINCESS N.U.I. UCHE	78,312,507	249,999	78,062,508	OUT CONSORTIUM
8	KHOLI JACOB	43,394,691	-	43,394,691	AUREOS WEST AFRICA FUND LLC
9	UGBOMA PATRICK SULE	80,416,666	80,416,666	-	
10	OTIKE-ODIBI ANDREW - (EXECUTIVE DIRECTOR)	814,300	814,300	-	
	DIRECTORS TOTAL	**527,984,199**	**97,801,883**	**430,432,216**	
	% OF TOTAL	**32.71%**	**6.05%**	**26.60%**	
	TOTAL OUTSTANDING SHARES	**1,617,010,000**	**1,617,010,000**	**1,617,010,000**	

The Reports of the Directors

SHAREHOLDING STRUCTURE AS AT DECEMBER 31, 2014

Range	No of Holders	%	Unit	%
1 - 10000	10,990	63.54%	43,978,808	2.72%
10001 - 50000	4,538	26.24%	107,039,881	6.62%
50001 - 100000	811	4.69%	63,977,903	3.96%
100001 - 500000	719	4.16%	160,097,912	9.90%
500001 - 1000000	98	0.57%	74,191,434	4.59%
1000001 - 5000000	105	0.61%	234,301,028	14.49%
5000001 - 10000000	11	0.06%	77,601,409	4.80%
10000001 - 50000000	17	0.10%	387,938,653	23.99%
50000001 - 100000000	5	0.03%	327,882,619	20.28%
100000001 - 500000000	1	0.01%	140,000,353	8.66%
Grand Total	**17,295**	**100%**	**1,617,010,000**	**100%**

POST BALANCE SHEET EVENTS

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

HUMAN RESOURCES

Employment of Disabled Persons

C & I Leasing Plc is an equal opportunity employer and does not discriminate on any grounds. Thus, we provide employment opportunities to physically challenged persons. However, this actually goes beyond the need to ensure that there is no discrimination against such persons, but driven by a deep conviction that even in disability, there could be immense ability. In the event that a staff becomes disabled during service, every effort is made to ensure that their employment with the company continues and that 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 disabled persons should as far as possible be identical with that of other employees.

Employee Involvement and Training

In today's competitive business landscape, human capability has been found to be a key factor for corporate success. The critical challenge towards continuous performance improvement remains

The Reports of the Directors

the capability and speed of response to changes in the business environment through people development. Thus, a drive in the right direction for employees' development is imperative for sustainable superior company performance.

In C & I Leasing Plc, we believe strongly that we must win with our people. We must not only enable employees to perform in their day-to-day jobs, but must unlock their potentials and make it possible for them to unleash energy to achieve business goals. Continuous training and upgrading of skills at all levels of the Company is therefore the key to achieving a meaningful competitive advantage and long-term business success. We provide our employees both internal and external training, as well as on-the-job training, in order to expose them to best practices. The Company's employee share scheme has been running successfully since inception.

Health, Safety & Environmental Policy

The Company takes health and safety rules and practices at work very seriously with a strong conviction that a healthy workforce will always be highly productive and will deliver superior performances at all times. Employees are adequately insured against occupational and other hazards. Furthermore, top health care providers have been carefully selected under health management organizations to look after the health care needs of employees and their immediate families at the expense of the company. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

In addition, the Company operates both a Group Personal Accident and the Workmen Compensation Insurance cover for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act of July 2014. It is the policy of the Company to provide a safe and healthy working environment in all its facilities, and to comply with all laws and regulations pertaining to health and safety of its employees.

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 are 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 and the company's corporate risk committee which is charged with the responsibility of identifying, evaluating, and managing the potential risks facing the company. The committees report to the Board.

AUDIT COMMITTEE

The Committee in the conduct of its affairs reviews the Company's overall risk management and control systems, financial reporting arrangements and standards of business conduct.

Pursuant to Section 359(3) of the Companies and Allied Matters Act Cap Laws of the Federation of Nigeria 2004, the Group has an Audit Committee comprising of six members made up of three representative of the shareholders elected at the Annual General Meeting for a tenure of one year till the conclusion of the 2014 Annual General Meeting; and three representatives of the Board of Directors nominated by the Board. The statutory functions of the Committee are provided for in Section 359(6) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004 as follows:

1. Ascertain whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;

The Reports of the Directors

2. Review the scope and planning of audit requirement;
3. Review the finding on management letters in conjunction with the external auditors and departments responsible there on;
4. Keep under review the effectiveness of the company's system of accounting and internal control;
5. Make recommendations to the Board in regard to the appointment, removal and remunerations of the external auditors of the company and;
6. Authorize the internal auditors to carry out investigation into any activities of the company which may be of interest or concern to the committee.

ATTENDANCE FOR AUDIT COMMITTEE MEETING	No. of meetings held	No. of meetings attended
MR. S.B. ADERENLE	4	4
MR. FEMI ODUYEMI	4	4
MISS CHRISTIE O. VINCENT	4	4
PRINCESS (MRS.) N. U. I. UCHE	4	4
MR. IKECHUKWU DURU	4	4
MR. TUNDE ALAO-OLAIFA	4	4

The Audit Committee held its meetings on the following dates of the year: January 29, 2014; July 4, 2014; October 28, 2014 and December 11, 2014

DIVIDEND / DIVIDEND HISTORY

The Directors are pleased to recommend to the shareholders the payment of dividend in respect of the year ended 31 December, 2014 of N 129,360,800.00 that is 8 kobo per share. This is subject to the deductions of appropriate withholding tax.

The Reports of the Directors

DIVIDEND HISTORY

Financial Year End	Dividend Number	Final / Interim	Amount Declared (₦)	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-Jan-2013	21	Final	64,680,400.00	4

INDEPENDENT AUDITORS

The auditors, PKF Professional Services (Chartered Accountants) have indicated their willingness to continue in office in accordance with section 357 (2) of the Companies and Allied Matters Act, LFN 2004, CAP 20. A resolution will be passed at the Annual General Meeting to authorize the Directors to fix the remunerations of the auditors.

Dated April 23, 2015
By Order of the Board

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

LEASING PLC
RC: 161070

LEASING HOUSE, C & I Leasing Drive, Off Bisola Durosinmi Etti Drive, CBD, Lekki Phase 1, Lekki, Lagos
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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 1990, 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, 2014.

We have exercised our statutory functions under section 359 (6) of the Companies and Allied Matters Act 1990 and we acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices and that the scope and planning of both the external and internal audit programs are extensive enough to provide a satisfactory evaluation of efficiency of the Internal Control Systems.

The External Auditors confirmed that all necessary co-operations were received from the management and that they have given an unqualified audit report.

Dated this 22nd day of April, 2015

COM. S. B. ADENRELE
Chairman

Members of Audit Committee

Comrade Sulaimon Babatunde Adenrele
Mr. Femi Oduyemi
Miss Vincent Christie O.
Princess (Mrs.) N. U. I. Uche
Mr. Ikechukwu Duru
Mr. Omotunde Alao-Olaifa

SON
NIS ISO 9001:2000 REGISTERED COMPANY REG. No: 0000173
NATIONAL CERTIFICATE SCHEME

IMCA
Member,
IMCA - Marine Division

Directors: AVM A.D. Bello (rtd), GCON, CFR (Chairman); Chief H.C. OKOLO (Vice Chairman); Chukwuemeka E. Ndu (Managing);
O. O. Oyedele (rep. Leadway Assurance Co. Ltd); I.K. Duru (rep. Credit Alliance Financial Services Ltd.);
G.O.A. Oyelami (rep. Crusader Insurance Co. Plc); Jacob K. Kholi [Ghanaian](rep. Aureos Africa Fund L.L.C.);
Princess (Mrs) N.U.I. Uche (rep. Out Consortium Finance Ltd); Andrew Otike-Odibi (Executive); P. S. Ugboma

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF C&I LEASING PLC

PKF
Accountants & business advisers

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of C&I Leasing Plc ("the Company") and its subsidiaries (together, "the Group"). These consolidated financial statements comprise the consolidated statement of financial position at 31 December 2014, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004, and the Banks and Other Financial Institutions Act, Cap B3, LFN 2004 and with the requirements of the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011. and with the requirements of , and for such internal control as the Directors determine are necessary, to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of C&I Leasing Plc and its subsidiaries at 31 December 2014, and of their consolidated financial performance and consolidated cash flows for the year then ended, in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004, the Banks and Other Financial Institutions Act, Cap B3, LFN 2004 and in the manner required by the International Financial Reporting Standards (IFRS) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

Report on Other Legal Requirements

The Companies and Allied Matters Act, Cap C20, LFN 2004 require that in carrying out our audit we consider and report to you on the following matters. 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;

The Company and its subsidiaries have kept proper books of account, which are in agreement with the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income as it appears from our examination of their records;

iii. Related party transactions and balances are disclosed in Note 61 to the consolidated financial statements.

iv. Except for the contravention disclosed in note 63 to the consolidated financial statements, to the best of our knowledge , the company has complied with the requirements of relevant circulars issued by the Central Bank of Nigeria.

Najeeb A. Abdus-salaam, FCA, FRC/2013/ICAN/00000000753
For: PKF Professional Services
Chartered Accountants
Lagos, Nigeria

Date: 30 April, 2015

Consolidated Statement of Financial Position as at 31 December 2014

		Group		Company	
		2014	2013	**2014**	2013
	Notes	**N'000**	N'000	**N'000**	N'000
Assets					
Cash and balances with banks	10	**1,470,072**	979,909	**392,446**	820,466
Loans and receivables	11	**743,985**	819,485	**4,204,514**	2,530,000
Trade receivables	12	**12,018**	17,219	**-**	-
Finance lease receivables	13	**2,492,275**	3,295,079	**2,099,601**	2,069,810
Available for sale assets	14	**15,729**	25,282	**15,729**	25,282
Investment in subsidiaries	15	**-**	-	**1,458,967**	1,605,155
Other assets	16	**4,041,864**	2,833,616	**3,951,439**	2,773,719
Inventories	17	**573,709**	833,054	**30,466**	-
Operating lease assets	18	**11,730,045**	8,248,911	**5,710,875**	6,148,729
Property, plant and equipment	19	**1,231,116**	1,139,621	**1,060,541**	1,011,388
Intangible assets	20	**145,365**	33,187	**145,365**	33,187
Current income tax assets	24.3	**12,897**	373	**-**	-
Deferred income tax assets	24.4	**864,951**	884,244	**813,120**	813,120
Total assets		**23,334,026**	19,109,980	**19,883,063**	17,830,856
Liabilities					
Balances due to banks	21	**579,861**	639,306	**579,839**	590,121
Commercial notes	22	**4,926,881**	2,974,143	**4,914,135**	2,967,907
Trade payables		**108,715**	537,458	**-**	-
Other liabilities	23	**1,895,599**	1,890,131	**1,657,673**	1,237,508
Current income tax liability	24.2	**212,216**	208,808	**201,815**	191,822
Borrowings	25	**9,663,465**	7,654,602	**6,147,986**	6,801,489
Retirement benefit obligations	26	**35,238**	24,288	**35,238**	24,288
Deferred income tax liability	24.4	**107,409**	62,802	**-**	-
Total liabilities		**17,529,384**	13,991,538	**13,536,686**	11,813,135

Consolidated Statement of Financial Position as at 31 December 2014 (Continued)

Equity					
Share capital	27	**808,505**	808,505	**808,505**	808,505
Deposit for shares	28	**2,091,430**	1,937,850	**2,091,430**	1,937,850
Share premium		**679,526**	679,526	**679,526**	679,526
Statutory reserve	29	**722,521**	572,935	**608,294**	510,952
Statutory credit reserve	30	**262,799**	48,447	**246,151**	31,799
Retained earnings	31	**388,405**	509,704	**1,594,561**	1,648,813
Foreign currency translation reserve	32	**204,342**	30,327	**(161,830)**	-
AFS fair value reserve	33	**(5,163)**	4,394	**(5,163)**	4,394
Revaluation reserve	34	**484,903**	395,882	**484,903**	395,882
		5,637,268	4,987,570	**6,346,377**	6,017,721
Non-controlling interest	35	**167,374**	130,872	-	-
Total equity		**5,804,642**	5,118,442	**6,346,377**	6,017,721
Total liabilities and equity		**23,334,026**	19,109,980	**19,883,063**	17,830,856

These consolidated financial statements were approved by the Board of Directors on **23 April 2015** and signed on its behalf by:

AVM (Rtd) Abdullahi Bello, CFR
Group Chairman
FRC/2013/IODN/00000003944

Emeka Ndu
Group Mananging Director/CEO
FRC/2013/ICAN/00000003955

Adesoji Aiyeola
Head, Finance
FRC/2013/ICAN/00000003946

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

Consolidated Income Statement for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Notes	N'000	N'000	N'000	N'000
Continued operations					
Gross earnings		**13,883,942**	12,299,459	**12,458,699**	10,239,813
Lease rental income	38	**7,680,762**	5,889,102	**6,720,500**	5,136,066
Lease interest expenses	39	**(1,761,871)**	(1,522,588)	**(1,381,742)**	(1,417,062)
Net lease rental income		**5,918,891**	4,366,514	**5,338,758**	3,719,004
Outsourcing income	40	**4,987,412**	4,553,800	**4,987,412**	4,553,800
Outsourcing expenses	40	**(4,353,276)**	(3,568,317)	**(4,353,276)**	(3,568,317)
Net outsourcing income		**634,136**	985,483	**634,136**	985,483
Vehicle sales	41	**495,626**	1,261,203	**-**	-
Vehicle operating expenses	42	**(390,535)**	(880,626)	**-**	-
Net income from vehicle sales		**105,091**	380,577	**-**	-
Tracking income	43	**50,389**	92,158	**50,389**	-
Tracking expenses	43	**(16,724)**	(72,715)	**(16,724)**	-
Net tracking income		**33,665**	19,443	**33,665**	-
Interest income	44	**270,467**	22,431	**346,472**	199,193
Other operating income	45	**399,286**	480,765	**353,926**	350,754
Direct leasing expenses	46	**(3,271,417)**	(2,523,022)	**(3,436,726)**	(2,324,744)
Net operating income		**4,090,119**	3,732,191	**3,270,231**	2,929,690
Impairment (charge)/credit	37	**(78,917)**	(2,358)	**(10,640)**	35,652
Depreciation expense	47	**(1,595,648)**	(1,361,117)	**(1,102,822)**	(1,070,107)
Personnel expenses	48	**(713,699)**	(753,752)	**(595,731)**	(584,942)
Distribution expenses	49	**(58,596)**	(164,918)	**-**	-
Other operating expenses	50	**(1,231,453)**	(1,145,523)	**(1,052,070)**	(951,989)
Loss on disposal of subsidiary	54	**-**	-	**(1,667)**	-
Profit on continuing operations before taxation		**411,806**	304,523	**507,301**	358,304
Income tax	24.1	**(233,739)**	(142,926)	**(182,830)**	(72,990)
Profit for the year from continuing operations		**178,067**	161,597	**324,471**	285,314
Discontinued operations					
Profit for the year from discontinued operations	54	**139,426**	-	**-**	-
Profit for the year		**317,493**	161,597	**324,471**	285,314
Profit attributable to:					
Owners of the parent		**309,672**	183,459	**324,471**	285,314
Non-controlling interests		**7,821**	(21,862)	**-**	-
		317,493	161,597	**324,471**	285,314
Appropriation of profit attributable to owners of the parent:					
Transfer to statutory reserve	29	**149,586**	112,403	**97,342**	85,593
Transfer to statutory credit reserve	30	**214,352**	31,799	**214,352**	31,799
Transfer to retained earnings	31	**(54,266)**	39,257	**12,779**	167,922
		309,672	183,459	**324,473**	285,314
Basic earnings per share [kobo]	55	**19.15**	11.35	**20.07**	17.64

