C & I LEASING PLC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

C & I LEASING PLC

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

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C&I LEASING PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

		Group		Company	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
	Notes	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	10.	**1,093,725**	1,453,910	**928,571**	1,161,021
Loans and receivables	11.	**814,238**	543,874	**792,015**	526,898
Trade receivables	12.	**14,141,044**	13,308,926	**12,897,655**	11,682,825
Due from related companies	12.1	**-**	-	**4,492,548**	5,207,439
Finance lease receivables	13.	**2,076,678**	2,313,173	**1,963,423**	2,221,289
Equity instruments at fair value through	14.	**-**	-	**-**	-
other comprehensive income		**7,623**	7,335	**7,623**	7,335
Investment in subsidiaries	15.	**-**	-	**759,467**	759,467
Investment in Joint Venture	0	**3,809,768**	2,952,373	**3,809,768**	2,952,373
Other assets	16.	**1,375,975**	647,720	**1,248,250**	561,537
Operating lease assets	17.	**32,158,975**	32,521,421	**16,796,983**	17,439,055
Property, plant and equipment	18.	**1,325,013**	1,423,705	**1,175,027**	1,204,576
Intangible assets	19.	**45,740**	11,533	**42,618**	-
Deferred income tax assets	23.3	**854,607**	853,201	**854,607**	853,201
Total assets		**57,703,385**	56,037,169	**45,768,554**	44,577,015
Liabilities					
Balances due to banks	20.	**1,311,457**	966,759	**1,292,116**	924,912
Commercial notes	21.	**10,150,397**	15,449,175	**10,137,787**	15,438,232
Trade & other payables	22.	**5,054,916**	4,702,770	**3,501,302**	3,489,194
Current income tax liability	23.1	**186,634**	93,276	**96,998**	169,112
Borrowings	24.	**25,332,809**	19,379,465	**23,096,501**	15,761,935
Retirement benefit obligations	25.	**69,965**	43,401	**69,965**	43,401
Deposit for shares		**1,975,000**	1,975,000	**1,975,000**	1,975,000
Deferred income tax liability		**13,712**	87,578	**-**	-
Total liabilities		**44,094,890**	42,697,424	**40,169,670**	37,801,786
Equity					
Share capital	26.	**390,823**	390,823	**390,823**	390,823
Share premium		**3,361,609**	3,361,609	**3,361,609**	3,361,609
Statutory reserve	28.	**1,207,464**	1,342,874	**873,770**	867,817
Statutory credit reserve	29.	**625,728**	258,643	**638,779**	258,643
Retained earnings	30.	**2,917,317**	3,320,154	**(389,294)**	1,175,350
Foreign currency translation reserve	31.	**3,744,977**	3,692,655	**-**	-
AFS fair value reserve	32.	**6,706**	4,497	**6,706**	4,497
Revaluation reserve	33.	**716,490**	716,490	**716,490**	716,490
		12,971,116	13,087,746	**5,598,884**	6,775,229
Non-controlling interest	34.	**637,380**	251,999	**-**	-
Total equity		**13,608,495**	13,339,745	**5,598,884**	6,775,229
Total liabilities and equity		**57,703,385**	56,037,169	**45,768,554**	44,577,015

These consolidated financial statements on pages 3 to 64 were approved by the Board of Directors on **28th October, 2021** and signed on its behalf by :

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

Andrew Otike-Odibi
Managing Director
FRC/2013/ICAN/00000003945

Alex Mbakogu
Group CFO
FRC/2015/ICAN/00000011740

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

C & I LEASING PLC

CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

	Notes	Group				Company			
		9 Months to Sept 2021 N'000	3 Months to Sept 2021 N'000	**9 Months to Sept 2020 N'000**	3 Months to Sept 2020 N'000	**9 Months to Sept 2021 N'000**	3 Months to Sept 2021 N'000	**9 Months to Sept 2020 N'000**	3 Months to Sept 2020 N'000
Gross earnings		**13,942,059**	4,676,101	**15,597,751**	4,626,462	**9,808,695**	3,281,758	**10,099,948**	2,963,022
Continuing Operations									
Lease rental income	**37.**	**11,833,009**	4,042,437	**13,587,060**	4,157,660	**7,832,043**	2,698,823	**8,364,356**	2,536,729
Direct leasing expenses	**43.**	**(5,403,665)**	(1,917,522)	**(5,887,084)**	(908,901)	**(4,612,851)**	(1,642,248)	**(4,089,895)**	(1,071,602)
Net lease rental income		**6,429,344**	2,124,915	**7,699,976**	3,248,759	**3,219,192**	1,056,575	**4,274,461**	1,465,127
Net outsourcing income	**39.**	**886,950**	**289,841**	**803,303**	114,202	**886,950**	**289,841**	**803,303**	114,202
Tracking income	**40.**	**116,461**	33,746	**139,309**	43,789	**116,461**	33,746	**139,309**	43,789
Tracking expenses	**40.**	**(63,614)**	(19,768)	**(50,097)**	(16,631)	**(63,614)**	(19,768)	**(50,097)**	(16,631)
Net Tracking income		**52,848**	13,977	**89,213**	27,158	**52,848**	13,977	**89,213**	27,158
Interest income	**41.**	**3,170**	(13,011)	**16,571**	2,049	**3,151**	1,524	**16,278**	2,049
Other operating income	**42.**	**661,332**	176,141	**645,061**	200,796	**528,953**	110,876	**370,256**	158,287
Share of gain from joint venture		**441,137**	146,948	**406,446**	107,965	**441,137**	146,948	**406,446**	107,965
Lease interest expenses	**38.**	**(3,398,873)**	(1,194,299)	**(4,139,660)**	(1,206,743)	**(2,750,146)**	(998,903)	**(3,046,416)**	(916,768)
Net operating income		**5,075,907**	1,544,512	**5,520,911**	2,494,187	**2,382,085**	620,838	**2,913,540**	958,021
Impairment (charge)/credit	**36.**	**(43,855)**	(28,037)	**(34,547)**	(12,061)	**288**	615	**(335)**	2,809
Depreciation expense	**44.**	**(3,217,393)**	(1,099,481)	**(2,967,332)**	(1,725,660)	**(1,586,043)**	(553,930)	**(1,219,774)**	(431,831)
Personnel expenses	**45.**	**(843,373)**	(278,908)	**(1,053,164)**	(349,925)	**(745,271)**	(244,812)	**(932,139)**	(308,369)
Other operating expenses	**47.**	**(828,378)**	(282,076)	**(1,005,799)**	(325,101)	**(665,968)**	(231,096)	**(847,424)**	(274,237)
Profit before income tax		**142,908**	(143,989)	**460,068**	81,441	**(614,909)**	(408,385)	**(86,132)**	(53,608)
Income tax		**(312,907)**	(139,009)	**(116,923)**	(6,335)	**(180,009)**	(93,976)	**(57,473)**	-
Profit after taxation		**(169,999)**	(282,999)	**343,145**	75,106	**(794,918)**	(502,362)	**(143,605)**	(53,608)
Profit attributable to:									
Owners of the parent		**(181,912)**	(305,809)	**355,365**	76,430	**(794,918)**	(502,362)	**(143,605)**	(53,608)
Non-controlling interests		**11,914**	22,810	**(12,220)**	(1,324)				
		(169,999)	(282,999)	**343,145**	75,106	**(794,918)**	(502,362)	**(143,605)**	(53,608)
Appropriation of profit attributable to owners of the parent:									
Transfer to statutory reserve	**28.**	**(54,574)**	(91,743)	**106,610**	**22,929**	**-**	-	**-**	-
Transfer to retained earnings	**30.**	**(127,339)**	(214,066)	**248,756**	**53,501**	**(794,918)**	(502,362)	**(143,605)**	(53,608)
		(181,912)	(305,809)	**355,365**	76,430	**(794,918)**	(502,362)	**(143,605)**	(53,608)
Basic earnings per share [kobo]	**48.**	**(21.75)**	(36)	**43.90**	10	**(101.7)**	(64.27)	**(18.37)**	(6.86)