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

Consolidated Statement of Comprehensive Income for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Notes	N'000	N'000	N'000	N'000
Profit for the year		**317,493**	161,597	**324,471**	285,314
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange difference on translation of foreign operations/currency	32	**174,015**	(70,304)	**(161,830)**	-
Net gain on available for financial assets	33	**(9,557)**	884	**(9,557)**	884
Items that will not be reclassified to profit or loss					
Surplus on revaluation of property, plant and equipment	34	**89,021**	152,042	**89,021**	152,042
Other comprehensive income (net of tax)		**253,479**	82,622	**(82,366)**	152,926
Total comprehensive income (net of tax)		**570,972**	244,219	**242,105**	438,240
Attributable to:					
Owners of the parent		**563,151**	266,081	**242,105**	438,240
Non-controlling interest		**7,821**	(21,862)	**-**	-
		570,972	244,219	**242,105**	438,240

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

Consolidated Statement of Cashflows for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Cash flows generated from operating activities	51	1,854,135	1,462,614	(252,316)	395,833
Lease rental income		7,680,762	5,889,102	6,720,500	5,136,066
Outsourcing income		4,987,412	4,553,800	4,987,412	4,553,800
Interest income received		270,467	22,431	346,472	199,193
Vehicle sales income		495,626	1,261,203	-	-
Tracking and tagging income		33,665	19,443	50,389	-
Other income received		88,279	251,405	46,805	144,460
Investment income received		1,367	-	11,658	-
Retirement benefit obligations paid		(199,570)	(560,427)	(199,570)	(560,427)
Cash payment to employees and suppliers		(10,008,359)	(8,164,973)	(9,427,185)	(7,429,992)
Income tax paid		(21,514)	(11,976)	(16,977)	-
Net cash from operating activities		5,182,270	4,722,622	2,267,188	2,438,933
Cash flows from investing activities					
Additional investments in subsidiaries		-	-	(45,479)	-
Proceeds from disposal of investment in subsdiary		-	-	190,000	-
Proceeds from sale of operating lease assets		262,786	90,055	105,940	66,477
Proceeds from sale of property, plant and equipment		141,224	3,020	140,815	3,020
Purchase of operating lease assets	18	(4,943,010)	(2,189,867)	(618,119)	(418,977)
Purchase of property, plant and equipment	19	(149,794)	(73,929)	(26,659)	(26,000)
Operating lease assets transferred		-	127,674	-	127,674
Net cash flow from discontinued operations		(601)	-	-	-
Acquisition of intangible assets	20	(122,795)	(33,187)	(122,795)	(33,187)
Net cash used in investing activities		(4,812,190)	(2,076,234)	(376,297)	(280,993)
Cash flows from financing activities					
Dividend paid		(63,167)	(32,340)	(67,028)	(32,340)
Interest paid on finance lease facilities and loans		(1,761,871)	(1,522,588)	(1,381,742)	(1,417,062)
Non controlling interest in increase in share capital		46,802	-	-	-
Proceeds from borrowings		3,639,454	1,503,447	182,284	1,503,451
Repayment of borrowings		(1,681,689)	(1,815,877)	(1,042,143)	(1,512,230)
Net cash from/(used in) financing activities		179,529	(1,867,358)	(2,308,629)	(1,458,181)
Increase/(decrease) in cash and cash equivalents		549,608	779,030	(417,738)	699,759
Cash and cash equivalents at the beginning of the year		340,603	(438,427)	230,345	(469,414)
Cash and cash equivalents at the end of the year	36	890,211	340,603	(187,393)	230,345
		890,211	340,603	(187,393)	230,345

Consolidated Statement of changes in equity for the year ended 31 December 2014

Company	Share Capital	Share Premium	Deposit For Shares	Statutory Reserve	Statutory Credit Reserve	Retained Earnings	Foreign Currency Translation Reserve	AFS fair Value Reserve	Revaluation Reserve	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2014	808,505	679,526	1,937,850	510,952	31,799	1,648,813	-	4,394	395,882	6,017,721
Changes in equity for the year ended 31 December 2014										
Profit for the year	-	-	-	-	-	324,471	-	-	-	324,471
Other comprehensive income										
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	(9,557)	-	(9,557)
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	89,021	89,021
Loss on foreign currency translation	-	-	-	-	-	-	(161,830)	-	-	(161,830)
Total comprehensive income for the year ended 31 December 2014	-	-	-	-	-	324,471	(161,830)	(9,557)	89,021	242,105
Transactions with owners										
Transfer between reserves	-	-	-	97,342	214,352	(311,694)	-	-	-	-
Exchange difference on conversion of deposit for shares	-	-	153,580	-	-	-	-	-	-	153,580
Dividends paid during the year	-	-	-	-	-	(67,028)	-	-	-	(67,028)
Total transactions with owners	-	-	153,580	97,342	214,352	(378,722)	-	-	-	86,552
At 31 December 2014	808,505	679,526	2,091,430	608,294	246,151	1,594,561	(161,830)	(5,163)	484,903	6,346,377
At 1 January 2013	808,505	679,526	1,951,350	425,359	-	1,513,231	-	3,510	243,840	5,625,321
Changes in equity for the year ended 31 December 2013										
Profit for the year	-	-	-	-	-	285,314	-	-	-	285,314
Other comprehensive income										
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	884	-	884
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	152,042	152,042
Total comprehensive income for the year ended 31 December 2013	-	-	-	-	-	285,314	-	884	152,042	438,240
Transactions with owners										
Transfer between reserves				85,593	31,799	(117,392)	-	-	-	-
Exchange difference on conversion of deposit for shares	-	-	(13,500)	-	-	-	-	-	-	(13,500)
Dividends paid during the year	-	-	-	-	-	(32,340)	-	-	-	(32,340)
Total transactions with owners	-	-	(13,500)	85,593	31,799	(149,732)	-	-	-	(45,840)
At 31 December 2013	808,505	679,526	1,937,850	510,952	31,799	1,648,813	-	4,394	395,882	6,017,721

Consolidated Statement of changes in equity for the year ended 31 December 2014

Group	Share capital	Share premium	Deposit for shares	Statutory Reserve	Statutory credit reserve	Retained earnings	Foreign currency translation reserve	AFS fair value reserve	Revaluation reserve	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2014	808,505	679,526	1,937,850	572,935	48,447	509,704	30,327	4,394	395,882	130,872	5,118,442
Changes in equity for the year ended 31 December 2014											
Profit for the year	-	-	-	-	-	309,672	-	-	-	7,821	317,493
Other comprehensive income											
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	(9,557)	-	-	(9,557)
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	89,021	-	89,021
Gain on foreign operations translation	-	-	-	-	-	-	174,015	-	-	-	174,015
Total comprehensive income for the year ended 31 December 2014	-	-	-	-	-	309,672	174,015	(9,557)	89,021	7,821	570,972
Transactions with owners											
Transfer between reserves	-	-	-	149,586	214,352	(363,938)	-	-	-	-	-
Exchange difference on conversion of deposit for shares	-	-	153,580	-	-	-	-	-	-	-	153,580
Discontinued operations	-	-	-	-	-		-	-	-	(21,982)	(21,982)
Shares issued by subsidiary	-	-	-	-	-	-	-	-	-	46,802	46,802
Dividend paid during the year	-	-	-	-	-	(67,033)	-	-	-	3,861	(63,172)
Total transactions with owners	-	-	153,580	149,586	214,352	(430,971)	-	-	-	28,681	115,228
At 31 December 2014	**808,505**	**679,526**	**2,091,430**	**722,521**	**262,799**	**388,405**	**204,342**	**(5,163)**	**484,903**	**167,374**	**5,804,642**
At 1 January 2013	808,505	679,526	1,951,350	460,532	16,648	502,787	100,631	3,510	243,840	152,734	4,920,063
Changes in equity for the year ended 31 December 2013											
Profit for the year	-	-	-	-	-	183,459	-	-	-	(21,862)	161,597
Other comprehensive income											
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	884	-	-	884
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	152,042	-	152,042
Loss on foreign currency translation	-	-	-	-	-	-	(70,304)	-	-	-	(70,304)
Total comprehensive income for the year ended 31 December 2013	-	-	-	-	-	183,459	(70,304)	884	152,042	(21,862)	244,219
Transactions with owners											
Transfer between reserves	-	-	-	112,403	31,799	(144,202)	-	-	-	-	-
Deposit for future subscription of shares	-	-	-	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	(32,340)	-	-	-	-	(32,340)
Exchange difference on conversion of deposit for shares	-	-	(13,500)	-	-	-	-	-	-	-	(13,500)
Total transactions with owners	-	-	(13,500)	112,403	31,799	(176,542)	-	-	-	-	(45,840)
At 31 December 2013	808,505	679,526	1,937,850	572,935	48,447	509,704	30,327	4,394	395,882	130,872	5,118,442

Notes to the consolidated financial statements for the year ended 31 December 2014

1. The reporting entity

These consolidated financial statements comprise the consolidated financial statements of C & I Leasing Plc (referred to as "the company" and its subsidiaries (referred to as "the group"). The Company was incorporated on 28 December 1990 and commenced business in June 1991. The Company was licensed by the Central Bank of Nigeria (CBN) as a finance company and is owned by a number of institutional and individuals investors. The company's shares were listed on the Nigerian Stock Exchange (NSE) in December 1997. The Company is regulated by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), the Nigerian Stock Exchange (NSE) in addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at year end, the Company has three subsidiary companies namely:

- C & I Motors Limited
- 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 year ended 31 December 2014 with comparative for the year ended 31 December 2013.

The consolidated financial statements for the year ended 31 December 2014 were approved for issue by the Board of Directors on 23 April 2015.

2. Basis of preparation

2.1 Statement of compliance with IFRSs

These consolidated financial statements which have been prepared for the twelve months ended 31 December 2014 in accordance with International Financial Reporting Council as issued by the International Accounting Standard Board (IASB) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011. Additional information required by local regulators has been included where appropriate.

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

2.3 Going concern assessment

This financial statement has been prepared on going concern basis. The group has neither intention nor need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group and there are no going concern threats to the operations of the group.

2.4 Functional and presentation currency

This consolidated financial statements are

Notes to the consolidated financial statements for the year ended 31 December 2014

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 financial statements.

2.5 Basis of consolidation

This consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 December, 2014.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group 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 year as the parent company, using the same accounting policies.

All inter-group balances, transactions, dividends, unrealised gains on tranasctions within the Group are eliminated on consolidation. Unrealised losses resulting from inter-group transactions are eliminated, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.6 Summary of new and amended standards issued and effective during the year

During the year, there were certain amendments and revisions to some of the standards. The nature and the impact of each new standard and amendments are described below. The Group intends to adopt these standards, if applicable, when they become effective.

2.6.1 Amendments to IFRS 10, 'Consolidation Financial Statements'

Effective for annual periods beginning on or after 1 January 2014 published by IASB on 31 October 2012.

The amendments to IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity control one or more other entities. It introduces a single control model to be applied in determining control. An entity controls an investee when it has: Power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power the investee to affect the amount of its returns. When assessing whether an investor controls an investee, an investor with decision making rights determines whether it acts as principal or as an agent.

2.6.2 Amendments to IAS 27 "Separate Financial Statements"

Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016), Published by IASB on 12 August 2014.

The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

2.6.3 Amendments to IAS 32 "Financial instruments: presentation"

Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014) published by IASB on 16 December 2011.

The amendments reinstate the equity method

Notes to the consolidated financial statements for the year ended 31 December 2014

as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Amendments provide clarifications on the application of the offsetting rules and focus on four main areas (a) the meaning of "currently has a legally enforceable right of set-off"; (b) the application of simultaneous realisation and settlement; (c) the offsetting of collateral amounts; (d) the unit of account for applying the offsetting requirements

2.6.4 'Amendments to IAS 36 "Impairment of assets" - Recoverable Amount Disclosures for Non-Financial Assets

Effective for annual periods beginning on or after 1 January 2014, published by IASB on 29 May 2013.

These narrow-scope amendments to IAS 36 address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. Current amendments clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

2.6.5 Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"

Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014), published by IASB on 27 June 2013.

The narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

2.6.6 IFRIC 21 "Levies"

Effective for annual periods beginning on or after 1 January 2014, published by IASB on 20 May 2013

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

2.6.7 Amendments to IAS 19 "Employee Benefits"

Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014), published by IASB on 21 November 2013.

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

2.7 New standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in

Notes to the consolidated financial statements for the year ended 31 December 2014

issue, but not yet effective: This includes:

2.7.1 IFRS 9, 'Financial instruments'

Effective for annual periods beginning on or after 1 January 2018, issued on 24 July 2014It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 not later than the accounting period beginning on or after 1 January 2018. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

2.7.2 IFRS 14 "Regulatory deferral accounts"

Effective for annual periods beginning on or after 1 January 2016, published by IASB on 30 January 2014.

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

2.7.3 Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2014.

Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

2.7.4 IFRS 7, 'Financial instruments disclosure' Presentation, on asset and liability offsetting

The ammendments to IFRS 7 clarified that additional disclosure of maximum exposure to credit risk is only required where the exposure is

Notes to the consolidated financial statements for the year ended 31 December 2014

not reflected in the carrying amount. It requires disclosure of the financial effect of collateral held as security for financial assets, and removed the requirement to specifically disclose financial assets, where the terms have been renegotiated.

2.7.5 Amendments to IFRS 11 "Joint Arrangements"

Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2011.

IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities.

3. Summary of significant accounting policies

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

3.1 Investments in subsidiaries

The consolidated financial statements incorporates 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 Group and cease to be consolidated from the date that control ceased. Changes in the Group'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 Group 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

Notes to the consolidated financial statements for the year ended 31 December 2014

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 income statement 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 income statement. Intangible assets with an indefinite useful life are tested for impairment annually.

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

3.5.2 Intangible assets generated internally

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

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

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

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,

Notes to the consolidated financial statements for the year ended 31 December 2014

except for land and buildings to be reported at their revalued amount net of accummulated depreciation and/or accummulated impairment losses. Acquisition costs includes 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 income statement 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 other 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 income statement 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 income statement to the extent that it reverses a previous

Notes to the consolidated financial statements for the year ended 31 December 2014

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 income statement.

3.7 Investment properties

Property held for long-term rental yields that is not occupied by the companies in the Group is classified as investment property. Investment property comprises freehold land and building and is recognised at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the income statement.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the companies in the Group. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognized in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the income statement. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the income statement.

3.8 Discontinued operations and non-current assets held for sale

Discontinued operations and non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Discontinued operations and non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This is the case, when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and the sale is considered to be highly probable.

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Furthermore, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one-year from the date that it is classified as held for sale.

3.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where appropriate, labour and production

Notes to the consolidated financial statements for the year ended 31 December 2014

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.

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

3.11 Financial instruments

3.11.1 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.

3.11.1.1 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

Notes to the consolidated financial statements for the year ended 31 December 2014

recognition at fair value through profit or loss.

3.11.1.2 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.

3.11.1.3 Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Interests on held-to-maturity investments are included in the income statement and are reported as 'Interest income'. In the case of an impairment, it is being reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/(losses) on investment securities'.

3.11.1.4 Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite year of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

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 derecognized 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 income statement in the year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement 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 recognized in other comprehensive income are included in the income statement as net realised gains on financial assets.

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

Notes to the consolidated financial statements for the year ended 31 December 2014

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 conctractual 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 financial asset, the Group continues to recognise the financail asset and also recognises a collateralised borrowing for the

Notes to the consolidated financial statements for the year ended 31 December 2014

proceeds received.

3.11.2 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.

3.11.2.1 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 income statement over the year of the borrowing using the effective interest method.

3.11.3 Impairment of financial assets

3.11.3.1 Financial assets carried at amortised cost

The Group assesses at each end of the reporting year 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 bankruptcy 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

Notes to the consolidated financial statements for the year ended 31 December 2014

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 income statement. 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 year, 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 income statement.

3.11.3.2 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 year 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 income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent year 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 income statement.

3.11.4 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.

3.12 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 year 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.

Notes to the consolidated financial statements for the year ended 31 December 2014

3.13 Cash and cash equivalents

Cash and cash equivalents comprises of 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 cashflows, cash and cash equivalents are reported net of balances due to banks.

3.14 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.

3.14.1 The Group is the lessor

3.14.1.1 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 years are taken into account when determining the straight-line charge.

3.14.1.2 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 diffrence between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recogncised over the term of the lease using the net investment method (before tax), which reflects a constant yearic rate of return.

3.14.2 The Group is the lessee

3.14.2.1 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 years in which they are incurred.

3.14.2.2 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 year in which they are incurred.

3.15 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the

Notes to the consolidated financial statements for the year ended 31 December 2014

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 year is not considered to be material.

3.16 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 year 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 year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

3.17 Retirement benefits

3.17.1 Defined contribution plan

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

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

Employees contribution of 7.5% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes the remainder to make a total contribution of 15% 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.

3.17.2 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a define contribution plan. The Group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior years; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligation and that are denominated in the currency in which the benefit are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected credit unit method.

The Group recognizes all actuarial gains or losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel

Notes to the consolidated financial statements for the year ended 31 December 2014

expenses in profit or loss.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fair value of the plan asset, any change in the present value of defined benefit obligation, any related actuarial gains or losses and past services cost that had not previously been recognised.

3.17.3 Terminal benefits

Terminal 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.

3.17.4 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.

3.18 Taxation

3.18.1 Current income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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 year in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management yearically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

3.18.2 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 year 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

Notes to the consolidated financial statements for the year ended 31 December 2014

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 income statement together with the deferred gain or loss on disposal.

3.19 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

3.19.1 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.

3.19.2 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.

3.19.3 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.

3.20 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 group 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

Notes to the consolidated financial statements for the year ended 31 December 2014

costs and the related income tax effects.

3.21 Compound instruments

At the issue date, the fair value of the liability component of a compound 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.

3.22 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 year, based on an estimate of the number of options that will eventually vest.

At the end of each reporting year, 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.

3.23 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:

3.23.1 Income from operating leases

Lease income from operating leases is recognised in income statement 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 year has expired, any payment required by the lessee by way of penalty is recognised in income statement in the year in which termination takes place.

3.23.2 Income from finance leases

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

3.23.3 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.

Notes to the consolidated financial statements for the year ended 31 December 2014

3.23.4 Service charge income

This represents charges for other services rendered to finance lease customers. The services are rendered yearically 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 year can be measured reliably; and

iv. The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

3.23.5 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.

3.23.6 Rental income

Rental income is recognized on an accrued basis.

3.23.7 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.

3.24 Foreign currency translation

3.24.1 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 year in which they arise except:

- 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.

3.24.2 Foreign operations

The functional currency of the parent Company and the presentation currency of the financial statements is Nigerian Naira. The assets and liabilities of the Group's foreign operations are translated to Naira using exchange rates at the year end. Income and expense items are translated

Notes to the consolidated financial statements for the year ended 31 December 2014

at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, 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, C&I Leasing'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 intrasegment 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 judgment

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment 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 comprehensive income in the year of the change, if the change affects that year only, or in the year of change and future year, 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 judgment. In making this judgment, 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

Notes to the consolidated financial statements for the year ended 31 December 2014

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 yearically 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 judgment. 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 3.11, 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 the statement of comprehensive income either through the income statement or other comprehensive income. For items measured at amortised cost, changes in value are recognised in the income statement of the statement of comprehensive income. 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 instrument

Notes to the consolidated financial statements for the year ended 31 December 2014

Group	Financial Assets				Financial Liabilities		
	Fair Value through profit or loss	Loans and Receivables	Available for sale	Held to maturity	Fair Value through profit or loss	Amortised cost	Total carrying amount
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 31 December 2014							
Assets							
Cash and balances with banks	1,470,072	-	-	-	-	-	1,470,072
Loans and receivables	-	743,985	-	-	-	-	743,985
Finance lease receivables	-	2,492,275	-	-	-	-	2,492,275
Available for sale assets	-	-	15,729	-	-	-	15,729
Trade receivables	-	12,018	-	-	-	-	12,018
Other assets	-	4,041,864	-	-	-	-	4,041,864
	1,470,072	7,290,142	15,729	-	-	-	8,775,943
Liabilities							
Balances due to banks	-	-	-	-	579,861	-	579,861
Borrowings	-	-		-	-	9,663,465	9,663,465
Trade payables	-	-	-	-	-	108,715	108,715
Other liabilities	-	-	-	-	-	1,809,936	1,809,936
	-	-	-	-	579,861	11,582,116	12,161,977
At 31 December 2013							
Assets							
Cash and balances with banks	979,909	-	-	-	-	-	979,909
Loans and receivables	-	819,485	-	-	-	-	819,485
Finance lease receivables	-	3,295,079	-	-	-	-	3,295,079
Available for sale assets	-	-	25,282	-	-	-	25,282
Trade receivables	-	17,219	-	-	-	-	17,219
Other assets	-	2,714,024	-	-	-	-	2,714,024
	979,909	6,845,807	25,282	-	-	-	7,850,998
Liabilities							
Balances due to banks	-	-	-	-	639,306	-	639,306
Borrowings	-	-	-	-	-	7,654,601	7,654,601
Trade payables	-	-	-	-	-	537,458	537,458
Other liabilities	-	-	-	-	-	1,890,131	1,890,131
	-	-	-	-	639,306	10,082,190	10,721,496

Notes to the consolidated financial statements for the year ended 31 December 2014

Company	Financial Assets				Financial Liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 31 December 2014							
Assets							
Cash and balances with banks	392,446	-	-	-	-	-	392,446
Loans and receivables	-	4,204,514	-	-	-	-	4,204,514
Finance lease receivables	-	2,099,601	-	-	-	-	2,099,601
Available for sale assets	-	-	15,729	-	-	-	15,729
Other assets	-	3,893,655	-	-	-	-	3,893,655
	392,446	10,197,770	15,729	-	-	-	10,605,945
Liabilities							
Balances due to banks	-	-	-	-	579,839	-	579,839
Borrowings	-	-	-	-	-	6,147,986	6,147,986
Other liabilities	-	-	-	-	-	1,587,642	1,587,642
	-	-	-	-	579,839	7,735,628	8,315,467
At 31 December 2013							
Assets							
Cash and balances with banks	820,466	-	-	-	-	-	820,466
Loans and receivables	-	2,530,000	-	-	-	-	2,530,000
Finance lease receivables	-	2,069,810	-	-	-	-	2,069,810
Available for sale assets	-	-	25,282	-	-	-	25,282
Other assets	-	2,700,137	-	-	-	-	2,700,137
	820,466	7,299,947	25,282	-	-	-	8,145,695
Liabilities							
Balances due to banks	-	-	-	-	590,121	-	590,121
Borrowings	-	-	-	-	-	6,801,489	6,801,489
Trade payables	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	1,141,534	1,141,534
	-	-	-	-	590,121	7,943,023	8,533,144

6.2 Fair valuation methods and assumptions

Cash and cash equivalents, trade receivables, trade payable 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 year.

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

6.3 Fair value measurements recognised in the statement of financial position

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

Level 2: for equity securities not listed on an active

Notes to the consolidated financial statements for the year ended 31 December 2014

market and for which observable market data exist that the Group can use in order to estimate the fair value.

6.3 Fair value measurements recognised in the statement of financial position (cont'd.)

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 14 and were valued at N15,729,000 (31 December 2013 : N25,282,000) 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 27% at the end of the year, compared to 29% recorded for the year ended 31 December 2013 respectively.

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

Notes to the consolidated financial statements for the year ended 31 December 2014

	Group	
	2014	2013
	N'000	N'000
Tier 1 capital		
Share capital	808,505	808,505
Share premium	679,526	679,526
Statutory reserve	722,521	572,935
Retained earnings	388,405	509,699
Total qualifying for tier 1 capital	2,598,957	2,570,665
Tier 2 capital		
Deposit for shares	2,091,430	1,937,850
Statutory credit reserve	262,799	48,447
Exchange translation reserve	204,342	30,327
AFS fair value reserve	(5,163)	4,394
Revaluation reserve	484,903	395,882
Total qualifying for tier 2 capital	3,038,311	2,416,900
Total regulatory capital	5,637,268	4,987,565
Risk - weighted assets		
On balance sheet	20,840,741	17,212,267
Total risk weighted assets	20,840,741	17,212,267
Risk-weighted capital adequacy ratio (CAR)	0.27	0.29

8. Risk management framework

The primary objective of C & I Leasing 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.

C & I Leasing Plc'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 arised from a 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

Notes to the consolidated financial statements for the year ended 31 December 2014

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 C&I Leasing Plc.

To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

To retain financial flexibility by maintaining strong liquidity.

To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements of its capital providers and shareholders.

To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

C&I Leasing's operations are subject to regulatory requirements of Central Bank Nigeria (CBN) and Securities Exchange Commission (SEC), 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:

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

Notes to the consolidated financial statements for the year ended 31 December 2014

8.3 Financial risks

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

- Credit risks
- Liquidity risks
- Market risks

8.3.1 Credit risks

Credit risks arise from a customer delays 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 year was as follows:

	Group	
	2014	2013
	N'000	N'000
Financial assets		
Cash and balances with banks	1,470,072	979,909
Loans and receivables	743,985	819,485
Finance lease receivables	2,492,275	3,295,079
Available for sale assets	15,729	25,282
Trade receivables	12,018	17,219
Other assets	4,041,864	2,833,616
	8,775,943	7,970,590

	Company	
	2014	2013
	N'000	N'000
Financial assets		
Cash and balances with banks	392,446	820,466
Loans and receivables	4,204,514	2,530,000
Finance lease receivables	2,099,601	2,069,810
Available for sale assets	15,729	25,282
Other assets	3,951,439	2,773,719
	10,663,729	8,219,277

Notes to the consolidated financial statements for the year ended 31 December 2014

8.3.2 Liquidity risks

The Group defines liquidity risk as the risk that the Group either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost.

Liquidity risk management is governed by the Group's Board Operations Committee (BOC), the BOC is responsible for both statutory and prudential liquidity. These responsibilities include the provision of authorities, policies and procedures.

The Group maintains sufficient amount of cash for its operations. Management reviews cashflow 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 Board 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.
The Group employs policies and procedures to mitigate it's exposure to liquidity risk. The Group complies with minimum regulatory requirements.

8.3.2 Liquidity risks

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

	Group		
	Current N'000	Non-current N'000	Total N'000
31 December 2014			
Balance due to banks	579,859	-	579,859
Borrowings	2,656,185	7,007,280	9,663,465
Trade payables	108,715	-	108,715
Other liabilities	1,895,183	-	1,895,183
	5,239,942	7,007,280	12,247,222
31 December 2013			
Balance due to banks	639,306	-	639,306
Borrowings	3,752,500	3,902,102	7,654,602
Trade payables	537,458	-	537,458
Other liabilities	1,890,131	-	1,890,131
	6,819,395	3,902,102	10,721,497

Notes to the consolidated financial statements for the year ended 31 December 2014

	Company		
	Current	Non-current	Total
	N'000	N'000	N'000
31 December 2014			
Balance due to banks	579,838	-	579,838
Borrowings	2,801,933	3,346,053	6,147,986
Other liabilities	1,657,673	-	1,657,673
	5,039,444	3,346,053	8,385,497
31 December 2013			
Balance due to banks	590,121	-	590,121
Borrowings	3,543,718	3,257,771	6,801,489
Other liabilities	1,237,508	-	1,237,508
	5,371,347	3,257,771	8,629,118

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 cashflows 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 is monitored by the Group's management to ensure that the company is not openly exposed to changes in the interest rates on interest bearing liabilities. 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 Ghanian Cedi and United Arab Emirates' Dirhams. The exposure to foreign exchange risk as a result of these subsidiaries in this year as a result of translation has been recognised in the other comprehensive income statement.

The Group foreign currency risk exposure arises also from long term borrowings from Aureos

Notes to the consolidated financial statements for the year ended 31 December 2014

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 financial statements is considered positive because of the continous increase and stability in value of equities in the past few years. Furthermore, there was a positive impact on the income statement because of the portion of investment disposed off during the year - equity shares in Guaranty Trust Bank (Gross Domestic Receipt), however all other gains due to increase in market prices were recorded in the fair value reserve through the other comprehensive income.

9. Statement of prudential adjustment

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 incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for financial institutions in Nigeria stipulates that financial institutions would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Other Financial Institutions would be required to comply with the following:"

a. Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Prudential provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the retained earnings account to a "statutory credit reserve".
- Prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the income statement. The cumulative balance in the statutory credit reserve is thereafter reversed to the retained earnings account.

Notes to the consolidated financial statements for the year ended 31 December 2014

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

During the year ended 31 December 2014, the Company has transferred N214,352,332 (31 December 2013: N31,798,921) 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 IAS 39 as at the year then ended.

In line with the same directive of the CBN, the Company has reconciled the statutory credit reserve as at 31 December 2014, by comparing the provision and impairment as determined under both bases. A reconciliation of this amount is provided below:

	2014	2013
	N'000	N'000
Company		
Total IFRS impairment losses	729,229	796,318
Prudential provisions	(943,583)	(828,117)
Transfer to statutory credit reserve	(214,354)	(31,799)
Analysis of the IFRS impairment losses		
Finance lease receivables (Note 38.1)	21,208	49,474
Lease rental due (Note 38.1)	169,674	97,559
Loans and receivables (Note 38.1)	17,937	16,190
Other assets (Note 38.1)	520,410	633,095
Total IFRS impairment losses	729,229	796,318
Analysis of the provision for loan losses per prudential guidelines		
Finance lease receivables	21,209	49,474
Lease rental due	196,371	91,798
Loans and advances	16,962	43,259
Other assets	709,041	643,586
Total Prudential provision for losses	943,583	828,117

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
10.	Cash and balances with banks				
	Cash in hand	605	951	-	31
	Current balances with banks	867,480	978,958	392,446	820,435
	Placement with bank	601,987	-	-	-
		1,470,072	979,909	392,446	820,466
11.	Loans and receivables				
	Lease rental due	875,892	881,271	875,892	801,737
	Loans and advances	55,705	162,127	55,705	57,692
	Intercompany loans (Note 11.1)	-	-	3,460,529	1,784,320
		931,597	1,043,398	4,392,126	2,643,749
	Impairment allowance (Note 11.4)	(187,612)	(223,913)	(187,612)	(113,749)
		743,985	819,485	4,204,514	2,530,000
11.1	Intercompany loans				
	C&I Motors Limited	-	-	753,998	-
	Citrans Global Limited	-	-	-	313,576
	Leasafric Ghana Limited	-	-	-	9,958
	EPIC International FZE, United Arab Emirates	-	-	2,706,531	1,460,786
		-	-	3,460,529	1,784,320
11.2	Analysis of loans and receivables by security:				
	Secured	-	-	-	-
	Otherwise secured	931,597	1,043,398	4,392,126	2,643,747
		931,597	1,043,398	4,392,126	2,643,747
11.3	Loans and receivables are further analysed as follows:				
	Less than one year	931,597	-	3978673	1,987,703
	More than one year and less than five years	-	-	413,453	656,044
	More than five years	-	-	-	-
		931,597	-	4,392,126	2,643,747
11.4	Impairment allowance on loans and receivables				
	Lease rental due (Note 11.5)	169,674	155,398	169,674	97,559
	Loans and advances (Note 11.6)	17,938	68,515	17,938	16,190
		187,612	223,913	187,612	113,749
11.5	Analysis of impairment allowance - Lease rental due				
	Specific impairment	159,417	147,323	159,416	89,483
	Collective impairment	10,258	8,076	10,258	8,076
		169,675	155,399	169,674	97,559
11.5.1	Movement in impairment allowance - Lease rental due				
	At the beginning of the year	155,398	182,480	97,559	158,446
	Discontinued operations	(57,839)	-	-	-
	Charge for the year	72,115	40,610	72,115	6,805
	Provision no longer required	-	(67,692)	-	(67,692)
	At the end of the year	169,674	155,398	169,674	97,559
11.6	Analysis of impairment allowance - Loans and				
	Specific impairment	14,987	66,128	14,987	13,803
	Collective impairment	2,951	2,387	2,951	2,387
		17,938	68,515	17,938	16,190

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
11.6.1	Movement in impairment allowance - Loans and				
	At the beginning of the year	68,515	49,689	16,190	14,733
	Discontinued operations	(46,315)	-	-	-
	Charge for the year	1,748	19,756	1,748	2,387
	Provision no longer required	-	(930)	-	(930)
	Written off in the year	(6,010)	-	-	-
	At the end of the year	17,938	68,515	17,938	16,190
12.	Trade receivables				
	Gross trade receivables	20,545	22,339	-	-
	Impairment allowance	(8,527)	(5,120)	-	-
		12,018	17,219	-	-
13.	Finance lease receivables				
	Gross finance lease receivable	6,942,582	7,167,272	5,373,173	5,212,776
	Unearned lease interest/maintenance (Note 13.2)	(4,367,511)	(3,761,313)	(3,252,364)	(3,093,492)
	Net investment in finance lease	2,575,071	3,405,959	2,120,809	2,119,284
	Impairment allowance (Note 13.5)	(82,796)	(110,880)	(21,208)	(49,474)
		2,492,275	3,295,079	2,099,601	2,069,810

13.2 Included in unearned lease interest/maintenance is deferred maintanance 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 income statement over the tenor of the fleet management contracts.