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

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 2021

		Group		Company	
	Notes	30 Sept 2021 N'000	30 Sep 2020 N'000	30 Sept 2021 N'000	30 Sep 2020 N'000
Cash flows from operating activities					
Profit after tax		**(169,999)**	343,145	**(794,918)**	(143,605)
Adjustment for:					
Depreciation of property, plant and equipment	18.	**1,042,283**	143,110	**34,093**	34,748
Depreciation of operating lease assets	17.	**2,175,110**	2,824,223	**1,553,077**	1,185,091
Amortisation of intangible assets	19.	**11,600**	-	2,467	3,758
Profit on disposal of operating lease assets		**(220,025)**	-	**-**	-
Prior year adjustment		**(448,220)**	-	**303,760**	-
Foreign currency translation difference		888,835	173,787	**-**	
Loss on sale of investment securities		-	15,565	-	15,565
Finance cost	38.	3,398,873	4,139,660	2,750,146	3,046,416
Exchange loss/Gain adjustment		(147,492)	(992,582)	(147,492)	171,005
Gain on revaluation of AFS assts		(288)	(228)	(288)	(228)
Tax expense	23.	**312,907**	116,923	**180,009**	57,473
		6,843,586	**6,763,604**	**3,880,854**	**4,370,224**
Changes in operating assets and liabilities					
Increase/(Decrease) in loans and receivables		(270,364)	(10,169)	(265,116)	(8,985)
Increase/(decrease) in trade and other receivables		(832,118)	206,200	(1,214,830)	8,181,330
Increase in finance lease receivables		236,495	926,933	257,866	995,683
Increase in other assets		**(728,255)**	313,813	28,178	294,004
Increase/(decrease) in retirement benefit		**26,564**	-	26,564	-
Increase/(decrease) in trade and other payables		**352,146**	(431,878)	12,108	(1,039,560)
Increase/(decrease) in commercial papers		(5,298,778)	(568,786)	(5,300,446)	(550,568)
Increase/(decrease) deferred income tax liability		(73,866)	-	-	-
Deferred tax paid		**(1,407)**	-	**(1,407)**	-
Tax paid	23.	**(325,623)**	(3,500)	**(325,623)**	(3,500)
Net cash from operating activities		**(71,621)**	**7,196,216**	**(2,901,852)**	**12,238,628**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**70,409**	-	**25,136**	-
Purchase of property, plant and equipment	18.	**(12,010)**	(45,570)	**(4,544)**	(17,713)
Proceeds from sale of operating lease assets		**-**	-	**143,489**	-
Purchase of operating lease assets	17.	**(2,172,129)**	(3,168,072)	**(937,907)**	(2,018,211)
Transfer of operating lease assets from EPIC	17.	**-**	-	**-**	(8,291,979)
Acquisition of intangible assets	19.	**(48,420)**	(12,209)	**(45,085)**	-
Additional investment in subsidiaries		**385,381**	-	-	(500)
Additional investment in joint ventures		(857,395)	8,349	(857,395)	8,349
Proceeds from sale of investment securities		**2,210**	4,698	**2,210**	4,698
Net cash used in investing activities		**(2,631,955)**	**(3,212,803)**	**(1,674,096)**	**(10,315,356)**
Cash flows from financing activities					
Repayment of borrowings		5,953,344	(2,055,174)	7,334,566	(8,031)
Finance cost	38.	**(3,398,873)**	(4,139,660)	**(2,750,146)**	(3,046,416)
Share of (profit)/loss to non-controlling interest	34.	**-**	(106,824)	**-**	-
Proceed from right issue		**-**	2,264,401	-	2,264,401
Dividend paid	30.	**(539,082)**	(156,329)	**(539,082)**	(156,329)
Net cash from financing activities		**2,015,388**	**(4,193,586)**	**4,045,338**	**(946,375)**
Increase/(decrease) in cash and cash equivalents		**(688,187)**	**(210,173)**	**(530,610)**	**976,898**
Cash and cash equivalents at 1 October		470,456	680,629	**167,065**	(809,833)
Cash and cash equivalents at 30 September	35.	**(217,731)**	**470,456**	**(363,545)**	**167,065**

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

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

Group

	Share capital N'000	Share premium N'000	Deposit for shares N'000	Statutory Reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation reserve N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Non-controlling interest N'000	Total equity N'000
At 1 January 2021	390,823	3,361,609	-	1,342,874	258,643	3,320,154	3,692,655	4,497	716,490	251,999	13,339,745
Changes in equity for the period ended 30 Sept 2021											
Profit for the period	-	-	-	-	-	(181,912)	-	-	-	11,914	(169,999)
Prior year adj/transfers				(80,836)	367,085	263,584	(836,513)			373,467	86,787
Other comprehensive income											
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	2,210	-	-	2,210
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gain on foreign operations translation	-	-	-	-	-	-	888,835	-	-	-	888,835
Total comprehensive income for the period ended 30 Sept 2021	-	-	-	(80,836)	367,085	81,672	52,322	2,210	-	385,381	807,833
Transactions with owners											
Transfer between reserves	-	-	-	(54,574)	-	54,574	-	-	-	-	-
Right issue	-	-									-
Dividend paid						(539,082)					(539,082)
Exchange difference on conversion of deposit for shares	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	(54,574)	-	(484,509)	-	-	-	-	(539,082)
At 30 Sept 2021	**390,823**	**3,361,609**	**-**	**1,207,464**	**625,728**	**2,917,317**	**3,744,977**	**6,707**	**716,490**	**637,380**	**13,608,496**
At 30 Sep 2020	**390,823**	**3,361,609**	**1,975,000**	**1,341,397**	**858,253**	**3,316,710**	**2,936,956**	**4,933**	**716,490**	**244,073**	**15,146,246**

C & I LEASING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

Company

	Share Capital N'000	Share Premium N'000	Deposit for shares N'000	Statutory Reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	currency translation reserve N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Total equity N'000
At 1 January 2021	390,823	3,361,609	-	867,817	258,643	1,175,350	-	4,497	716,490	6,775,230
Changes in equity for the period ended 30 Sept 2021										
Profit for the period	-	-	-	-	-	(794,918)	-	-	-	(794,918)
Prior year adj/transfers	-	-	-	5,953	380,136	(230,643)				155,446
Other comprehensive income										
Fair value changes on available for sale financial	-	-	-	-	-	-		2,210	-	2,210
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-		-	-	-
Total comprehensive income for the period ended 30 Sept 2021	-	-	-	5,953	380,136	(1,025,561)	-	2,210	-	(637,262)
Transactions with owners										
Transfer betwenn reserves	-	-	-	-	-	-		-	-	-
Right issue	-	-	-	-	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	(539,082)		-	-	(539,082)
Total transaction with owners	-	-	-	-	-	(539,082)		-	-	(539,082)
At 30 Sept 2021	**390,823**	**3,361,609**	**-**	**873,770**	**638,779**	**(389,294)**	**-**	**6,707**	**716,490**	**5,598,885**
At 30 Sep 2020	**390,823**	**3,361,609**	**1,975,000**	**884,867**	**858,253**	**330,072**	**-**	**4,933**	**716,490**	**8,522,048**

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

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

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

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

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

These consolidated financial statements cover the financial period from 1 January 2021 to 30 September 2021.
The consolidated financial statements for the year ended 30 September 2021 were approved for issue by the Board of Directors on 28 October 2021.

2. Basis of preparation
2.1 Statement of compliance with IFRSs
The Group’s consolidated financial statements for the nine months ended 30 September 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).
The financial statements comprise of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes to the consolidated financial statements.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

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

2.4 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2021.
Subsidiaries are fully consolidated from the date of acquisition, being the date in which the Company obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using the same accounting policies.
All inter-group balances, transactions, dividends, unrealised gains on tranasctions within the Group are eliminated on consolidation. Unrealised losses resulting from inter-group transactions are eliminated, but only to the extent that there is no evidence of impairment.
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.5 Changes on accounting policies and disclosures
New and amended IFRS Standards

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

2.5.1 IFRS 16 Leases
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.
However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.
Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

Upon adoption of IFRS 16, the group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the group.