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
13.3	The net investment in finance lease may be				
	Less than one year	2,137,901	1,244,123	1,949,642	987,341
	More than one year and less than five years	437,170	2,161,836	171,167	1,131,943
		2,575,071	3,405,959	2,120,809	2,119,284
13.4	Analysis into current portion and non-current portion				
	Current portion	2,137,901	1,244,123	1,949,642	987,341
	Non-current portion	437,170	2,161,836	171,167	1,131,943
		2,575,071	3,405,959	2,120,809	2,119,284
13.5	Analysis of impairment allowance - Finance lease				
	Specific impairment	-	-	-	-
	Collective impairment	82,796	110,880	21,208	49,474
		82,796	110,880	21,208	49,474
13.5.1	Movement in impairment allowance - Finance lease				
	At the beginning of the year	110,880	161,394	49,474	60,624
	Discontinued operations	(6,188)	-	-	-
	Charge for the year	(14,162)	-	(28,266)	-
	Provision no longer required	-	(34,643)	-	(11,150)
	Written off in the year	(7,734)	(15,871)	-	-
	At the end of the year	82,796	110,880	21,208	49,474

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
14.	Available for sale assets				
14.1	Listed equities - at fair value				
	Diamond Bank Plc (GDR)	9,402	8,711	9,402	8,711
	First Bank of Nigeria Plc	4,400	13,371	4,400	13,371
	Fidelity Bank Plc	1,927	3,200	1,927	3,200
		15,729	25,282	15,729	25,282
15.	Investment in subsidiaries				
	Leasafric Ghana Limited	-	-	754,736	709,257
	C&I Motors Limited	-	-	700,000	700,000
	EPIC International FZE, United Arab Er	-		4,231	4,231
	Citrans Global Services Limited	-	-	-	191,667
		-	-	1,458,967	1,605,155

Notes to the consolidated financial statements for the year ended 31 December 2014

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 15.1.1)	Leasing	Ghana	70.89%	31 December
C & I Motors Limited (Note 15.1.2)	Marketing and distribution of vehicles	Nigeria	100.00%	31 December
EPIC International FZE, United Arab Emirates (U.A.E.) (Note 15.1.3)	Trading in ships and boats	United Arab Emirates	1%	31 December

15.1.1 Leasafric Ghana Limited

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

15.1.2 C&I Motors Limited

C&I Motors Limited was incorporated in Nigeria as a private limited liability company on 12 June 2007 and commenced business on 23 April 2008. The company was established to engage in the markeing and distribution of suzuki brands in Nigeria. It is presently a representative of Suzuki Motor Corporation, Japan in Nigeria.

15.1.3 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.

15.1.4 Citrans Global Limited

Citrans Global Limited was incorporated under the Companies and Allied Matters Act CAP C20 LFN 2004, as a limited liability company on 12 August, 2008 and commenced operations on 26 May 2009. Its principal activities is provision of transportation and logistics to individuals and corporate organisations. The company is the operator of Red Cab taxi brand in Nigeria. The subsidiary was

Notes to the consolidated financial statements for the year ended 31 December 2014

disposed of during the year; in line with shareholders resolution at the Annual General Meeting held on 14 August 2014.

15.2 Condensed results of consolidated entities

The consolidated results of the consolidated entities of C&I Leasing Plc are shown in Note 15.2.1. The C&I Leasing Group in the condensed results includes the results of the underlisted entities:

- C&I Leasing Plc
- C&I Motors Limited
- Leasafric Ghana Limited
- EPIC International FZE, UAE

Notes to the consolidated financial statements for the year ended 31 December 2014

	Parent - C&I Leasing Plc	C&I Motors Limited	Leasafric Ghana Limited	Epic International FZE, U.A.E	Citrans Global Limited	Total	Elimination	C&I Leasing Plc - Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
15.2.1 Condensed results of consolidated entities								
31 December 2014								
Condensed income statement								
Gross earnings	12,458,699	420,618	1,070,848	350,512	-	14,300,677	(416,735)	13,883,942
Net operating income/(loss)	3,270,231	(46,131)	638,413	203,927	-	4,066,440	23,679	4,090,119
Impairment charge	(10,640)	(54,174)	(14,103)	-	-	(78,917)	-	(78,917)
Depreciation expense	(1,102,822)	(14,211)	(387,408)	(91,207)	-	(1,595,648)	-	(1,595,648)
Personnel expenses	(595,731)	(88,614)	(29,354)	-	-	(713,699)	-	(713,699)
Distribution expenses	-	(58,596)	-	-	-	(58,596)	-	(58,596)
Other operating expenses	(1,052,070)	(84,326)	(58,450)	(2,625)	-	(1,197,471)	(33,982)	(1,231,453)
Loss on disposal of subsidiary	(1,667)	-	-	-	-	(1,667)	1,667	-
Profit/(loss) before tax	507,301	(346,052)	149,098	110,095	-	420,442	(8,636)	411,806
Income tax expense	(182,831)	(6,302)	(44,607)	-	-	(233,739)	-	(233,739)
Profit/(loss) after tax	324,470	(352,354)	104,491	110,095	-	186,703	(8,636)	178,067

Notes to the consolidated financial statements for the year ended 31 December 2014

15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2014

Condensed statement of financial position

Assets								
Cash and balances with banks	392,446	56,575	949,048	72,003	-	1,470,072	-	1,470,072
Loans and receivables	4,204,514	-	4,758	-	-	4,209,272	(3,465,287)	743,985
Trade receivables	-	12,018	-	-	-	12,018	-	12,018
Finance lease receivables	2,099,601	-	392,674	-	-	2,492,275	-	2,492,275
Available for sale financial assets	15,729	-	-	-	-	15,729	-	15,729
Investment in subsidiaries	1,458,967	-	-	-	-	1,458,967	(1,458,967)	-
Other assets	3,951,439	29,652	60,773	-	-	4,041,864	-	4,041,864
Inventory	30,466	543,243	-	-	-	573,709	-	573,709
Operating lease assets	5,710,875	-	1,522,253	4,496,917	-	11,730,045	-	11,730,045
Property, plant and equipment	1,060,541	20,284	150,233	58	-	1,231,116	-	1,231,116
Intangible assets	145,365	-	-	-	-	145,365	-	145,365
Current income tax assets	-	-	12,897	-	-	12,897	-	12,897
Deferred income tax assets	813,120	41,487	10,344	-	-	864,951	-	864,951
Total assets	**19,883,063**	**703,259**	**3,102,980**	**4,568,978**	**-**	**28,258,280**	**(4,924,254)**	**23,334,026**
Liabilities and equity								
Balances due to banks	579,839	22	-	-	-	579,861	-	579,861
Commercial notes	4,914,135	-	12,746	-	-	4,926,881	-	4,926,881
Trade payables	-	108,715	-	-	-	108,715	-	108,715
Other liabilities	1,657,673	832,034	156,480	1,173,656	-	3,819,843	(1,924,244)	1,895,599
Current income tax liability	201,815	10,401	-	-	-	212,216	-	212,216
Borrowings	6,147,986	-	1,766,879	3,289,644	-	11,204,509	(1,541,044)	9,663,465
Retirement benefit obligations	35,238	-	-	-	-	35,238	-	35,238
Deferred income tax liability	-	-	107,409	-	-	107,409	-	107,409
Equity and reserves	6,346,377	(247,913)	1,059,466	105,678	-	7,263,608	(1,458,966)	5,804,642
Total liabilities and equity	**19,883,063**	**703,259**	**3,102,980**	**4,568,978**	**-**	**28,258,280**	**(4,924,254)**	**23,334,026**

Notes to the consolidated financial statements for the year ended 31 December 2014

15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2014

Condensed cash flows								
Net cash from operating activities	2,267,188	117,819	482,315	1,879,520	-	4,746,842	435,428	5,182,270
Net cash from investing activities	(376,297)	12,026	(1,853,959)	(2,800,770)	-	(5,019,000)	206,810	(4,812,190)
Net cash from financing activities	(2,308,629)	(76,215)	1,640,868	982,747	-	238,771	(59,243)	179,528
Movement in cash and cash equivalents	(417,738)	53,630	269,224	61,497	-	(33,387)	582,995	549,608
Cash and cash equivalents at start of the year	230,345	1,107	98,564	5,227	-	335,243	5,360	340,603
Cash and cash equivalents at year end	(187,393)	54,737	367,788	66,724	-	235,132	588,355	890,211

15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2013

Condensed income statement								
Gross earnings	10,239,813	1,275,941	716,732	1,032	257,123	12,490,641	(191,182)	12,299,459
Net operating income	2,929,690	307,062	390,189	1,032	104,218	3,732,191	-	3,732,191
Impairment charge	35,652	(2,524)	23,267	-	(58,753)	(2,358)	-	(2,358)
Depreciation expense	(1,070,107)	(17,534)	(249,970)	-	(23,506)	(1,361,117)	-	(1,361,117)
Personnel expenses	(584,942)	(85,143)	(43,686)	-	(39,981)	(753,752)	-	(753,752)
Distribution expenses	-	(164,918)	-	-	-	(164,918)	-	(164,918)
Other operating expenses	(951,989)	(104,815)	(39,777)	(8,963)	(39,979)	(1,145,523)	-	(1,145,523)
Profit/(loss) before tax	358,304	(67,872)	80,023	(7,931)	(58,001)	304,523	-	304,523
Income tax expense	(72,990)	(1,577)	(26,402)	-	(41,957)	(142,926)	-	(142,926)
Profit/(loss) after tax	**285,314**	**(69,449)**	**53,621**	**(7,931)**	**(99,958)**	**161,597**	**-**	**161,597**

Notes to the consolidated financial statements for the year ended 31 December 2014

15.2.1 Condensed results of Consolidated entities (Cont'd)

31 December 2013

Condensed statement of financial position

Assets								
Cash and balances with banks	820,466	50,293	98,565	5,225	5,360	979,909	-	979,909
Loans and receivables	2,530,000	160,265	-	-	79,816	2,770,081	(1,950,596)	819,485
Trade receivables	-	17,219	-	-	-	17,219	-	17,219
Finance lease receivables	2,069,810	-	612,633	-	612,636	3,295,079	-	3,295,079
Available for sale financial assets	25,282	-	-	-	-	25,282	-	25,282
Investment in subsidiaries	1,605,155	-	-	-	-	1,605,155	(1,605,155)	-
Other assets	2,773,719	43,215	13,804	661	2,217	2,833,616	-	2,833,616
Inventory	-	808,010	-	-	25,044	833,054	-	833,054
Operating lease assets	6,148,729	-	649,375	1,450,807	-	8,248,911	-	8,248,911
Property, plant and equipment	1,011,388	32,622	74,206	-	21,405	1,139,621	-	1,139,621
Intangible assets	33,187	-	-	-	-	33,187	-	33,187
Current income tax assets	-	-	373	-	-	373	-	373
Deferred income tax assets	813,120	43,288	10,355	-	17,481	884,244	-	884,244
Total assets	**17,830,856**	**1,154,912**	**1,459,311**	**1,456,693**	**763,959**	**22,665,731**	**(3,555,751)**	**19,109,980**
Liabilities and equity								
Balance due to banks	590,121	49,185	-	-	-	639,306	-	639,306
Commercial notes	2,967,907	-	6,236	-	-	2,974,143	-	2,974,143
Trade payables	-	537,458	-	-	-	537,458	-	537,458
Other liabilities	1,237,508	455,921	172,407	32,799	508,095	2,406,730	(516,599)	1,890,131
Current income tax liabilty	191,822	10,416	-	-	6,570	208,808	-	208,808
Borrowings	6,801,489	-	677,508	1,427,987	181,615	9,088,599	(1,433,997)	7,654,602
Retirement benefit obligations	24,288	-	-	-	-	24,288	-	24,288
Deferred income tax liability	-	-	62,802	-	-	62,802		62,802
Equity and reserves	6,017,721	101,932	540,358	(4,093)	67,679	6,723,597	(1,605,155)	5,118,442
Total liabilities and equity	**17,830,856**	**1,154,912**	**1,459,311**	**1,456,693**	**763,959**	**22,665,731**	**(3,555,751)**	**19,109,980**

Notes to the consolidated financial statements for the year ended 31 December 2014

15.2.1 Condensed results of Consolidated entities (Cont'd)

31 December 2013

Condensed cash flows								
Net cash from operating activities	2,438,933	215,708	344,147	71,858	137,112	3,207,758	1,514,860	4,722,618
Net cash from investing activities	(280,993)	(4,365)	(325,573)	(1,450,738)	(47,854)	(2,109,523)	33,289	(2,076,234)
Net cash from financing activities	(1,458,181)	(88,253)	(36,147)	1,379,851	(89,117)	(291,847)	(1,575,507)	(1,867,354)
Movement in cash and cash equivalents	699,759	123,090	(17,573)	971	141	806,388	(27,358)	779,030
Cash and cash equivalents at start of the year	(469,414)	(121,983)	116,137	4,256	5,219	(465,785)	27,358	(438,427)
Cash and cash equivalents at year end	**230,345**	**1,107**	**98,564**	**5,227**	**5,360**	**335,376**	**-**	**340,603**

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
16.	Other assets				
	Financial assets:				
	Operating lease service receivables	1,407,984	903,502	1,407,984	903,502
	Finance lease in process	544,537	727,105	528,271	727,105
	Account receivables	296,529	743,509	296,529	743,509
	Advance payment for services	96,457	-	96,457	-
	Other debit balances	220,206	189,562	150,149	151,135
	Consumables	14,828	15,938	14,828	15,938
	Insurance receivables	96,588	89,357	96,588	86,045
	Deposit for investments	851,129	-	851,129	-
	Withholding tax receivables	972,129	711,054	972,129	705,998
		4,500,387	3,380,027	4,414,064	3,333,232
	Impairment allowance (Note 16.1)	(542,349)	(666,003)	(520,409)	(633,095)
		3,958,038	2,714,024	3,893,655	2,700,137
	Non-financial assets:				
	Prepayments	83,826	119,592	57,784	73,582
	Net other assets balance	4,041,864	2,833,616	3,951,439	2,773,719
16.1	Analysis of impairment allowance - Other assets				
	Specific impairment	428,241	582,082	373,744	549,171
	Collective impairment	114,108	83,921	146,665	83,924
		542,349	666,003	520,409	633,095
16.2.1	Movement in impairment allowance - Other assets				
	At the beginning of the year	666,003	622,440	633,095	598,791
	Discontinued operations	(10,968)	-	-	-
	Charge for the year	(112,686)	65,152	(112,686)	55,893
	Provision no longer required	-	(21,589)	-	(21,589)
	At the end of the year	542,349	666,003	520,409	633,095

All other financial assets on the statement of financial position of the Group and Company had a remaining year to contractual maturity of less than 12 months.