2.5.2 IFRS 14 "Regulatory Deferral Accounts"

This standard permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.

2.5.3 IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRS 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.
The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or payed at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

Consensus
• The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
• If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

2.5.4 Amendments to IFRS 2 “Share-Based Payments”.

The IASB finalised three separate amendments to IFRS 2:
Effects of vesting conditions on the measurement of a cash-settled share-based payment.
Until now, IFRS 2 contained no guidance on how vesting conditions affect the fair value of liabilities for cash-settled share-based payments. IASB has now added guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments.

Accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Until now, IFRS 2 did not specifically address situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. The IASB has introduced the following clarifications:

On such modifications, the original liability recognised in respect of the cash-settled share-based payment is derecognised and the equity-settled share-based payment is recognised at the modification date fair value to the extent services have been rendered up to the modification date.

Any difference between the carrying amount of the liability as at the modification date and the amount recognised in equity at the same date would be recognised in profit and loss immediately.

Classification of share-based payment transactions with net settlement features

IASB has introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

2.5.5 Amendments to IFRS 9 *Prepayment Features with Negative*

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

2.5.6 Amendments to IFRS 4 "Insurance Contracts"

The IASB issued amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:

• an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;

• an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts.

2.5.7 Amendments to IFRS 11 “Joint Arrangements"
Accounting for Acquisitions of Interests in Joint Operations

The amendment addresses how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business. IFRS 11 now requires that such transactions shall be accounted for using the principles in IFRS 3 Business Combinations and other standards. The most significant impacts will be the recognition of goodwill and the recognition of deferred tax assets and liabilities. The amendments not apply to acquisitions of interests in joint operations but also when a business is contributed to a joint operation on its formation.

2.5.8 Amendments to IFRS 10 “Consolidated Financial Statements"
Investment Entities Exemption

Amends IFRS 10, IFRS 12 and IAS 27 to provide investment entities an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 or IAS 39.

2.5.9 Amendments to IFRS 12 “Disclosure of Interests in Other Interests"
Investment Entities

This amendment clarifies which subsidiaries of an investment entity should be consolidated instead of being measured at fair value. The impact on whether the entities may be consolidated will result in changes in the disclosure requirements of IFRS 12 for subsidiaries.

2.5.10 Amendments to IAS 1 “Presentation of Financial Statements”

The narrow-focus amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. In most cases the proposed amendments respond to overly prescriptive interpretations of the wording in IAS 1. The amendments relate to the following:

- materiality;
- order of the notes;
- subtotals;
- accounting policies; and
- disaggregation.

2.5.11 Amendments to IAS 7 “Statement of Cash Flows”

The amendments come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

To achieve this objective, the IASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing

activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.
The amendments state that one way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. This is a departure from the December 2014 exposure draft that had proposed that such a reconciliation should be required.
Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities

2.5.12 Amendments to IAS 12 "Income Taxes"

The amendments in Recognition of Deferred Tax Assets for Unrealised Losses clarify the following aspects:

• Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
• The carrying amount of an asset does not limit the estimation of probable future taxable profits.
• Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
• An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

2.5.13 Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation issued by IASB on 12 May 2014. The amended IAS 16 introduces a rebuttable presumption that revenue is not an appropriate basis for amortisation of property, plant and equipment. This presumption can only be rebutted in two limited circumstances:

1. Property plant and equipment is expressed as a measure of revenue; or
2. Revenue and consumption of the item of property, plant and equipment are highly correlated.

Guidance is introduced to explain that expected future reductions in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset.

2.5.14 Improvements to IAS 23 "Borrowing Costs"

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

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

2.5.15 Improvements to IFRS 5 "Non-current Asset Held for Sale and Discontinued Operations"

Change in methods of disposal

The amendments introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments state that:

Such reclassifications should not be considered changes to a plan of sale or a plan of distribution to owners and that the classification, presentation and measurement requirements applicable to the new method of disposal should be applied; and

Assets that no longer meet the criteria for held for distribution to owners (and do not meet the criteria for held for sale) should be treated in the same way as assets that cease to be classified as held for sale.

2.5.16 Improvements to IFRS 7 "Financial Instruments: Disclosure"

Servicing Contracts

The amendments provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of disclosures required in relation to transferred assets. Paragraph 42C(c) of IFRS 7 states that a pass through arrangement under a servicing contract does not, in itself, constitute a continuing involvement for the purposes of the transfer disclosure requirements. However, in practice, most service contracts have additional features that lead to a continuing involvement in the asset, for example, when the amount and/or timing of the service fee depends on the amount and/or timing of the cash flows collected.

2.5.17 Amendments to IAS 19 *Employee Benefits Plan Amendment, Curtailment or Settlement*

The Group has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The Group will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

3. Summary of significant accounting policies

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

3.1 Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries where it is determined that there is a capacity to control.
Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

Control is usally present when an entity has:

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

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

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

3.2 Investments in associates

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

3.3 Investments in joint ventures

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

3.4 Investments in special purpose entities (SPEs)

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

3.5 Intangible assets

3.5.1 Intangible assets acquired separately

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

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

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

3.5.2 Intangible assets generated internally

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

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

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

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

3.6 Property, plant and equipment

3.6.1 Initial recognition

All items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any, except for land and buildings to be reported at their revalued amount net of accummulated depreciation and/or accummulated impairment losses. Acquisition costs include the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its costs is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria is satisfied.

3.6.2 Subsequent costs

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

3.6.3 Depreciation

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

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

Buildings	2%
Furniture and fittings	20%
Plant and machinery	20%
Motor vehicles/autos and trucks	25%
Office equipment	20%
Marine equipment	5%
Leased assets	20%
Cranes	10%

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

3.6.4 Derecognition

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

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

3.6.5 Reclassifications

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

3.7 Inventories

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

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

3.8 Impairment of non-financial assets

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

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

3.9 Financial instruments

3.9.1 Financial assets

i. Classification

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

3.9.1.1 Financial assets at fair value through profit or loss

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

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

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

3.9.1.2 Loans and receivables

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

i) Recognition and measurement

Regular-way purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset.
Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit or loss.

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

Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables and fair value through other comprehensive income financial assets are carried at amortised cost using the effective interest method, except when there is insufficient information at transition date, when it is carried at book values.

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

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

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

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

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

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

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

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

ii) Reclassifications

Financial assets other than loans and receivables are permitted to be reclassified out of the fair value through profit or loss 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 fair value through profit or loss or available-for-salefair value through other comprehensive income 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.

iii) Derecognition

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

3.10.2 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.

3.10.2.1 Interest-bearing borrowings

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

3.10.3 Impairment of financial assets

3.10.3.1 Overview of the Expected Credit Losses (ECL) principles

The Group recognizes allowance for expected credit losses on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments.
- Trade receivables and contract assets.
- Financial guarantees issued.

In this section, the instruments mentioned above are all referred to as ‘financial instruments’ or ‘assets’. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months’ expected credit loss (12 months ECL) as outlined.

The 12 months ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LT ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for account receivable are always measured at an amount equal to lifetime ECL. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:
· Stage 1: When financial assets are first recognised, the Group recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.
· Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.
· Stage 3: Financial assets considered credit-impaired. The Group records an allowance for the LTECLs.
· POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.
If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime – stage 2 or stage 3 of the ECL bucket, the Group would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 3) to 12-months ECL (Stage 2).

In addition to the 90 days probationary period above, the Group also observes a further probationary period of 90 days to upgrade from Stage 2 to 3. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1).

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

3.10.3.2 The calculation of ECLs

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:
PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset.
Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:
Stage 1: The 12-month ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

Stage 2: When an asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

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

3.10.3.3 Debt instruments measured at fair value through OCI

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

3.10.3.4 Purchased or originated credit impaired financial assets (POCI)

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

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

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

An asset that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

For POCI financial assets, the Group only recognises the cumulative changes in LT ECL since initial recognition in the loss allowance.

3.10.3.5 Collateral valuation

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

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

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

3.10.3.6 Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

3.10.3.7 Write-off

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

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

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

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

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

3.10.3.8 Forward looking information

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

- GDP growth
- Unemployment rates
- Inflation rates
- Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in the financial statements.

3.10.4 Fair value measurement

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

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.
The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

3.10.5 Write off

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

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

3.10.3.2 Financial assets measured at fair value through other ccomprehensive income

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

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

3.10.6 Offsetting financial instruments

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

3.11 Trade and other receivables

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

3.12 Cash and cash equivalents

Cash equivalents comprises short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

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

3.13 Leases

Leases are divided into finance leases and operating leases.

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

3.13.1 The Group is the lessor

3.13.1.1 Operating leases

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

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

3.13.1.2 Finance leases

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

3.13.2 The Group is the lessee

3.13.2.1 Finance leases

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

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

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

Contingent rentals are recognised as expenses in the periods in which they are incurr

3.13.2.2 Operating leases

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

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

3.14 Trade and other payables

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

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

3.15 Borrowing costs

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

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

3.16 Retirement benefits

3.16.1 Defined contribution plan

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

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

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

3.16.2 Termination benefits

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

3.16.3 Short term employee benefits

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

3.17 Taxation

3.17.1 Current income tax

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

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

3.17.2 Deferred income tax

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

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

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

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

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.
Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the statement of profit or loss together with the deferred gain or loss on disposal.

3.18 Provisions

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

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

3.18.1 Warranty

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

3.18.2 Restructuring

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

3.18.3 Onerous contract

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

3.19 Equity instruments

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

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

3.20 Compound financial instruments

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

3.21 Share-based payments

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

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

3.22 Revenue recognition

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

3.22.1 Income from operating leases

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

3.22.2 Income from finance leases

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

3.22.3 Personnel outsourcing income

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

3.22.4 Service charge income

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

i) The amount of revenue can be measured reliably;

ii) It is probable that the economic benefits associated with the transaction will flow to the group;

iii) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

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

3.22.5 Interest income

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

3.22.6 Rental income

Rental income is recognized on an accrued basis.

3.22.7 Realised gains and losses

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

3.23 Foreign currency translation

3.23.1 Foreign currency transactions and balances

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

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

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

• Exchange differences on transactions entered into to hedge foreign currency risks;

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

3.23.2 Foreign operations

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

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

4. Segment reporting

The Group‘s operating segments are organized by the nature of the operations and further by geographic location into geographical regions; local and foreign to highlight the contributions of foreign operations to the Group. Due to the nature of the Group, the Company’s Executive Committee regularly reviews operating activity on a number of bases, including by geographical region, customer group and business activity by geographical region.

A segment is a distinguishable component of the group that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.
The Group‘s operating segments were determined in a manner consistent with the internal reporting provided to the Executive Committee, which represents the chief operating decision-maker, as this is the information CODM uses in order to make decisions about allocating resources and assessing performance.

All transactions between business segments are conducted on an arm‘s length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

5. Significant accounting judgements, estimates and assumptions

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

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgement are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

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

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

5.1 Estimates and assumptions

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

5.2 Going concern

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

5.3 Fair value of financial instruments using valuation techniques

The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

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

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

5.4 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.

5.5 Depreciable life of property, plant and equipment

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

5.6 Impairment under IFRS 9

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost. The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition.

Staged Approach to the Determination of Expected Credit Losses

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Stage 1

The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2

The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3

The Company recognises a loss allowance at an amount equal to lifetime expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired.

The Company does not originate or purchase credit impaired loans or receivables.
The determination of whether a financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effect of credit risk mitigates such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: the Company considers the obligor is unlikely to pay its credit obligations to the company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case by case basis for nonhomogenous portfolios, or by applying portfolio based parameters to individual financial assets in this portfolios by the Company's ECL model for homogenous portfolios.

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability – weighted present value of the difference between:

1) The contractual cash flows that are due to the Company under the contract; and
2) The cash flows that the Company expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The development of ECL models, including the various formulas and the choice of inputs. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Expected lifetime:
The expected life time of a financial asset is a key factor in determine the life time expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The company measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension option) over which it is exposed to credit risk.

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6. Financial instruments and fair values

As explained in Note 6.1, financial instruments have been classified into categories that determine their basis of measurement and, for items measured at fair value, such changes in fair value are recognised in either through the statement of profit or loss or other comprehensive income. For items measured at amortised cost, changes in value are recognised in the statement of profit or loss. Therefore, the financial instruments carried in the statement of financial position are shown based on their classifications in the table below:

6.1 Classes of financial instruments

	Fair value through OCI N'000	Fair value through profit or loss N'000	Amortised Cost N'000	Total carrying amount N'000
Group				
At 30 September 2021				
Financial assets				
Cash and balances with banks	-	1,093,725	-	1,093,725
Loans and receivables	-	-	814,238	814,238
Finance lease receivables	-	-	2,076,678	2,076,678
Equity instruments at fair value through other comprehensive income	7,623	-	-	7,623
Trade and other receivables	-	-	14,141,044	14,141,044
Other assets	-	-	1,375,975	1,375,975
	7,623	**1,093,725**	**18,407,935**	**19,509,283**
Financial liabilities				
Balances due to banks	-	1,311,457	-	1,311,457
Borrowings	-	-	25,332,809	25,332,809
Trade payables	-	-	5,054,916	5,054,916
	-	**1,311,457**	**30,387,726**	**31,699,182**
Group				
At 31 December 2020				
Financial assets				
Cash and balances with banks	-	1,453,910	-	1,453,910
Loans and receivables	-	-	543,874	543,874
Finance lease receivables	-	-	2,313,173	2,313,173
Equity instruments at fair value through other comprehensive income	7,335	-	-	7,335
Trade and other receivables	-	-	13,308,926	13,308,926
	7,335	**1,453,910**	**16,165,973**	**17,627,217**
Financial liabilities				
Balances due to banks	-	966,759	-	966,759
Borrowings	-	-	19,379,465	19,379,465
Trade and other payables	-	-	4,702,770	4,702,770
Other liabilities	-	-	-	-
	-	**966,759**	**24,082,235**	**25,048,994**

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	Fair value through OCI	Fair value through profit or loss	Amortised Costs	Total carrying amount
	N'000	N'000	N'000	N'000
Company				
At 30 September 2021				
Financial assets				
Cash and balances with banks	-	928,571	-	928,571
Loans and receivables	-	-	792,015	792,015
Finance lease receivables	-	-	1,963,423	1,963,423
Available-for-sale assets	7,623	-	-	7,623
Trade and other receivables	-	-	17,390,203	17,390,203
Other assets	-	-	1,248,250	1,248,250
	7,623	**928,571**	**21,393,890**	**22,330,084**
Financial liabilities				
Balances due to banks	-	1,292,116	-	1,292,116
Borrowings	-	-	23,096,501	23,096,501
Trade and other payables	-	-	3,501,302	3,501,302
	-	**1,292,116**	**26,597,803**	**27,889,920**

	Available for sale	Fair value through profit or loss	Loans and receivables	Total carrying amount
	N'000	N'000	N'000	N'000
Company				
At 31 December 2020				
Financial assets				
Cash and balances with banks	-	1,161,021	-	1,161,021
Loans and receivables	-	-	526,898	526,898
Finance lease receivables	-	-	2,221,289	2,221,289
Available-for-sale assets	7,335	-	-	7,335
Trade and other receivables	-	-	11,682,825	11,682,825
Other assets	-	-	561,537	561,537
	7,335	**1,161,021**	**14,992,549**	**16,160,905**
Financial liabilities				
Balances due to banks	-	924,912	-	924,912
Borrowings	-	-	15,761,935	15,761,935
Trade and other payables	-	-	3,489,194	3,489,194
	-	**924,912**	**19,251,129**	**20,176,041**

6.2 Fair valuation methods and assumptions

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

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

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

6.3 Fair value measurements recognised in the statement of financial position

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

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

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

The Group maintains quoted investments in the companies listed in Note 13 and were valued at N5,227,136 (December 2019: N26,180,000) which are categorised as **level 1,** because the securities are listed, however, there are no financial instruments in the level 2 and 3 categories for the year.