		Group 2014	Group 2013	Company 2014	Company 2013
17.	Inventories				
	Motor vehicles	414,193	728,412	-	-
	Tracking devices	30,466	23,031	30,466	-
	Vehicle spare parts	129,050	79,598	-	-
	Goods in transit	-	3,515	-	-
		573,709	834,556	30,466	-
	Impairment allowance (Note 17.1)	-	(1,502)	-	-
		573,709	833,054	30,466	-
16.2.1	Movement in impairment allowance - Inventories				
	At the beginning of the year	1,502	1,502	-	-
	Discontinued operations	(1,502)	-	-	-
	At the end of the year	-	1,502	-	-

Notes to the consolidated financial statements for the year ended 31 December 2014

18. Operating lease assets

	Autos and Trucks	Office Equipment	Marine Equipment	Construction in progress	Cranes	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Group						
Cost						
At 1 January 2014	4,927,398	21,516	5,398,142	1,450,807	391,759	12,189,622
Additions	1,821,803	356	975,052	2,145,799	-	4,943,010
Transfer	-	-	1,450,807	(1,450,807)	-	-
Disposals in the year	(518,950)	-	(66,144)	-	(51,373)	(636,467)
Exchange difference	-	-	114,864	-	-	114,864
At 31 December 2014	6,230,251	21,872	7,872,721	2,145,799	340,386	16,611,029
Accumulated depreciation						
At 1 January 2014	2,634,260	21,509	1,041,561	-	243,381	3,940,711
Charge for the year	1,095,709	6	371,847	-	18,081	1,485,643
Disposals in the year	(427,853)	-	(66,144)	-	(51,373)	(545,370)
Exchange difference	-	-	-	-	-	-
At 31 December 2014	3,302,116	21,515	1,347,264	-	210,089	4,880,984
Carrying amount						
At 31 December 2014	2,928,135	357	6,525,457	2,145,799	130,297	11,730,045
Cost						
At 1 January 2013	4,718,153	21,516	5,342,405	127,674	391,759	10,601,507
Additions	683,323	-	55,737	1,450,807	-	2,189,867
Transfer to own assets	-	-	-	(127,674)	-	(127,674)
Disposals in the year	(289,914)	-	-	-	-	(289,914)
Exchange difference	(184,164)	-	-	-	-	(184,164)
At 31 December 2013	4,927,398	21,516	5,398,142	1,450,807	391,759	12,189,622
Accumulated depreciation						
At 1 January 2013	1,974,809	21,505	799,312	-	219,521	3,015,147
Charge for the year	978,005	4	242,249	-	23,860	1,244,118
Disposals in the year	(269,516)	-	-	-	-	(269,516)
Exchange difference	(49,038)	-	-	-	-	(49,038)
At 31 December 2013	2,634,260	21,509	1,041,561	-	243,381	3,940,711
Carrying amount						
At 31 December 2013	2,293,138	7	4,356,581	1,450,807	148,378	8,248,911

Notes to the consolidated financial statements for the year ended 31 December 2014

18. Operating lease assets

	Autos and trucks	Office equipment	Marine equipment	Construction in progress	Cranes	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Company						
Cost						
At 1 January 2014	3,842,424	21,516	5,398,142	-	391,759	9,653,841
Additions	519,353	353	98,413	-	-	618,119
Disposals in the year	(363,332)	-	(66,144)	-	(51,373)	(480,849)
At 31 December 2014	3,998,445	21,869	5,430,411	-	340,386	9,791,111
Accumulated depreciation						
At 1 January 2014	2,198,661	21,509	1,041,561	-	243,381	3,505,112
Charge for the year	738,447	6	280,656	-	18,081	1,037,190
Disposals in the year	(344,549)	-	(66,144)	-	(51,373)	(462,066)
At 31 December 2014	2,592,559	21,515	1,256,073	-	210,089	4,080,236
Carrying amount						
At 31 December 2014	1,405,886	354	4,174,338	-	130,297	5,710,875
Cost						
At 1 January 2013	3,752,135	21,516	5,342,405	127,674	391,759	9,635,489
Additions	363,240	-	55,737	-	-	418,977
Transfer to own assets	-	-	-	(127,674)	-	(127,674)
Disposals in the year	(272,951)	-	-	-	-	(272,951)
At 31 December 2013	3,842,424	21,516	5,398,142	-	391,759	9,653,841
Accumulated depreciation						
At 1 January 2013	1,717,586	21,505	799,312	-	219,521	2,757,924
Charge for the year	739,976	4	242,249	-	23,860	1,006,089
Disposals in the year	(258,901)	-	-	-	-	(258,901)
At 31 December 2013	2,198,661	21,509	1,041,561	-	243,381	3,505,112
Carrying amount						
At 31 December 2013	1,643,763	7	4,356,581	-	148,378	6,148,729

Notes to the consolidated financial statements for the year ended 31 December 2014

19. Property, plant and equipment

Group	Autos and trucks	Furniture and Fittings	Office Equipment	Plant and machinery	Buildings	Land	Construction in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Valuation/Cost								
At 1 January 2014	386,874	56,777	311,663	57,641	409,156	548,489	21,239	1,791,839
Discontinued operations	(41,100)	(10,544)	(57,436)	-	-	-	-	(109,080)
Additions	79,125	7,415	45,907	1,628	2,508	-	13,211	149,794
Revaluation surplus	-	-	-	-	20,162	68,858	-	89,020
Disposal in the year	(10,721)	-	-	(5,000)	-	-	-	(15,721)
Exchange difference	-	6,233	1,354				-	7,587
At 31 December 2014	414,178	59,881	301,488	54,269	431,826	617,347	34,450	1,913,439
Accumulated depreciation								
At 1 January 2014	216,013	39,661	228,479	43,636	124,429	-	-	652,218
Discontinued operations	(38,688)	(7,589)	(41,397)	-	-	-	-	(87,674)
Charge for the year	56,610	7,774	31,441	4,452	9,320	-	-	109,597
Disposal in the year	(8,815)	-	-	(5,000)	-	-	-	(13,815)
Exchange difference	-	5,103	16,894			-	-	21,997
At 31 December 2014	225,120	44,949	235,417	43,088	133,749	-	-	682,323
Carrying amount								
At 31 December 2014	189,058	14,932	66,071	11,181	298,077	617,347	34,450	1,231,116
Valuation/Cost								
At 1 January 2013	361,278	93,413	275,785	45,863	367,305	440,937	21,239	1,605,820
Additions	41,006	4,329	12,787	11,778	-	4,029	-	73,929
Revaluation surplus	-	-	-	-	35,028	117,015	-	152,043
Disposal in the year	(12,930)	-	-	-	-	-	-	(12,930)
Exchange difference	(2,479)	(40,965)	23,091	-	6,823	(13,493)	-	(27,023)
At 31 December 2013	386,875	56,777	311,663	57,641	409,156	548,488	21,239	1,791,839
Accumulated depreciation								
At 1 January 2013	171,094	61,330	173,660	38,017	118,794	-	-	562,895
Charge for the year	58,216	10,227	34,506	5,619	8,432	-	-	117,000
Disposal in the year	(10,274)	-	-	-	-	-	-	(10,274)
Exchange difference	(3,023)	(31,896)	20,313	-	(2,797)	-	-	(17,403)
At 31 December 2013	216,013	39,661	228,479	43,636	124,429	-	-	652,218
Carrying amount								
At 31 December 2013	170,862	17,116	83,184	14,005	284,727	548,488	21,239	1,139,621

19.1

The land and buildings of the group were revalued on 31 December 2014 by Messrs Ubosi Eleh and Co. Estate Surveyors and Valuers. The open market value of the land and buildings were put at N986,000,000 (31 December 2013 : N978,000,000.00).

The revaluation surplus of N197,825,326 (31 December 2013: N337,873,117) 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 the Paragraph 3.11 of the Central Bank of Nigeria (CBN) revised Prudential Guidelines for Financial Institutions. Therefore, the amount of N89,021,396 (31 December 2013: N152,042,902) have been included in land and

Notes to the consolidated financial statements for the year ended 31 December 2014

buildings and recognised in the revaluation reserve through the other comprehensive income.

19. Property, plant and equipment

Company	Autos and trucks	Furniture and fittings	Office equipment	Plant and Machinery	Buildings	Land	Construction in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Valuation/Cost								
At 1 January 2014	227,400	37,250	175,064	39,545	290,186	522,981	21,239	1,313,665
Additions	1,650	4,895	16,991	1,292	1,831	-	-	26,659
Revaluation surplus	-	-	-	-	20,162	68,858	-	89,020
Disposal in the year	(6,975)	-	-	(5,000)	-	-	-	(11,975)
At 31 December, 2014	222,075	42,145	192,055	35,837	312,179	591,839	21,239	1,417,369
Accumulated depreciation								
At 1 January 2014	95,974	25,717	132,566	27,024	20,996	-	-	302,277
Charge for the year	35,020	4,048	16,809	3,932	5,825	-	-	65,634
Disposal in the year	(6,083)	-	-	(5,000)	-	-	-	(11,083)
At 31 December, 2014	124,911	29,765	149,375	25,956	26,821	-	-	356,828
Carrying amount								
At 31 December, 2014	97,164	12,380	42,680	9,881	285,358	591,839	21,239	1,060,541
Valuation/Cost								
At 1 January 2013	237,830	35,388	163,974	28,997	255,158	405,966	21,239	1,148,552
Additions	2,500	1,862	11,090	10,548	-	-	-	26,000
Revaluation surplus	-	-	-	-	35,028	117,015	-	152,043
Disposals	(12,930)	-	-	-	-	-	-	(12,930)
At 31 December, 2013	227,400	37,250	175,064	39,545	290,186	522,981	21,239	1,313,665
Accumulated depreciation								
At 1 January 2013	68,503	22,260	118,327	23,551	15,893	-	-	248,534
Charge for the year	37,745	3,457	14,239	3,473	5,103	-	-	64,017
Disposal in the year	(10,274)	-	-	-	-	-	-	(10,274)
At 31 December, 2013	95,974	25,717	132,566	27,024	20,996	-	-	302,277
Carrying amount								
At 31 December, 2013	131,426	11,533	42,498	12,521	269,190	522,981	21,239	1,011,388

19.1

The land and buildings of the Company were revalued on 31 December 2014 by Messrs Ubosi Eleh and Co. Estate Surveyors and Valuers. The open market value of the land and buildings were put at N986,000,000 (31 December 2013 : N978,000,000).

The revaluation surplus of N197,825,326 (31 December 2013: N337,873,117) 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 the Paragraph 3.11 of the Central Bank of Nigeria (CBN) revised Prudential Guidelines for Financial Institutions. Therefore, the amount of N89,021,396 (31 December 2013: N152,042,902) have been included in land and buildings and recognised in the revaluation reserve through the other comprehensive income.

Notes to the consolidated financial statements for the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
20. Intangible assets				
Computer software				
Cost b/f	33,187	-	33,187	-
Additions	122,795	33,187	122,795	33,187
	155,982	33,187	155,982	33,187
Amortisation				
Amortisation charge	10,617	-	10,617	-
	10,617	-	10,617	-
Net carrying amount				
At 31 December	145,365	33,187	145,365	33,187

Amortisation charged for the year is included in the other operating expenses. The software is not internally generated.

	Group 2014	Group 2013	Company 2014	Company 2013
21. Balance due to banks				
Access Bank Plc	15,501	-	15,501	-
Diamond Bank Plc	499,334	383,050	499,334	333,865
Guaranty Trust Bank Plc	265	-	265	-
Standard Chartered Bank	3,115	-	3,115	-
Stanbic IBTC Bank Plc	49	-	49	-
Fidelity Bank Plc	49,535	47,772	49,535	47,772
Zenith Bank Plc	3,722	13,789	3,700	13,789
First Bank of Nigeria Limited	3,282	194,695	3,282	194,695
Union Bank of Nigeria Plc	1,715	-	1,715	-
First City Monument Bank Plc	3,343	-	3,343	-
	579,861	639,306	579,839	590,121
22. Commercial notes				
Institutional clients	942,308	664,449	942,308	664,449
Individual clients	3,984,573	2,309,694	3,971,827	2,303,458
	4,926,881	2,974,143	4,914,135	2,967,907
22. Analysis of commercial notes				
Current	4,926,881	2,974,143	4,914,135	2,967,907
Non-current	-	-	-	-
	4,926,881	2,974,143	4,914,135	2,967,907
23. Other liabilities				
Financial liabilities:				
Security deposits	32,457	71,708	32,457	22,196
Statutory deductions (WHT, PAYE)	288,480	214,012	240,618	147,076
Intercompany balances	-	-	4,758	68,729
Accounts payable	673,825	878,071	494,635	404,689
Payments received on account	791,141	487,219	791,141	487,219
Deferred rental income	24033	11,625	24,033	11,625
	1,809,936	1,662,635	1,587,642	1,141,534
Non-financial liabilities:				
Provision and accruals	85,663	227,496	70,031	95,974
Total other liabilities	1,895,599	1,890,131	1,657,673	1,237,508

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
24.	Taxation				
24.1	Income tax charge				
	Income tax	154,267	64,290	149,777	58,290
	Education tax	27,980	11,371	27,980	11,117
	Technology tax	5,073	3,583	5,073	3,583
	Current income tax	187,320	79,244	182,830	72,990
	Current income tax credit	-	10,734	-	-
	Deferred tax credit	-	(3,151)	-	-
	Deferred tax charge	46,419	56,099	-	-
	Income tax	233,739	142,926	182,830	72,990
	Reconciliation of effective tax rate				
	Profit before tax	411,806	304,523	507,301	358,304
	Tax calculated using the domestic corporation tax rate of 30% (31	123,542	91,355	152,191	107,490
	Effect of tax rates in foreign jurisdictions	44,607	10,734	-	-
	Tax income exempt	(71,211)	(232,561)	(71,211)	(232,561)
	Non-deductible expenses	338,722	369,082	338,722	327,836
	Effect of education tax levy	27,980	11,371	27,980	11,117
	Effect of technology tax levy	5,073	3,583	5,073	3,583
	Effect of minimum tax	4,490	4,729	-	-
	Effect of disposal of items of PPE	32,667	(15,837)	32,667	(15,837)
	Tax reliefs	(272,131)	(99,530)	(302,592)	(128,638)
	Total income tax	233,739	142,926	182,830	72,990
24.2	Current income tax liability				
	At the beginning of the year	208,808	129,564	191,822	118,832
	Discontinued operations	(6,538)	-	-	-
	Charge for the year (Note 24.1)	187,320	79,244	182,830	72,990
	Withholding tax credit notes utilised	(155,860)	-	(155,860)	-
	Payments during the year	(21,514)	-	(16,977)	-
	At the end of the year	212,216	208,808	201,815	191,822
24.3	Current income tax assets				
	At the beginning of the year	(373)	(36,184)	-	-
	Charge for the year (Note 24.1)	(12,524)	10,734	-	-
	Payments during the year	-	(11,976)	-	-
	Exchange difference	-	37,053	-	-
	At the end of the year	(12,897)	(373)	-	-
24.4	Deferred income tax assets				
	At the beginning of the year	(884,244)	(863,612)	(813,120)	(813,120)
	Discontinued operations	17,481	-	-	-
	Charge in the year (Note 24.1)	1,812	37,280	-	-
	Prior year adjustment	-	(57,912)	-	-
	At the end of the year	(864,951)	(884,244)	(813,120)	(813,120)
24.4.1	Analysis of deferred income tax assets				
	Property, plant and equipment	(864,951)	(884,244)	(813,120)	(813,120)
	Allowance for loan and other assets losses	-	-	-	-
		(864,951)	(884,244)	(813,120)	(813,120)
24.5	Deferred income tax liability				
	At the beginning of the year	62,802	47,134	-	-
	Charge during the year	44,607	15,668	-	-
	At the end of the year	107,409	62,802	-	-

Notes to the consolidated financial statements for the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
24.5.1 Analysis of deferred income tax liability				
Property, plant and equipment	107,409	78,471	-	-
Tax losses carried forward	-	-	-	-
	107,409	78,471	-	-
25. Borrowings				
Term loans (Note 25.1)	5,423,223	4,090,647	3,674,622	4,090,647
Finance lease facilities (Note 25.2)	3,094,641	2,715,866	1,837,296	1,862,753
Redeemable bonds (Note 25.3)	1,145,601	848,089	636,068	848,089
	9,663,465	7,654,602	6,147,986	6,801,489

The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year (December 2013 : Nil).

	Group		Company	
	2014	2013	2014	2013
25.1 Term loans				
First City Monument Bank Plc (Note 25.1.3)	2,059,342	2,122,240	2,059,342	2,122,240
Fidelity Bank (Note 25.1.4)	345,580	560,720	345,580	560,720
ABSA Bank Limited, South Africa (Note 25.1.5)	606,762	651,083	606,762	651,083
Diamond Bank Plc (Note 25.1.6)	662,938	756,604	662,938	756,604
B.V. Scheepswerf Damen Gorinchem, The Netherlands (Note 25.1.7)	1,748,601	-	-	-
	5,423,223	4,090,647	3,674,622	4,090,647
25.1.1 Analysis of term loans				
Current	1,039,132	1,854,691	1,039,132	1,854,691
Non-current	4,384,091	2,235,956	2,635,490	2,235,956
	5,423,223	4,090,646	3,674,622	4,090,647
25.1.2 Movement in borrowings				
At the beginning of the year	7,654,601	7,967,031	6,801,489	6,810,268
Obtained in the year	3,639,454	1,503,447	182,284	1,503,451
Repayment during the year	(1,681,689)	(1,815,877)	(1,042,143)	(1,512,230)
Exchange loss	44,531	-	44,530	-
Foreign currency translation	6,568	-	161,830	-
At the end of the year	9,663,465	7,654,601	6,147,990	6,801,489

25.1.3 First City Monument Bank Plc

Facility represents US $15,725,000 term loan secured from First City Monument Bank Plc on 2 December 2011 for a year 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. The loan is secured by mortgage on the boats being financed.

25.1.4 Fidelity Bank Plc

Facility represents N734,000,000 term loan secured from Fidelity Bank Plc on 7 December 2012 for a period of 30 months effective from October 2013. The interest on the loan is 16% per annum.

25.1.5 ABSA Bank Limited, South Africa

Facility represents US Dollar 4,195,120 term loan secured from ABSA Bank LImited South Africa under a loan agreement dated 5 December 2012 for a period of four years from draw down date. The interest on the loan is London Inter Bank Offerred Rate (LIBOR) plus 2.5% per annum. The loan is secured by mortgage on the boats being financed.

Notes to the consolidated financial statements for the year ended 31 December 2014

25.1.5 Diamond Bank Plc

Facility represents N770,000,000 term loan secured from Diamond Bank Plc under a loan agreement dated 1 March 2013 for a period of three years effective 2 December 2012. The interest on the loan is 18% per annum. The facility is required to enable the Company meets its financial obligations on outsourcing services.

25.1.5 B.V. Scheepswerf Damen Gorinchem, The Netherlands

Facility represents US$7,590,245 term loan secured from B.V. Scheepswerf Damen Gorinchem, The Netherlands, under a loan agreement dated 22 September 2014 for a period of five years effective 22 September 2014. 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.

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
25.2	Finance lease facilities				
	Diamond Bank Plc (Note 25.2.2)	532,544	873,950	532,544	873,950
	Stanbic IBTC Bank (Note 25.2.3)	629,973	407,453	168,513	207,360
	First Bank Nigeria Ltd (Note 25.2.4)	618,651	423,780	618,651	407,034
	Access Bank Plc (Note 25.2.5)	339,201	45,066	339,201	32,969
	Leadway Assurance Company Ltd	-	164,869	-	-
	Lotus Capital Limited (Note 25.2.6)	4,067	72,439	4,067	72,439
	United Bank for Africa (Note 25.2.7)	374,121	59,834	6,028	46,035
	Golden Cedar, Ghana (Note 25.2.8)	60,555	135,367	-	-
	Barclays Bank Ghana (Note 25.2.9)	32,193	96,910	-	-
	FSDH Merchant Bank Ltd (Note 25.2.10)	168,292	222,966	168,292	222,966
	Oiko Ghana (Note 25.2.11)	130,249	54,611	-	-
	Intercontinental Bank, Ghana	204,795	158,621	-	-
		3,094,641	2,715,866	1,837,296	1,862,753
25.2.1	Analysis of finance lease facility				
	Current	1,294,627	1,688,920	1,459,912	1,480,138
	Non-current	1,800,014	1,026,946	377,384	382,613
		3,094,641	2,715,866	1,837,296	1,862,751

25.2.2 Diamond Bank Plc

Facility represents N1.5 billion corporate/ consumer lease finance facility secured from Diamond Bank Plc in April 2009 for a period of four years, to finance up to 90% of various lease facilities availed by C&I to its clients.The interest payable on the facility is 18% per annum. The facility was secured by legal ownership of assets finance under the lease contract.

25.2.3 Stanbic IBTC Bank Plc

Facility represents N700 million finance lease facility secured from Stanbic IBTC Bank Limited in February 2010 for a period of three years. The interest on the facility is 20% per annum. The facility was secured by legal ownership of assets finance under the lease contract.

Notes to the consolidated financial statements for the year ended 31 December 2014

25.2.4 First Bank Nigeria Limited

This relates to N2 billion equipment lease facility secured from First Bank 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.

25.2.5 Access Bank Plc

Facility represents N90.5 million and N44.75 million vehicle finance lease secured from Access Bank in June 2011 and May 2012 respectively for a period of three years. The interest on the lease facility is payable monthly at 17% per annum. The facility was secured by legal ownership of the leased assets.

25.2.6 Lotus Capital Limited

This represents N200 million Murabaha facility secured from Lotus Capital Limited under the Murabaha agreement of 7 September 2011 for a period of three years. The interest on the facility is 16.02% per annum.

25.2.7 United Bank for Africa Plc

Facility represents N500 million contract/lease finance facility secured from United Bank for Africa Plc in August 2011 for a period of three years, to part-finance 80% of various lease facilities availed by the C&I to its clients.The interest on the facility is 16% per annum. The facility was secured by joint ownership of leased asset/equipment by UBA and C&I Leasing.

25.2.8 Golden Cedar, Ghana

Facilicty represents US$1 million and one million Ghana Cedis equipment lease facility secured from Golden Cedar Limited, Ghana in July 2012 for a period of three years. The interest on the facility is 10.5% plus LIBOR and 4% plus Bank of Ghana Prime rate for the US Dollar and Ghana Cedis denominated loans. The facility is secured by negative pledge and corporate guarantee of C&I Leasing. The facility was obtained by Leasafric Ghana Limited.

25.2.9 Barclays Bank of Ghana

Facilicty 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. The facility was obtained by Leasafric Ghana Limited.

25.2.10 FSDH Merchant Bank Limited

Facility represents asset backed lease note secured from First Securities Discount House Limited in February 2012 for a period of two years with a moratorium of three months on principal repayment. The interest on the facility is 16% per annum.

25.2.11 Oikocredit EDCS Ghana

This facility represents the GHS 5,000,000 term loan secured from Oikocredit on 5 May 2014 for a period of 54 months to finance lease contracts. The interest on the loan is 21%. The loan is secured by promissory notes and the assignment of vehicles purchased with the loan. The facility was obtained by Leasafric Ghana Limited.

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
25.3	Redeemable bonds				
	First Pension Custodian Ltd	230,067	306,756	230,067	306,756
	First Securities Discount House Ltd	338,334	451,111	338,334	451,111
	UBA Pension Custodian Ltd	67,667	90,222	67,667	90,222
	Convertible bond (Note 25.3.3)	509,533	-	-	-
		1,145,601	848,089	636,068	848,089
25.3.1	Analysis of redeemable bonds				
	Current	322,426	208,889	302,889	208,889
	Non-current	823,175	639,200	333,179	639,200
		1,145,601	848,089	636,068	848,089

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

The redeemable bonds represent notes issued by subscribers (as indicated above) on 30 November 2012 for a period of five years. Interest on the notes is payable at 18% per annum. The loan is repayable at six monthly intervals over a period of five years commencing from 31 May 2013. The loan is direct, unconditional and secured obligation of C&I Leasing.

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

25.3.2 Convertible bond

This represents 5 year USD375,000 each convertible bonds, in an aggregate principal amount of USD3,000,000 issued within the year under review by Leasafric Ghana Limited.

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
26.	Retirement benefit obligations				
	Defined contribution pension plan (Note 26.1)	35,238	24,288	35,238	24,288
		35,238	24,288	35,238	24,288
26.1	Defined contribution pension plan				
	At the beginning of the year	24,288	164,669	24,288	164,669
	Contribution during the year	210,520	420,046	210,520	420,046
	Remittance during the year	(199,570)	(560,427)	(199,570)	(560,427)
	At the end of the year	35,238	24,288	35,238	24,288

26.1.1 The Group and its employees make a joint contribution of 15% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

Notes to the consolidated financial statements for the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
27. Share Capital				
27. Authorised share capital				
3,000,000,000 ordinary shares of 50k each	1,500,000	1,500,000	1,500,000	1,500,000
27. Issued and fully paid				
1,617,010,000 ordinary shares of 50k each	808,505	808,505	808,505	808,505
28. Deposit for shares				
At the beginning of the year	1,937,850	1,951,350	1,937,850	1,951,350
Exchange difference	153,580	(13,500)	153,580	(13,500)
At the end of the year	2,091,430	1,937,850	2,091,430	1,937,850

This represents US$12,486,143.09 unsecured variable coupon convertible notes issued by Aureos Africa LLC on 11 January 2010 for a period of five years. The interest to be paid on the notes is equivalent, in any year, to dividend declared by C&I Leasing and payable on the equivalent number of ordinary shares underlying the loan stock. The Company is in the process of converting the notes to its equity and has elected to include the notes in equity as deposit for shares.

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
29. Statutory reserve				
At the beginning of the year	572,935	460,532	510,952	425,359
Transfer from income statement	149,586	112,403	97,342	85,593
At the end of the year	722,521	572,935	608,294	510,952

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.

Notes to the consolidated financial statements for the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
30. Statutory credit reserve				
At the beginning of the year	48,447	16,648	31,799	-
Transfer from retained earnings	214,352	31,799	214,352	31,799
At the end of the year	262,799	48,447	246,151	31,799

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) is recorded in this reserve. This reserve is non distributable.

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
31. Retained earnings				
At the beginning of the year	509,699	502,787	1,648,812	1,513,231
Dividend declared and paid	(67,028)	(32,340)	(67,028)	(32,340)
Transfer from income statement	309,672	183,459	324,471	285,314
Transfer to statutory reserve	(149,586)	(112,403)	(97,342)	(85,593)
Transfer to statutory credit reserve	(214,352)	(31,799)	(214,352)	(31,799)
At the end of the year	388,405	509,704	1,594,561	1,648,813
32. Foreign currency translation reserve				
At the beginning of the year	30,327	100,631	-	-
Arising in the year	174,015	(70,304)	(161,830)	-
At the end of the year	204,342	30,327	(161,830)	-

This represents net exchange difference arising from translation of reserve balances of foreign entity at closing rate.

33. AFS fair value reserve				
At the beginning of the year	4,394	3,510	4,394	3,510
(Loss)/gain arising in the year	(9,557)	884	(9,557)	884
At the end of the year	(5,163)	4,394	(5,163)	4,394

Available for sale (AFS) fair value reserve represents gains or losses arising from marked to market valuation on available for sale assets.

Notes to the consolidated financial statements for the year ended 31 December 2014

34.	**Revaluation reserve**				
	At the beginning of the year	**395,882**	243,840	**395,882**	243,840
	Arising during the year	**89,021**	152,042	**89,021**	152,042
	At the end of the year	**484,903**	395,882	**484,903**	395,882

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

As stipulated in the Paragraph 3.11 of the Central Bank of Nigeria (CBN) revised Prudential Guidelines for Financial Institutions, the revaluation surplus of N197,825,326 (31 December 2013 : N337,873,117) (difference between the market and the historical values of the eligible property, plant and equipment being revalued) has been discounted by 55%. Therefore, the amount of N89,021,396 (31 December 2013 : N152,042,902) has been recognised in the revaluation reserve.

35.	Non controlling interest				
	At the beginning of the year	130,872	152,734	-	-
	Discontinued operations	(21,982)	-	-	-
	Share of increase in share capital of Leasafric Ghana	46,802	-	-	-
	Share of dividend paid by Leasafric Ghana	3,861	-	-	-
	Share of profit from Leasafric Ghana	7,821	4,014	-	-
	Share of profit/(loss) from Citrans Global	-	(25,876)	-	-
	At the end of the year	167,374	130,872	-	-
36.	Cash and cash equivalents				
	Cash and balances with banks (Note 10)	1,470,072	979,909	392,446	820,466
	Balance due to banks (Note 21)	(579,861)	(639,306)	(579,839)	(590,121)
		890,211	340,603	(187,393)	230,345

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
37.	**Impairment charge**				
	Debit balances written off	**131,902**	1,693	**77,728**	624
	Finance lease receivables	**(14,162)**	(34,643)	**(28,265)**	(11,150)
	Lease rental due	**72,115**	(27,082)	**72,116**	(60,887)
	Loans and advances	**1,748**	18,826	**1,747**	1,457
	Other assets	**(112,686)**	43,564	**(112,686)**	34,304
	Per income statement	**78,917**	2,358	**10,640**	(35,652)

Notes to the consolidated financial statements for the year ended 31 December 2014

37.1 Reconciliation of impairment allowance on loans and receivables, finance lease receivables and other assets

Group

	Inventory	Loans and advances	Lease rental due	Finance lease receivables	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2014						
Specific impairment	1,502	66,128	147,323	-	582,079	797,032
Collective impairment	-	2,387	8,076	110,880	83,924	205,267
	1,502	68,515	155,399	110,880	666,003	1,002,299
Discontinued operations	(1,502)	(46,315)	(57,839)	(6,188)	(10,968)	(122,812)
Additional provision						
Specific impairment	-	1,184	69,933	-	(153,838)	(82,721)
Collective impairment	-	564	2,182	(14,162)	41,152	29,736
Income statement	-	1,748	72,115	(14,162)	(112,686)	(52,985)
Written off	-	(6,010)	-	(7,734)	-	(13,744)
At 31 December 2014						
Specific impairment	-	14,987	159,417	-	428,241	602,645
Collective impairment	-	2,951	10,258	82,796	114,108	210,113
	-	17,938	169,675	82,796	542,349	812,758
At 1 January 2013						
Specific impairment	1,502	49,689	181,210	-	516,927	749,328
Collective impairment	-	-	1,271	161,394	105,513	268,178
	1,502	49,689	182,481	161,394	622,440	1,017,506
Additional provision						
Specific impairment	-	17,369	33,805	-	65,152	116,326
Collective impairment	-	2,387	6,805	-	-	9,192
No longer required	-	(930)	(67,692)	(34,643)	(21,589)	(124,854)
Income statement	-	18,826	(27,082)	(34,643)	43,563	664
Written off	-	-	-	(15,871)	-	(15,871)
At 31 December 2013						
Specific impairment	1,502	66,128	147,323	-	582,079	797,032
Collective impairment	-	2,387	8,076	110,880	83,924	205,267
	1,502	68,515	155,398	110,880	666,003	1,002,299

Notes to the consolidated financial statements for the year ended 31 December 2014