7. Capital management

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

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

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

The Group's capital is divided into two tiers:

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

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

The Group achieved capital adequacy ratio of 27% at the year end 31 September 2020, which is the higher when compared to 20% recorded for the year ended 31 December, 2019.

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

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		Group		Company	
		30-Sep-21	31-Dec-20	**30-Sep-21**	31-Dec-20
		N'000	N'000	**N'000**	N'000
Tier 1 capital					
Share capital		**390,823**	390,823	**390,823**	390,823
Share premium		**3,361,609**	3,361,609	**3,361,609**	3,361,609
Statutory reserve		**1,207,464**	1,342,874	**873,770**	867,817
Statutory credit reserve		**625,728**	258,643	**638,779**	258,643
Deferred income tax assets		854,607	853,201	854,607	853,201
Retained earnings		**2,917,317**	3,320,154	**(389,294)**	1,175,350
Non-Controlling Interest		637,380	3,692,655	-	-
Sub-Total		**9,994,929**	8,982,155	**5,730,295**	6,260,106
Less: Intangible assets		**(45,740)**	(11,533)	**(42,618)**	-
Under provision/deferred assets		**-**	-	-	-
Required loan loss reserve		**(625,728)**	(258,643)	**(638,779)**	(258,643)
Deferred income tax assets		(854,607)	(853,201)	(854,607)	(853,201)
Total qualifying for tier 1 capital		**8,468,854**	7,708,697	**4,194,291**	5,028,059
Tier 2 capital					
Exchange translation reserve		**3,744,977**	3,692,655	-	-
Fair value reserve		**6,706**	4,497	**6,706**	7,335
Revaluation reserve		**716,490**	716,490	**716,490**	716,490
Total		**4,468,173**	4,413,642	**723,196**	**723,825**
Total qualifying for tier 2 capital (Maximum of 33.3% of TIER 1 Capital)		**4,468,173**	3,700,053	**1,396,699**	**1,674,344**
Total regulatory capital		**12,937,027**	**11,408,750**	**5,590,990**	**6,702,403**
Risk-weighted assets					
	%				
Cash in hand	0%	**-**	-	**-**	-
Cash and balances with banks	20%	**218,745**	290,782	**185,714**	283,908
Loans and receivables	100%	**814,238**	543,874	**792,015**	387,151
Trade receivables	100%	**14,141,044**	13,308,926	**12,897,655**	16,791,292
Due from related companies	100%	**-**	-	**4,492,548**	-
Finance lease receivables	100%	**2,076,678**	2,313,173	**1,963,423**	1,832,307
Equity instruments at fair value through other comprehensive income	100%	**7,623**	7,335	**7,623**	26,053
Investment in subsidiaries	100%	**-**	-	**759,467**	758,967
Investment in joint venture	100%	**3,809,768**	2,952,373	**3,809,768**	755,205
Other assets	100%	**1,375,975**	647,720	**1,248,250**	6,416,405
Operating lease assets	100%	**32,158,975**	32,521,421	**16,796,983**	5,767,998
Property, plant and equipment	100%	**1,325,013**	1,423,705	**1,175,027**	1,236,624
Deferred income tax assets	100%	**-**	-	**-**	-
Total risk weighted assets		**55,928,058**	50,316,622	**44,128,472**	34,229,857
Risk-weighted Capital Adequacy Ratio (CAR)		**23%**	**23%**	**13%**	**20%**

8. Risk management framework

The primary objective of Group's risk management framework is to protect the Group's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit Unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

The Group's principal significant risks are assessed and mitigated under three broad headings:

Strategic risks – This specifically focused on the economic environment, the products offered and market. The strategic risks arose from the Group's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making, resource allocation and its inablity to adapt to changes in its business environment.

Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

Financial risks – Risk associated with the financial operation of the Group, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the Group’s risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the Group’s identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

8.1 Strategic risks

Capital management policies, objectives and approach.

The following capital management objectives, policies and approach to managing the risks which affect the capital position are adopted by the Group:

- To maintain the required level of financial stability thereby providing a degree of security to clients and plan me
- 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 requi
- To maintain financial strength to support new business growth and to satisfy the requirements of the regulators

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

8.2 Operational risks

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

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

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

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

8.3 Financial risks

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

Credit risks
Liquidity risks
Market risks

8.3.1 Credit risks

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

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

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

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

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Exposure to risk

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

	Group	
	30-Sep-21	31-Dec-20
	N'000	N'000
Financial assets		
Cash and balances with banks	**1,093,725**	928,571
Loans and receivables	**814,238**	792,015
Finance lease receivables	**2,076,678**	1,963,423
Available-for-sale assets	-	-
Equity instruments measured at FVTOCI	**7,623**	**7,335**
Trade and other receivables	**14,141,044**	13,308,926
Other assets	**1,375,975**	647,720
	19,509,283	**17,647,988**

	Company	
	30-Sep-21	31-Dec-20
	N'000	N'000
Financial assets		
Cash and balances with banks	**928,571**	1,161,021
Loans and receivables	**792,015**	526,898
Finance lease receivables	**1,963,423**	2,221,289
Available-for-sale assets	-	-
Equity instruments measured at FVTOCI	**7,623**	**7,335**
Trade and other receivables	**12,897,655**	11,682,825
Other assets	**1,248,250**	561,537
	17,837,537	**16,160,905**

8.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instru The Group maintains sufficient amount of cash for its operations. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. The Operations Committee has primary responsibility for compliance with regulations and company policy and maintaining a liquidity crisis contingency plan.

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

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8.3.2 Liquidity risks

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

	Current N'000	Non-current N'000	Total N'000
Group			
30 September 2021			
Balances due to banks	1,311,457	-	1,311,457
Borrowings	4,631,604	20,701,205	25,332,809
Trade and other payables	5,054,916	-	5,054,916
	10,997,977	20,701,205	31,699,182
31 December 2020			
Balances due to banks	966,759	-	883,917
Borrowings	4,909,379	14,404,589	21,825,128
Trade and other payables	4,702,770	-	7,074,974
	10,578,908	14,404,589	29,784,019
Company			
30 September 2021			
Balances due to banks	1,292,116	-	1,292,116
Borrowings	3,081,387	20,015,114	23,096,501
Other liabilities	3,501,302	-	3,501,302
	7,874,806	**20,015,114**	**27,889,920**
31 December 2020			
Balances due to banks	924,912	-	847,441
Borrowings	2,803,758	12,390,221	12,052,229
Trade and other payables	3,489,194	-	6,432,407
	7,217,864	**12,390,221**	**19,332,077**

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

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

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

8.3.3 Market risk

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

8.3.4 Currency risk

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

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

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

8.3.5 Interest rate risk

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

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

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.

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

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		Group		Company	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		N'000	N'000	N'000	N'000
10.	**Cash and balances with banks**				
	Cash in hand	**29,766**	35,051	**29,766**	35,051
	Current balances with banks	**1,063,959**	1,418,859	**898,805**	1,125,970
	Placement with bank		-		-
		1,093,725	1,453,910	**928,571**	1,161,021
11.	**Loans and receivables**				
	Lease rental due	**757,743**	480,226	**757,743**	480,226
	Loans and advances	**70,365**	75,316	**48,142**	58,341
		-	-	**-**	-
		828,109	555,542	**805,886**	538,567
	Impairment allowance (Note 11.4)	**(13,871)**	(11,668)	**(13,871)**	(11,668)
		814,238	543,874	**792,015**	526,898
11.2	**Analysis of loans and receivables by security**				
	Secured	**-**	-	**-**	-
	Otherwise secured	**828,109**	555,542	**805,886**	538,567
		828,109	555,542	**805,886**	538,567
11.3	**Loans and receivables are further analysed as follows:**				
	Less than one year	**470,044**	324,028	**470,044**	314,127
	More than one year and less than five	**358,065**	231,514	**335,842**	224,440
	More than five years	**-**	-	**-**	-
		828,109	555,542	**805,886**	538,567
11.4	**Impairment allowance on loans and receivables**				
	Lease rental due (Note 11.5)	**12,107**	**9,904**	**12,107**	**9,904**
	Loans and advances (Note 11.6)	**1,764**	**1,764**	**1,764**	**1,764**
		13,871	11,668	**13,871**	11,668
11.5	**Analysis of impairment allowance - Lease rental due**				
	Specific impairment	**9,342**	8,308	**9,342**	8,308
	Collective impairment	**3,795**	3,375	**3,795**	3,375
		13,137	11,683	**13,137**	11,683