37. Impairment charge

37.1 Reconciliation of impairment allowance on loans and receivables, finance lease receivables and other assets

Company	Loans and advances	Lease rental due	Finance lease receivables	Other assets	Total
	N'000	N'000	N'000	N'000	N'000
At 1 January 2014					
Specific impairment	13,803	89,483	-	527,582	630,868
Collective impairment	2,387	8,076	49,474	105,513	165,450
	16,190	97,559	49,474	633,095	796,318
Additional provision					
Specific impairment	1,184	69,933	-	(153,838)	(82,721)
Collective impairment	564	2,182	(28,266)	41,152	15,632
No longer required	-	-	-	-	-
Income statement	1,748	72,115	(28,266)	(112,686)	(67,089)
At 31 December 2014					
Specific impairment	14,987	159,416	-	373,744	548,147
Collective impairment	2,951	10,258	21,208	146,665	181,082
	17,938	169,674	21,208	520,409	729,229
At 1 January 2013					
Specific impairment	14,733	157,175	-	493,278	665,186
Collective impairment	-	1,271	60,624	105,513	167,408
	14,733	158,446	60,624	598,791	832,594
Additional impairment					
Specific impairment	-	-	-	55,893	55,893
Collective impairment	2,387	6,805	-	-	9,192
No longer required	(930)	(67,692)	(11,150)	(21,589)	(101,361)
Income statement	1,457	(60,887)	(11,150)	34,304	(36,276)
At 31 December 2013					
Specific impairment	13,803	89,483	-	527,582	630,868
Collective impairment	2,387	8,076	49,474	105,513	165450
	16,190	97,559	49,474	633,095	796,318

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
38.	Lease rental income				
	Finance lease	3,012,793	2,740,133	2,965,269	2,606,438
	Operating lease	4,667,969	3,148,969	3,755,231	2,529,628
		7,680,762	5,889,102	6,720,500	5,136,066
39.	Lease interest expense				
	Finance lease interest	871,074	517,387	495,421	462,295
	Commercial notes interest	471,078	442,375	471,078	442,375
	Term loans interest	419,719	562,826	415,243	512,392
		1,761,871	1,522,588	1,381,742	1,417,062
40.	Outsourcing income				
	Outsourcing rental	4,987,412	4,553,800	4,987,412	4,553,800
	Outsourcing service expense	(4,353,276)	(3,568,317)	(4,353,276)	(3,568,317)
		634,136	985,483	634,136	985,483

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
41.	Vehicle sales				
	Vehicles	383,532	1,119,374	-	-
	Accessories	87,369	107,844	-	-
	Others	24,725	33,985	-	-
		495,626	1,261,203	-	-
42.	Vehicles operating expenses				
	Vehicles	325,012	796,102	-	-
	Accessories	52,119	84,524	-	-
	Others	13,404	-	-	-
		390,535	880,626	-	-
43.	Tracking income				
	Tracking income	50,389	92,158	50,389	-
	Tracking expenses	(16,724)	(72,715)	(16,724)	-
		33,665	19,443	33,665	-
44.	Interest income				
	Interest on loans and advances	247,412	40	337,456	191,224
	Interest on bank deposits	23,055	22,391	9,016	7,969
		270,467	22,431	346,472	199,193

Notes to the consolidated financial statements for the year ended 31 December 2014

45.	**Other operating income**				
	Gain on sale of operating lease assets (Note 45.1)	**171,689**	69,657	**87,156**	52,426
	Gain on sale of property, plant and equipment (Note 45.2)	**139,318**	364	**139,923**	364
	Foreign exchange gain/(loss)	**-**	-	**68,384**	-
	Gain on disposal of finance lease assets (Note 45.3)	**-**	131,294	**-**	131,294
	Insurance claims received	**4,640**	56,052	**4,640**	56,052
	Insurance income on finance leases	**10,088**	13,528	**10,088**	13,528
	Investment income	**1,367**	22,210	**1,367**	22,210
	Advertisement income	**-**	64,593	**-**	-
	Franked Investment Income	**-**	-	**10,291**	
	Franchise	**-**	5,835	**-**	-
	Rent received	**14,073**	20,250	**14,073**	20,250
	Others	**58,111**	96,982	**18,004**	54,630
		399,286	480,765	**353,926**	350,754
45.1	**Gain on sale of operating lease assets**				
	Proceeds from sale	**262,786**	90,055	**105,940**	66,475
	Gross value	636,467	289,914	480,850	272,951
	Accumulated depreciation	**(545,370)**	(269,516)	**(462,066)**	(258,901)
	Carrying amount	**91,097**	20,398	**18,784**	14,050
	Profit on disposal	**171,689**	69,657	**87,156**	52,425

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
45.2	Gain on sale of property, plant and equipment				
	Proceeds from sale	141,224	3,020	140,815	3,020
	Gross value	15,721	12,930	11,975	12,930
	Accumulated depreciation	(13,815)	(10,274)	(11,083)	(10,274)
	Carrying amount	1,906	2,656	892	2,656
	Profit on disposal	139,318	364	139,923	364
46.	Direct leasing expenses				
	Operating lease rental expenses	2,861,354	2,148,257	3,026,663	1,966,093
	Finance lease assets maintenance	269,711	190,263	269,711	174,149
	Finance lease assets insurance	140,352	184,502	140,352	184,502
		3,271,417	2,523,022	3,436,726	2,324,744
47.	Depreciation expense				
	Operating lease assets	1,485,642	1,244,117	1,037,189	1,006,089
	Property, plant and equipment	110,006	117,000	65,633	64,018
		1,595,648	1,361,117	1,102,822	1,070,107

Notes to the consolidated financial statements for the year ended 31 December 2014

48.	Personnel expense				
	Salaries and allowances	621,567	684,556	507,335	520,167
	Pension contribution expense	22,838	22,288	19,655	19,753
	Training and medical	69,294	46,908	68,741	45,022
		713,699	753,752	595,731	584,942
49.	Distribution expenses				
	Marketing	47,800	120,073	-	-
	Advertising	10,796	44,845	-	-
		58,596	164,918	-	-
50.	Other operating expenses				
	Directors' emoluments	20,176	45,104	18,522	10,524
	Auditors' remuneration	23,591	26,214	15,400	15,400
	Foreign exchange loss	33,971	50,500	-	18,966
	Bank charges	139,545	118,968	123,842	113,058
	Fuel, repairs and maintenance	427,116	491,310	416,131	466,795
	Insurance	53,147	44,206	49,513	40,442
	Advertisement and external relations	20,400	11,939	20,400	11,939
	Travel and entertainment	105,581	65,164	99,968	48,328
	Legal and professional	114,378	88,705	111,292	81,985
	Communications	46,112	46,703	45,742	40,625
	Subscriptions	57,010	43,260	52,544	41,239
	Levies and penalties	13,765	10,020	8,846	8,757
	Printing and stationaries	13,255	13,459	11,463	11,203
	Rent and rates	28,058	32,129	12,921	9,850
	Diesel and electricity	28,576	6,684	18,570	4,980
	Security and office supplies	96,155	51,158	36,299	27,898
	Amortisation of intangible assets	10,617	-	10,617	-
	Other administrative expenses	-	-	-	-
		1,231,453	1,145,523	1,052,070	951,989

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
51.	Cash flows generated from operating activities				
	Profit after taxation	317,493	161,597	324,471	285,314
	Adjustment to reconcile profit after tax to net cash from operating activities:				
	Depreciation of property, plant and equipment	109,597	117,000	65,634	64,017
	Depreciation of operating lease assets	1,485,643	1,244,118	1,037,190	1,006,089
	Amortisation of intangible assets	10,617	-	10,617	-
	Impairment charge	78,917	2,357	10,639	(35,652)
	Interest on finance lease facilities and loans	1,761,871	1,522,588	1,381,742	1,417,062
	Loss on disposal of investment in subsidiary	-	-	1,667	-
	Exchange (gain)/loss	198,111	(13,500)	198,104	(13,500)
	Increase/(decrease) in current income tax liability	187,320	79,244	182,830	72,990
	Increase/(decrease) in current income tax assets	(12,524)	10,734	-	-
	(Decrease)/increase in deferred income tax assets	1,812	(20,632)	-	-
	(Decrease)/increase in deferred income tax liability	44,607	15668	-	-
	Profit on disposal of operating lease assets	(171,689)	(69,657)	(87,156)	(52,425)
	Profit on disposal of property, plant and equipment	(139,318)	(364)	(139,923)	(364)
	Exchangeloss on foreign currency translation	80,124	111,498	-	-
	Operating profit before changes in operating assets and liabilites	3,635,088	2,999,054	2,661,344	2,458,217
	Net (increase in operating assets (Note 52)	(6,222,095)	(6,031,913)	(7,452,227)	(5,371,969)
	Net increase in operating liabilities (Note 53)	4,123,649	4,333,876	4,214,096	3,024,271
	Total adjustments	1,536,642	1,301,017	(576,787)	110,519
	Cash flows generated from operating activities	1,854,135	1,462,614	(252,316)	395,833
52.	Increase in operating assets				
	Loans and receivables	(8,269,035)	(7,319,086)	(10,047,530)	(8,558,290)
	Finance lease receivables	816,966	625,427	(1,525)	476,023
	Other assets	1,494,719	1,820,537	2,627,294	2,710,298
	Inventories	259,345	(66,882)	(30,466)	-
	Trade receivables	(524,090)	(1,091,909)	-	-
		(6,222,095)	(6,031,913)	(7,452,227)	(5,371,969)
53.	Increase in operating liabilities				
	Commercial notes	1,952,738	844,946	1,946,228	839,911
	Trade payables	(38,208)	622,929	-	-
	Other liabilities	1,998,599	2,445,955	2,057,348	1,764,314
	Deferred maintenance charge	-	-	-	-
	Retirement benefit obligations	210,520	420,046	210,520	420,046
		4,123,649	4,333,876	4,214,096	3,024,271

Notes to the consolidated financial statements for the year ended 31 December 2014

54. Disposal of Citrans Global Limited

On 30 September 2014, C&I Leasing Plc disposed of its 76.67% of the share capital of its subsidiary - Citrans Global Limited. The company contributed profit of N5.6 million to the Group from 1 Januay 2014 to 30 September 2014 (year ended 31 December 2013: Loss of N111.1 million) in Citrans Global Limited. Discontinued operations contributed profit of N5.6 million to the Group (year ended 31 December 2013: (Loss of N111.1 million). The results of the discontinued operations up till point of disposal is included within "Discontinued operations" in the current year and their full year result for prior year is also shown. The results of discontinued operations as shown below, includes the following:

	9 months to 30 September 2014	12 months to 31 December 2013
	N'000	N'000
Gross earnings	259,077	246,774
Lease rental income	48,393	58,778
Lease interest expenses	(19,692)	(24,531)
Net lease rental income	28,701	34,247
Tracking and tagging income	93,200	92,158
Tracking and tagging expenses	(48,950)	(72,697)
Net tracking and tagging income	44,250	19,461
Advertisement income	61,938	71,493
Advertisement expenses	(7,696)	(16,132)
	54,242	55,361
Other income	55,546	24,339
Impairment charge	(97,321)	(51,279)
Depreciation and amortisation expense	(11,353)	(23,506)
Personnel expenses	(37,318)	(46,946)
Other operating expenses	(31,117)	(80,776)
Profit on continuing operations before taxation	5,630	(69,099)
Income tax expense	-	(41,957)
Profit/(loss) from discontinued operations	5,630	(111,056)
Loss from disposal of subsidiary		
Proceeds from disposal of Citrans Global Limited	190,000	
Cost of investment of Citrans Global Limited	(191,667)	
Loss from disposal of subsidiary	(1,667)	

Notes to the consolidated financial statements for the year ended 31 December 2014

After tax gain/(loss) from disposal of discontinued operations	
Proceeds from disposal of Citrans Global Limited	190,000
Net assets of Citrans Global Limited up to disposal date	(73,307)
Non-controlling interest	17,103
Pre tax gain/(loss) from disposal of operations	133,796
Tax	-
After tax gain/(loss) from disposal of operations	133,796
Total profit on discontinued operations	**139,426**
Profit attributable to:	
Owners of the parent	139,426
Non-controlling interests	-
	139,426

		9 months to 30 September 2014	12 months to 31 December 2013
		N'000	N'000
54.	Disposal of Citrans Global Limited (Cont'd)		
	Assets		
	Cash and balances with banks	15,468	5,360
	Loans and receivables	70,273	22,588
	Trade receivables	76,916	57,228
	Finance lease receivables	482,067	612,636
	Other assets	2,375	2,217
	Inventory	42,986	25,044
	Property, plant and equipment	13,827	21,405
	Intangible assets	8,636	-
	Deferred income tax assets	17,481	17,481
	Total assets	730,029	763,959
	Liabilities and equity		
	Borrowings	158,908	181,615
	Other liabilities	491,242	508,095
	Current income tax liability	6,571	6,571
	Equity and reserves	73,307	67,678
	Total liabilities and equity	730,028	763,959
	Net cash from operating activities	(2,921)	75,092
	Net cash from investing activities	4,967	-
	Net cash from financing activities	(42,401)	(73,353)
	Movement in cash and cash equivalents	(40,355)	1,739
	Cash and cash equivalents at start of the period/year	5,219	3,480
	Cash and cash equivalents at period/year end	(35,136)	5,219

Notes to the consolidated financial statements for the year ended 31 December 2014

55. Basic earnings per share

Earnings per share (basic) (EPS) have been computed for each year on the profit after taxation attributable to ordinary shareholders and divided by the weighted average number of issued N0.50 ordinary shares during the year. While diluted earnings per share is calculated by adjusting the weighted average ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. There were no potential dilutive shares in December 2014 (December 2013 : Nil).

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
	Profit after taxation	309,672	183,459	324,471	285,314
		Number	Number	Number	Number
	Number of shares at year end	1,617,010	1,617,010	1,617,010	1,617,010
	Time weighted average number of shares in issue	1,617,010	1,617,010	1,617,010	1,617,010
	Diluted number of shares	1,617,010	1,617,010	1,617,010	1,617,010
	Earnings per share (EPS) (kobo) - basic	19.15	11.35	20.07	17.64
	Earnings per share (EPS) (kobo) - diluted	19.15	11.35	20.07	17.64
		N'000	N'000	N'000	N'000
56.	Information regarding Directors and employees				
56.1	Directors				
56.1.1	Directors' emoluments				
	Fees	11,854	7,810	10,200	6,200
	Other emoluments	8,322	7,294	8,322	4,324
		20,176	15,104	18,522	10,524
56.1.2	Fees and emoluments disclosed above excluding pension contributions include amounts paid to:				
	The Chairman	1,200	1,200	1,200	1,200
	The highest paid Director	9,575	9,575	9,575	9,575
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:				
		Number	Number	Number	Number
	N240,001 - N400,000	-	8	-	8
	N400,001 - N1,550,000	10	2	8	1
	N1,550,001 - N5,000,000	1	1	-	1
	N5,000,000 - N8,000,000	-	-	1	-
	N8,000,001 - N11,000,000	1	1	1	-
		12	12	10	10

Notes to the consolidated financial statements for the year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
		Number	Number	Number	Number
56.2	Employees				
56.2.1	The average number of persons employed by the Group during the perid was as follows:				
	Managerial	31	35	18	22
	Senior staff	56	64	48	56
	Junior staff	526	590	444	505
		613	689	510	583

56.2.2 The number of employess 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 2014	Group 2013	Company 2014	Company 2013
250,000	-	370,000	174	184	162	172
370,001	-	420,000	268	315	228	275
430,001	-	580,000	84	88	54	58
580,001	-	700,000	25	26	22	23
700,001	-	750,000	17	18	14	15
840,001	-	850,000	14	20	12	18
1,000,001	-	1,100,000	12	13	5	6
1,100,001	-	1,150,000	4	5	3	4
1,200,001	-	1,400,000	6	6	5	5
1,500,000	-	1,550,000	4	5	3	4
1,650,000	-	2,050,000	5	6	2	3
			613	686	510	583

57. Reclassification of comparative figures

Certain comparative figures in these 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 financial statements as at that date or which needs to be mentioned in the 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 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 2014 (31 December 2013 : Nil).