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		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	**30 September 2021 N'000**	31 December 2020 N'000
11.6	**Analysis of impairment allowance - Loans and advances**				
	Specific impairment	**-**	-	**-**	-
	Collective impairment	**1,764**	**1,764**	**1,764**	**1,764**
		1,764	1,764	**1,764**	1,764
11.6.1	**Movement in impairment allowance - Loans and advances**				
	At the beginning of the year	**1,764**	1,857	**1,764**	1,857
	Re-measurement at 1 January, 2018	**-**	-	**-**	-
	Charge for the year	**-**	-	**-**	-
	Provision no longer required	**-**	-	**-**	-
	Written off in the year	**-**	(93)	**-**	(93)
	At the end of the year	**1,764**	1,764	**1,764**	1,764
12.	**Trade and other receivables**				
	Financial assets				
	Trade receivables	**-**	-	**-**	-
	Operating lease service receivables	**5,579,388**	**5,726,956**	**4,242,003**	4,083,912
	Account receivables	**537,914**	**498,332**	**734,940**	557,666
	Consumables	**2,574,536**	**1,997,387**	**2,572,499**	1,982,721
	Insurance receivables		**6,668**		-
	Withholding tax receivables	**5,541,222**	**5,193,200**	**5,440,231**	5,172,144
		14,233,061	**13,422,544**	**12,989,672**	**11,796,443**
	Impairment allowance	**(92,017)**	(113,619)	**(92,017)**	(113,619)
		14,141,044	13,308,925	12,897,655	11,682,825
12.1	**Amount due from related companies**				
	Leasafric Ghana Limited	**-**	-	**(326,812)**	(183,538)
	EPIC International FZE United Arab Emirates	**-**	-	**5,190,154**	45,885
	C & I Leasing FZE	**-**	-	**(346,617)**	5,370,928
		-	-	**4,516,725**	5,233,275
	Impairment allowance	**-**	-	**(24,177)**	(25,836)
		-	-	**4,492,548**	5,207,439
13.	**Finance lease receivables**				
	Gross finance lease receivable	**4,591,764**	**5,391,054**	**4,407,578**	**5,247,885**
	Unearned lease interest/maintenance	**(2,510,419)**	**(3,062,945)**	**(2,439,488)**	**(3,011,660)**
	Net investment in finance lease	**2,081,345**	2,328,109	**1,968,089**	2,236,225
	Impairment allowance (Note 13.4)	**(4,666)**	**(14,936)**	**(4,666)**	**(14,936)**
		2,076,678	2,313,173	**1,963,423**	2,221,289

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		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	**30 September 2021 N'000**	31 December 2020 N'000
13.1	**The net investment in finance lease may be analysed as follows:**				
	Less than one year	**1,557,122**	**1,741,734**	**1,518,627**	**1,725,527**
	More than one year and less than five	**524,223**	**586,375**	**449,462**	**510,698**
	More than five years	**(4,666)**	(14,936)	**(4,666)**	(14,936)
		2,076,678	2,313,173	**1,963,423**	2,221,289
13.2	**Analysis into current portion and non-current portion**				
	Current portion	**1,557,122**	**1,741,734**	**1,518,627**	**1,725,527**
	Non-current portion	**524,223**	**586,375**	**449,462**	**510,698**
		2,081,345	2,328,109	**1,968,089**	2,236,225
13.3	**Analysis of impairment allowance - Finance lease receivables**				
	Specific impairment				
	Collective impairment	**4,666**	14,936	**4,666**	14,936
		4,666	14,936	**4,666**	14,936
13.3.1	**Movement in impairment allowance - Finance lease receivables**				
	At the beginning of the year	**(4,666)**	14,936	**(4,666)**	14,936
	At the end of the year	**(4,666)**	14,936	**(4,666)**	14,936

		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	30 September 2021 N'000	31 December 2020 N'000
14.	**Available for sale assets**				
14.1	Equity instruments at fair value through other comprehensive income				
	First Bank of Nigeria Plc	**16,500**	16,500	**16,500**	16,500
	Fidelity Bank Plc	**12,000**	12,000	**12,000**	12,000
		28,500	28,500	**28,500**	28,500
	Diminuition	**(20,877)**	**(21,165)**	**(20,877)**	**(21,165)**
		7,623	7,335	**7,623**	7,335
15.	**Investment in subsidiaries**				
	Leasafric Ghana Limited	**-**	-	**754,736**	754,736
	EPIC International FZE, United Arab Emirates	**-**		**4,231**	4,231
	C & I Leasing FZE, Nigeria Ltd			**500**	500
		-	-	**759,467**	758,967

15.1 Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

Subsidiary	Principal activity	Country of incorporation	Percentage held	Statutory year end
Leasafric Ghana Limited (Note 15.1.1)	Leasing	Ghana	70.89%	31 December
EPIC International FZE, United Arab Emirates (U.A.E.) (Note 15.1.4)	Trading in ships and boats	United Arab Emirates	100%	31 December
C&I Leasing FZE, Nigeria (Note 14.1.3)	Provision of chartered vessels in Dangote Free Trade Zone.	Nigeria	99%	31 December

15.1.1 Leasafric Ghana Limited

Leasafric Ghana Limited is a company incorporated in Ghana under the Companies Code, 1963 (Act 179) of Ghana as a 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 Leasafric Ghana was obtained from Central Bank of Nigeria.

15.1.2 EPIC International FZE, U.A.E.

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

15.1.3 C&I Leasing FZE, Nigeria

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

15.2 Condensed results of consolidated entities

The consolidated results of the consolidated entities of C & I Leasing Plc are shown in Note 15.2.1.
The C&I Leasing Group in the condensed results includes the results of the underlisted entities:
C&I Leasing Plc
Leasafric Ghana Limited
EPIC International FZE, U.A.E.
C&I Leasing FZE, Nigeria

C & I LEASING PLC

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15.2.1 Condensed results of consolidated entities

30 September 2021

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C & I Leasing FZE, Nigeria N'000	Total N'000	Elimination N'000	Group N'000
Condensed income statement							
Gross earnings	**9,808,695**	**2,707,411**	**1,332,170**	**93,783**	**13,942,059**	**-**	**13,942,059**
Operating income	2,382,085	1,485,318	1,114,722	93,783	**5,075,907**	-	5,075,907
Impairment charge	288	(44,143)	-		**(43,855)**	-	(43,855)
Depreciation expense	(1,586,043)	(999,984)	(631,366)	-	**(3,217,393)**	-	(3,217,393)
Other operating expenses	(665,968)	(159,126)	(3,035)	(250)	**(828,378)**		(828,378)
Personnel expenses	(745,271)	(98,101)	-	-	**(843,373)**	-	(843,373)
Distribution	-		-		**-**	-	-
Administrative expenses	-	-	-	-	**-**	-	-
Profit/(loss) before tax	(614,909)	183,963	480,321	93,533	142,908	-	142,908
Income tax	(180,009)	(132,898)		-	(312,907)	-	(312,907)
Profit/(loss) after tax	**(794,918)**	**51,065**	**480,321**	**93,533**	**(169,999)**	**-**	**(169,999)**

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Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000		Total N'000	Elimination adjustments N'000	Group N'000
Assets							
Cash and balances with banks	928,571	159,868	5,185	100	1,093,725	-	1,093,725
Loans and receivables	792,015	22,223	-	-	814,238	-	814,238
Trade receivables and receivables	12,897,655	1,484,318	-	212,167	14,594,141	(453,097)	14,141,044
Due from related companies	4,492,548	337,274	(7,884,795)	359,141	(2,695,832)	2,695,832	-
Finance lease receivables	1,963,423	113,256	-	-	2,076,678	-	2,076,678
Available for sale financial assets	7,623	-	-	-	7,623	-	7,623
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in Joint Venture	3,809,768	-	-	-	3,809,768		3,809,767.6
Other assets	1,248,250	127,725	-	-	1,375,975	-	1,375,975
Inventory	-	-	-	-	-	-	-
Operating lease assets	16,796,983	2,017,351	13,344,641	-	32,158,975	-	32,158,975
Property, plant and equipment	1,175,027	149,986	-	-	1,325,013	-	1,325,013
Intangible assets	42,618	3,122	0	-	45,740	-	45,740
Current income tax assets		-	-		-		-
Deferred income tax assets	854,607	-	-		854,607	-	854,607
Total assets	**45,768,554**	**4,415,123**	**5,465,031**	**571,409**	**56,220,117**	**1,483,268**	**57,703,385**
Liabilities and equity							
Balances due to banks	1,292,116	19,340	-	-	1,311,457	-	1,311,457
Commercial notes	10,137,787	12,610	-	-	10,150,397	-	10,150,397
Borrowings	23,096,501	2,106,939	129,369	-	25,332,809	-	25,332,809
Trade payables	3,501,302	1,072,646	659,716	372,416	5,606,080	(551,164)	5,054,916
Other liabilities	-	-	-		-	-	-
Retirement benefit obligations	69,965	-	-	-	69,965	-	69,965
Current income tax liability	96,998	89,636	-	-	186,634	-	186,634
Deferred income tax liability	-	13,712	-	-	13,712	-	13,712
Deposit for share	1,975,000	-	-	-	1,975,000	-	1,975,000
Equity and reserves	5,598,884	1,100,240	4,675,947	198,993	11,574,064	2,034,432	13,608,495
Total liabilities and equity	**45,768,554**	**4,415,123**	**5,465,031**	**571,409**	**56,220,117**	**1,483,268**	**57,703,385**

15.2.1 Condensed results of consolidated entities (Cont'd)

30 September 2020

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000		Total N'000	Elimination adjustments N'000	Group N'000
Condensed income statement							
Gross earnings	**16,872,251**	**2,927,899**	**1,277,420**	**1,292,483**	**22,370,053**	**-**	**22,370,053**
Operating income	2,913,540	1,499,158	**904,072**	**204,141**	5,520,911		5,520,911
Impairment charge	(335)	(34,212)	**-**	**-**	(34,547)		(34,547)
Depreciation expenses	(1,219,774)	(1,181,251)	**(566,308)**	**-**	(2,967,332)		(2,967,332)
Other operating expenses	(847,424)	(155,601)	**(2,775)**	**-**	(1,005,799)		(1,005,799)
Personel expenses	(932,139)	(121,025)	**-**	**-**	(1,053,164)		(1,053,164)
Profit/(Loss) before tax	(86,132)	7,070	334,989	204,141	460,068	-	460,068
Income tax expense	(57,473)	(59,450)	-	-	(116,923)	-	(116,923)
Profit/(Loss) after tax	**(143,605)**	**(52,381)**	**334,989**	**204,141**	**343,145**	**-**	**343,145**

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15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2020
Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	EPIC International FZE, U.A.E N'000	C & I Leasing FZE, Nigeria	Total N'000	Elimination adjustments N'000	Group N'000
Assets							
Cash and balances due from banks	1,161,021	107,767	-	185,122	1,453,910	-	1,453,910
Loans and receivables	526,898	16,976	-	-	543,874	-	543,874
Trade & other receivable	11,682,825	1,155,177	778,847	-	13,616,849	(307,923)	13,308,926
Due from related companies	5,207,439	257,311	(45,885)	(7,530,654)	(2,111,788)	2,111,788	-
Finance lease receivables	2,221,289	91,884	-	-	2,313,173	-	2,313,173
Available for sale financial assets	7,335	-	-	-	7,335	-	7,335
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in Joint Venture	2,952,373	-	-	-	2,952,373	-	2,952,373
Other assets	561,537	86,183	-	-	647,720	-	647,720
Inventories	-	-	-	-	-	-	-
Operating lease assets	17,439,055	2,107,063	-	12,975,303	32,521,421	-	32,521,421
Property, plant and equipment	1,204,576	219,129	-	-	1,423,705	-	1,423,705
Intangible assets	-	11,533	-	-	11,533	-	11,533
Current income tax assets	-	-	-	-	-	-	-
Deferred income tax assets	853,201	-	-	-	853,201	-	853,201
Total assets	**44,577,015**	**4,053,023**	**732,962**	**5,629,771**	**54,992,771**	**1,044,398**	**56,037,169**
Liabilities and equity							
Balance due to banks	924,912	41,847	-	-	966,759		966,759
Commercial notes	15,438,232	10,943	-	-	15,449,175	-	15,449,175
Trade and other payables	3,489,194	516,776	566,624	438,099	5,010,694	(307,923)	4,702,770
Current income tax liability	169,112	(75,836)	-	-	93,276	-	93,276
Borrowings	15,761,935	2,506,822	1,110,709	-	19,379,465	-	19,379,465
Retirement benefit obligations	43,401	-	-	-	43,401	-	43,401
Deferred income tax liability	-	87,578	-	-	87,578	-	87,578
Equity and reserves	8,750,229	964,894	166,338	4,080,962	13,962,424	1,352,321	15,314,745
Total liabilities and equity	**44,577,015**	**4,053,023**	**1,843,671**	**4,519,062**	**54,992,771**	**1,044,398**	**56,037,169**

C & I LEASING PLC

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		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	30 September 2021 N'000	31 December 2020 N'000
16.	**Other assets**				
	Financial assets:				
	Non-financial assets:				
	Prepayments	**1,376,315**	647,720	**1,264,878**	561,537
	Other debit balances	**24,863**	-	**19,290**	-
	Insurance receivables	**10,716**	-	**-**	-
	Impairment allowance (Note 16.2)	**(35,919)**	-	**(35,919)**	-
	Net other assets balance	**1,375,975**	647,720	**1,248,250**	561,537

C & I LEASING PLC

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17. Operating lease assets

Group	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2021	14,027,479	36,856	35,226,842	2,381,926	364,793	52,037,895
Additions	285,298	-	4,268,758	(2,381,926)	-	2,172,129
Reversal	-	-	-	-	-	-
Disposals in the period	(139,628)	-	-	-	(79,633)	(219,262)
Exchange difference	874,878	-	-	-	3,664	878,542
At 30 Sept 2021	15,048,026	36,856	39,495,599	0	288,823	54,869,305
Accumulated depreciation						
At 1 January 2021	9,493,274	33,067	9,663,582	-	326,550	19,516,474
Charge for the period	740,497	1,834	1,428,654	-	4,125	2,175,110
Reversal	-	-	-	-	-	-
Disposals in the period	(136,506)	-	-	-	(57,071)	(193,576)
Exchange difference	973,925	-	233,518	-	4,880	1,212,323
At 30 Sept 2021	11,071,190	34,901	11,325,754	-	278,485	22,710,330
Carrying amount						
At 30 Sept 2021	**3,976,836**	**1,955**	**28,169,845**	**0**	**10,338**	**32,158,975**

	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2020	12,739,927	36,856	32,595,104	833,472	364,793	46,570,152
Additions	1,962,662	-	949,423	1,548,454	-	4,460,538
Disposals in the period	-	-	-	-	-	-
Ajustment/Reclassification	(675,110)	-	1,682,315	-	-	1,007,205
Write off	-	-	-	-		-
Exchange difference	-	-	-	-	-	-
At 31 December 2020	14,027,479	36,856	35,226,842	2,381,926	364,793	52,037,895
Accumulated depreciation						
At 1 January 2020	8,630,829	30,328	7,717,315	-	307,309	16,685,781
Charge for the year	1,987,124	2,740	1,822,290	-	19,241	3,831,395
Ajustment/Reclassification	(1,124,679)	-	123,977	-	-	(1,000,702)
Disposals in the year	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-
At 31 December 2020	9,493,274	33,067	9,663,582	-	326,550	19,516,474
Carrying amount						
At 31 December 2020	**4,534,204**	**3,788**	**25,563,259**	**2,381,926**	**38,243**	**32,521,421**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