61. Related party transactions

Notes to the consolidated financial statements for the year ended 31 December 2014

During the year, the Group had significant business dealings with other companies that have common directors with the Company and those that are members of the Group. Details of these are described below:

	2014 N'000	2013 N'000
C&I Motors Limited		
The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables.	**753,998**	(68,729)
Leasafic Ghana Ghana Limited		
The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables.	**(4,758)**	9,958
Petra Services		
The Company is a shareholder in C&I Leasing Plc. Transactions during the year relates to term loans given to them. No provision has been recognised on the intercompany receivables.	**-**	-
Diamond Bank Plc		
The Company is a shareholder in C&I Leasing Plc. Transactions during the year relates to term loans finance lease facilities obtained from the bank.	**(1,694,817)**	(1,630,554)
EPIC International FZE		
The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables.	**2,706,531**	1,460,786
Citrans Global Limited		
The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables. The subsidiary has been disposed during the year in line with the shareholders approval at the annual general meeting held on 14 August 2014.	**-**	313,576

Notes to the consolidated financial statements for the year ended 31 December 2014

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 2014:

	Fleet management	Finance leases	Personnel outsourcing	Marine services	Citrack	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross earnings	**3,478,801**	**117,336**	**5,284,495**	**3,524,677**	**53,390**	**12,458,699**
Operating income	2,871,676	88,951	4,878,901	3,191,014	46,416	11,076,958
Operating expenses	(1,656,695)	(27,911)	(4,363,724)	(1,741,634)	(16,762)	(7,806,726)
Depreciation	(571,986)	(6,553)	(1,762)	(522,521)	-	(1,102,822)
Impairment loss	(2,971)	(146)	(4,513)	(3,010)	-	(10,640)
Personnel expense	(208,506)	(23,829)	(148,933)	(210,208)	(4,255)	(595,731)
Loss on disposal of subsidiary	(1,667)	-	-	-	-	(1,667)
Other operating expenses	(310,387)	(5,754)	(199,895)	(523,951)	(12,083)	(1,052,070)
Profit before taxation	**119,464**	**24,758**	**160,074**	**189,690**	**13,316**	**507,302**
Total assets employed	9,728,886	970,008	2,327,048	6,336,034	521,087	19,883,063
Interest expense	607,125	28,385	405,594	333,663	6,974	1,381,741
Earnings before interest and tax	727,790	53,127	564,962	522,881	20,283	1,889,043
ROCE (EBIT/Total Asset)	7%	5%	24%	8%	4%	10%

	2014	2013
	N'000	N'000
62.2 Geographical information		
1. Revenue		
Nigeria	**12,462,582**	11,581,695
Ghana	**1,070,848**	716,732
United Arab Emirates	**350,512**	1,032
	13,883,942	12,299,459
2. Total assets		
Nigeria	**15,662,069**	16,193,976
Ghana	**3,102,980**	1,459,311
United Arab Emirates	**4,568,978**	1,456,693
	23,334,027	19,109,980

63 Contravention

The company contravened certain provisions of the Nigerian Stock Exchange for the delay in filing the 2013 and 2014 audited financial statements. A fine of N1, 300, 000 was imposed by the Nigerian Stock Exchange

Statement of value added - Group
for the year ended 31 December 2014

	2014		2013	
	N'000	%	N'000	%
Gross income	**13,883,942**		12,299,459	
Interest expense	**(1,761,871)**		(1,522,588)	
	12,122,071		10,776,871	
Administrative overheads:				
Local	**(7,106,051)**		(6,444,662)	
Foreign	**(326,542)**		(421,571)	
Value added	**4,689,478**	**100**	3,910,638	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**713,699**	**15**	753,752	20
To pay government:				
Current income tax	**187,320**	**4**	79,244	2
To pay shareholders:				
Dividend	**67,028**	**1**	32,340	1
To pay providers of capital:				
Interest	**1,761,871**	**38**	1,522,588	39
Retained for future replacement of assets and expansion of business:				
- Depreciation	**1,595,648**	**34**	1,361,117	35
- Deferred income tax	**46,419**	**1**	-	-
- Profit for the year/period	**317,493**	**7**	161,597	3
	4,689,478	100	3,910,638	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.

Statement of value added - Company
for the year ended 31 December 2014

	2014 N'000	%	2013 N'000	%
Gross income	**12,458,699**		10,239,813	
Interest expense	**(1,381,742)**		(1,417,062)	
	11,076,957		8,822,751	
Administrative overheads:				
- Local	**(7,095,791)**		(4,938,425)	
- Foreign	**(326,542)**		(421,571)	
Value added	**3,654,624**	**100**	3,462,755	100
Distribution:				
Payment to employees:				
Salaries, wages and other benefits	**595,731**	**16**	584,942	17
To pay Government:				
Current income tax	**182,830**	**5**	72,990	2
To pay shareholders:				
Dividend	**67,028**	**2**	32,340	1
To pay providers of capital:				
Interest	**1,381,742**	**38**	1,417,062	41
Retained for future replacement of assets and expansion of				
- Depreciation of property, plant and equipment	**1,102,822**	**30**	1,070,107	31
- Deferred income tax	**-**	**-**	-	-
- Profit for the year/period	**324,471**	**9**	285,314	8
	3,654,624	**100**	3,462,755	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 2014	31 December 2013	31 December 2012	31 January 2012	31 January 2011
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and balances with banks	**1,470,072**	979,909	394,255	455,593	357,607
Loans and receivables	**743,985**	819,485	808,507	605,281	253,951
Trade receivables	**12,018**	17,219	205,956	241,351	247,068
Finance lease receivables	**2,492,275**	3,295,079	3,885,863	3,945,278	3,484,487
Available for sale assets	**15,729**	25,282	24,401	45,166	46,453
Other assets	**4,041,864**	2,833,616	2,383,209	3,133,271	3,380,824
Inventories	**573,709**	833,054	766,171	585,730	626,698
Operating lease assets	**11,730,045**	8,248,911	7,586,359	7,002,655	2,834,758
Property, plant and equipment	**1,231,116**	1,139,621	1,042,925	727,784	741,508
Intangible assets	**145,365**	33,187	-	-	709
Current income tax assets	**12,897**	373	36,184	-	-
Deferred income tax assets	**864,951**	884,244	863,612	675,156	527,376
Total assets	**23,334,026**	19,109,980	17,997,442	17,417,265	12,501,439
Liabilities					
Balance due to banks	**579,861**	639,306	832,682	1,405,004	1,475,880
Commercial notes	**4,926,881**	2,974,143	2,129,197	3,065,485	2,347,911
Trade payables	**108,715**	537,458	305,064	272,823	114,604
Current income tax liability	**212,216**	208,808	129,564	43,461	48,846
Other liabilities	**1,895,599**	1,890,131	1,502,039	1,127,061	745,450
Borrowings	**9,663,465**	7,654,602	7,967,031	7,174,942	3,877,878
Retirement benefits obligation	**35,238**	24,288	164,669	205,688	99,420
Deferred income tax liability	**107,409**	62,802	47,134	7,807	8,412
Total liabilities	**17,529,384**	13,991,538	13,077,380	13,302,271	8,718,401
Equity					
Share capital	**808,505**	808,505	808,505	808,505	808,505
Share premium	**679,526**	679,526	679,526	679,526	679,526
Deposit for shares	**2,091,430**	1,937,850	1,951,350	1,565,500	1,498,500
Statutory reserves	**722,521**	572,935	460,532	339,094	321,405
Statutory credit reserve	**262,799**	48,447	16,648	16,648	1,215
Retained earnings	**388,405**	509,704	502,786	370,263	335,517
Exchange translation reserve	**204,342**	30,327	100,631	183,184	-
AFS fair value reserve	**(5,163)**	4,394	3,510	(1,522)	(235)
Revaluation reserve	**484,903**	395,882	243,840	-	-
	5,637,268	4,987,570	4,767,328	3,961,198	3,644,433
Non-controlling interest	**167,374**	130,872	152,734	153,796	138,605
Total equity	**5,804,642**	5,118,442	4,920,062	4,114,994	3,783,038
Total liabilities and equity	**23,334,026**	19,109,980	17,997,442	17,417,265	12,501,439

Financial Summary - Group

	31 December 2014 N'000	31 December 2013 N'000	31 December 2012 N'000	31 January 2012 N'000	31 January 2011 N'000
Income statement					
Gross earnings	**13,883,942**	12,299,459	11,760,468	10,495,768	8,647,445
Operating income	**13,883,942**	12,299,459	11,760,468	10,495,768	8,647,445
Operating expenses	**(9,793,823)**	(8,567,268)	(8,029,066)	(7,916,424)	(6,706,212)
Net operating income	**4,090,119**	3,732,191	3,731,402	2,579,344	1,941,233
Impairment charge	**(78,917)**	(2,358)	(277,404)	(228,735)	(215,725)
Depreciation expense	**(1,595,648)**	(1,361,117)	(1,196,197)	(108,723)	(868,411)
Personnel expenses	**(713,699)**	(753,752)	(769,157)	(1,137,206)	(504,121)
Other operating expenses	**(1,290,049)**	(1,310,441)	(1,308,021)	(1,128,162)	(462,458)
Profit/(loss) before tax	**411,806**	304,523	180,623	(23,482)	(109,482)
Income tax expense	**(233,739)**	(142,926)	72,277	91,108	(47,440)
Profit/(loss) after tax	**178,067**	161,597	252,901	67,626	(156,922)
Profit/(loss) attributable to:					
Owners of the parent	**170,246**	183,459	253,963	52,435	(176,088)
Non-controlling interest	7,821	(21,862)	(1,062)	15,191	19,166
	178,067	161,597	252,901	67,626	(156,922)
Earnings/(loss) per share in kobo (basic)	**19**	11	16	4	(33)

Financial Summary - Company

	31 December 2014 N'000	31 December 2013 N'000	31 December 2012 N'000	31 January 2012 N'000	31 January 2011 N'000
Statement of financial position					
Assets					
Cash and balances with banks	**392,446**	820,466	200,591	223,479	146,782
Loans and receivables	**4,204,514**	2,530,000	1,271,711	1,173,598	938,599
Finance lease receivables	**2,099,601**	2,069,810	2,534,683	2,665,269	2,228,000
Available for sale financial assets	**15,729**	25,282	24,401	45,166	46,453
Investments in subsidiaries	**1,458,967**	1,605,155	1,605,155	1,112,652	1,112,652
Other assets	**3,951,439**	2,773,719	2,299,972	2,761,673	2,922,468
Inventories	**30,466**	-	-	-	-
Operating lease assets	**5,710,875**	6,148,729	6,877,565	6,658,395	2,626,274
Property, plant and equipment	**1,060,541**	1,011,388	900,019	541,125	547,382
Intangible assets	**145,365**	33,187	-	-	-
Deferred income tax assets	**813,120**	813,120	813,120	675,156	527,376
Total assets	**19,883,063**	17,830,856	16,527,217	15,856,513	11,095,986
Liabilities					
Balance due to banks	**579,839**	590,121	670,003	1,252,140	809,273
Commercial notes	**4,914,135**	2,967,907	2,127,996	3,065,485	2,347,911
Other liabilities	**1,657,673**	1,237,508	1,010,128	880,151	245,621
Current income tax liability	**201,815**	191,822	118,832	43,298	45,277
Borrowings	**6,147,986**	6,801,489	6,810,268	5,729,880	3,000,871
Retirement benefit obligations	**35,238**	24,288	164,669	205,688	99,420
Total liabilities	**13,536,686**	11,813,135	10,901,896	11,176,642	6,548,373
Equity					
Share capital	**808,505**	808,505	808,505	808,505	808,505
Deposit for shares	**2,091,430**	1,937,850	1,951,350	1,565,500	1,498,500
Share premium	**679,526**	679,526	679,526	679,526	679,526
Statutory reserve	**608,294**	510,952	425,359	332,141	312,335
Statutory credit reserve	**246,151**	31,799	-	-	-
Retained earnings	**1,594,561**	1,648,813	1,513,231	1,295,721	1,248,982
Foreign currency translation reserve	**(161,830)**	-	-	-	-
AFS fair value reserve	**(5,163)**	4,394	3,510	(1,522)	(235)
Revaluation reserve	**484,903**	395,882	243,840	-	-
Total equity	**6,346,377**	6,017,721	5,625,321	4,679,871	4,547,613
Total liabilities and equity	**19,883,063**	17,830,856	16,527,217	15,856,513	11,095,986

Financial Summary - Company

	31 December 2014 N'000	31 December 2013 N'000	31 December 2012 N'000	31 January 2012 N'000	31 January 2011 N'000
Income statement					
Gross earnings	**12,458,699**	10,239,813	10,092,696	8,409,439	6,205,274
Operating income	12,458,699	10,239,813	10,092,696	8,409,439	6,205,274
Operating expenses	(9,188,468)	(7,310,123)	(7,053,098)	(6,496,755)	(4,228,905)
Net operating income	**3,270,231**	2,929,690	3,039,598	1,912,684	1,976,369
Impairment (charge)/credit	**(10,640)**	35,652	(241,705)	(249,646)	(205,819)
Depreciation expense	**(1,102,822)**	(1,070,107)	(950,627)	(35,433)	(525,366)
Personnel expenses	**(595,731)**	(584,942)	(644,949)	(993,833)	(582,390)
Other operating expenses	**(1,052,070)**	(951,989)	(966,338)	(663,364)	(461,553)
Loss on disposal of subsidiary	**(1,667)**	-	-	-	-
Profit/(loss) before tax	**507,301**	358,304	235,979	(29,592)	201,241
Income tax (expense)/credit	**(182,830)**	(72,990)	74,749	96,137	(45,277)
Profit after tax	**324,471**	285,314	310,728	66,545	155,964
Profit attributable to:					
Owners of the parent	**324,471**	285,314	310,728	66,545	17,359
Non-controlling interest	**-**	-	-	-	138,605
	324,471	285,314	310,728	66,545	155,964
Earnings per share in kobo (basic)	**20**	18	4	10	21

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
70b Acme Road, behind FUNMEC Filling Station,
Ogba, Ikeja,
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 or any of the Diamond Bank Plc branches nearest to you.

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

Proxy Form

ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY WILL HOLD AT HAGO HEIGHTS PLOT 29, DR. PETER ODILI ROAD, TRANS-AMADI GRA, PORT HARCOURT, RIVERS STATE ON THURSDAY, 25TH JUNE, 2015 AT 11.00 AM PROMPT.

I/We *

(Name of Shareholders in block letter)

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

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or failing him AVM A. D. Bello (Rtd.), GCON, CFR or failing him, Mr. C. E. Ndu or failing him the Chairman of the meeting as my proxy to act and vote for me/us on our behalf at the Annual General Meeting of the Company to be held on the 25th day of June at 11:00 a.m. and at any adjournment thereof:

Dated this ------------- day of ---------------- 2015.

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

RESOLUTION	FOR	AGAINST
To receive and consider the Financial Statements for the year ended 31st December, 2014 together with the reports of the Directors, Auditors and Audit Committee thereon.		
To declare a dividend.		
To re-elect Mr. Jacob Kholi as a director		
To re-elect Mr. Omotunde Alao-Olaifa as a director		
To re-elect Mr. Larry Ademeso as a director		
To approve the remuneration of the Directors		
To authorize the Directors to fix the remuneration of the Auditors.		
To elect members of the Audit Committee for the ensuing year accordingly.		
To pass a resolution that a restructuring of the business of C&I Motors Limited by way of a merger with C&I Leasing Plc be and is hereby approved.		
To pass a resolution that the Directors be and are hereby authorized to take all such incidental, consequential and supplemental actions and to execute all requisite documents as may be necessary to give effect to the above resolutions.		

Please indicate with an X in the appropriate square how you wish your votes to be cast on resolution set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his direction

Proxy Form

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

IF YOU ARE UNABLE TO ATTEND THIS MEETING

A member (Shareholder 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.

Please sign this proxy form and send it so as to reach the address shown overleaf not later than 48 hours before the time for holding the meeting.
If executed by a corporation, the proxy form should be sealed with the corporation's common seal.

IMPORTANT
The name of the Shareholder must be written in BLOCK LETTERS on the proxy form where marked. This admission form 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: ---

FOR COMPANY USE ONLY **NO OF SHARES**

Notes

www.c-ileasing.com