17. Operating lease assets

Company	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2021	7,259,483	37,402	19,593,361	2,381,927	310,013	29,582,185
Transfer from Epic	-	-	-	-	-	-
Additions	285,298	-	3,034,536	-	-	3,319,834
Transfer to Marine Equip	-	-	-	(2,381,927)	-	(2,381,927)
Reversal	-	(546)	-	-	-	(546)
Disposals in the period	(139,628)	-	-	-	(79,633)	(219,262)
At 30 Sept 2021	7,405,152	36,856	22,627,898	(0)	230,380	30,300,285
Accumulated depreciation						
At 1 January 2021	4,832,331	33,068	7,005,405	-	271,778	12,142,581
Adjustment	-	-	-	-	1,220	1,220
Charge for the period	749,837	1,834	797,288	-	4,119	1,553,077
Reversal	-	-	-			-
Disposals in the period	(136,506)	-	-	-	(57,071)	(193,576)
At 30 Sept 2021	5,445,662	34,901	7,802,693	-	220,046	13,503,302
Carrying amount						
At 30 Sept 2021	**1,959,490**	**1,954**	**14,825,205**	**(0)**	**10,333**	**16,796,983**

	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Cost						
At 1 January 2020	5,496,454	36,856	7,411,147	-	310,013	13,254,470
Additions	1,962,662	-	949,423	2,381,927	-	5,294,011
Adjustment/reclassified	-	-	11,232,792	-	-	11,232,792
Disposals in the year	(199,633)	-	-	-	-	(199,633)
Write off	-					-
At 31 December 2020	7,259,483	36,856	19,593,361	2,381,927	310,013	29,581,639
Accumulated depreciation						
At 1 January 2020	4,436,503	30,328	3,166,540	-	252,589	7,885,960
Adjustment	(3,690)		2,794,500			2,790,810
Charge for the year	599,152	2,740	1,044,364	-	19,189	1,665,445
Disposals in the year	(199,633)	-	-	-	-	(199,633)
At 31 December 2020	4,832,331	33,068	7,005,405	-	271,778	12,142,581
Carrying amount						
At 31 December 2020	**2,427,152**	**3,788**	**12,587,957**	**2,381,927**	**38,235**	**17,439,058**

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18. Property, plant and equipment

Group	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment N'000	Buildings N'000	Land N'000	Construction in progress N'000	Total N'000
Valuation/Cost									
At 1 January 2021	964,851	98,324	409,184	61,510	11,133	471,641	783,289	77,239	2,877,171
Additions	-	-	9,285	-	-	2,724	-	-	12,010
Revaluation surplus	-	-	-	-		-	-	-	-
Transfer/Reclassifications	-	-	-	-		-	-	-	-
Disposal in the period	(70,131)	-	-	-		-	-	-	(70,131)
Exchange difference	105,894	1,228	-	-		-	-		107,122
At 30 Sept 2021	1,000,614	99,552	418,469	61,510	11,133	474,366	783,289	77,239	2,926,172
Accumulated depreciation									
At 1 January 2021	784,757	84,865	341,594	51,154	4,454	184,694	2,226	-	1,453,744
Charge for the period	1,006,303	4,460	16,260	4,348	4,520	6,392	-	-	1,042,283
Disposal in the period	-	-	-	-			-	-	-
Exchange difference	(898,948)	864	5,518	0	(624)	548	(2,226)	-	(894,868)
At 30 Sept 2021	892,112	90,190	363,372	55,503	8,350	191,634	(0)	-	1,601,159
Carrying amount									
At 30 Sept 2021	**108,502**	**9,363**	**55,098**	**6,007**	**2,783**	**282,732**	**783,289**	**77,239**	**1,325,013**
Valuation/Cost									
At 1 January 2020	1,062,341	96,246	392,162	72,643	11,133	471,509	783,289	77,239	2,966,562
Reclassification	(75,290)	-	-	(11,133)	-	-	-	-	(86,423)
Additions	-	2,356	17,021	-	-	132	-	-	19,510
Revaluation surplus	-		-	-	-	-	-	-	-
Disposal in the year	(22,200)	-	-	-	-	-	-	-	(22,200)
Write off	-	-	-	-	-		-		-
Exchange difference	-	(278)	-	-	-	-	-	-	(278)
At 31 December 2020	964,851	98,324	409,184	61,510	11,133	471,641	783,289	77,239	2,877,171
Accumulated depreciation									
At 1 January 2020	762,103	78,096	314,748	44,741	-	175,345	-	-	1,375,032
Charge for the year	44,854	6,769	26,846	6,414	4,454	9,349	-	-	98,686
Disposal in the year	(22,200)	-	-	-	-		-	-	(22,200)
Exchange difference	-	-	-	-	-	-	2,226	-	2,226
At 31 December 2020	784,757	84,865	341,594	51,154	4,454	184,694	2,226	-	1,453,744
Carrying amount									
At 31 December 2020	**180,094**	**13,459**	**67,590**	**10,355**	**6,679**	**286,948**	**781,063**	**77,239**	**1,423,427**

18. Property, plant and equipment

Company	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Marine equipment N'000	Buildings N'000	Land N'000	Construction in progress N'000	Total N'000
Valuation/Cost									
At 1 January 2021	228,970	84,106	374,879	61,510	11,133	462,649	751,543	77,239	2,052,028
Additions	-	-	4,544	-	-	-	-	-	4,544
Revaluation surplus	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
At 30 Sept 2021	228,970	84,106	379,422	61,510	11,133	462,649	751,543	77,239	2,056,572
Accumulated depreciation									
At 1 January 2021	225,439	70,237	314,453	51,154	4,453	168,509			834,246
Charge for the period	2,666	3,510	15,896	4,348	1,670	6,002			34,093
Adjustment	-	2,992	-		2,227	7,987			
Disposal in the period	-	-	-	-	-	-			-
At 30 Sept 2021	228,105	76,740	330,349	55,502	8,350	182,498	-	-	868,339
Carrying amount									
At 30 Sept 2021	**865**	**7,366**	**49,073**	**6,007**	**2,783**	**280,151**	**751,543**	**77,239**	**1,175,027**
Valuation/Cost									
At 1 January 2020	251,170	81,832	358,758	61,510	11,133	462,649	751,543 -	77,239	2,055,833
Additions	-	2,117	16,121	-	-	-	-	-	18,238
Revaluation surplus	-	-	-	-	-	-	-		-
Reclassification	-	157	-	-	-	-	-	-	157
Transfer from merger	-	-	-	-	-	-			-
Disposal in the year	(22,200)	-	-	-	-	-	-	-	(22,200)
At 31 December 2020	228,970	84,106	374,879	61,510	11,133	462,649	751,543	77,239	2,052,028
Accumulated depreciation									
At 1 January 2020	246,242	67,880	291,621	44,741	4,453	168,860	-	-	823,798
Adjustment	-	65	185	-	-	(351)	-	-	
Charge for the year	1,398	2,227	22,648	6,414	2,227	7,987	-	-	42,899
Disposal in the year	(22,200)	-	-	-	-	-	-	-	(22,200)
At 31 December 2020	225,439	70,172	314,453	51,154	6,680	176,496	-	-	844,497
Carrying amount									
At 31 December 2020	**3,531**	**13,934**	**60,425**	**10,355**	**4,453**	**286,153**	**751,543**	**77,239**	**1,207,633**

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		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	**30 September 2021 N'000**	31 December 2020 N'000
19.	**Intangible assets**				
	Computer software				
	Cost	**213,103**	203,154	**163,267**	163,267
	Transfer from PPE				
	Additions	**48,420**	9,950	**45,085**	-
	Exhange difference	**-**	-		-
		261,523	213,103	**208,352**	163,267
	Amortisation				
	At 1 January 2020	**201,571**	176,356	**163,266**	159,509
	Prior year adjustment	**2,613**	13,718	**-**	3,757
	Amortisation charge	**11,600**	11,497	**2,467**	-
	Exchange difference		-		-
		215,783	201,571	**165,734**	163,266
	Net carrying amount				
	At 30 Sept 2020	**45,740**	11,533	**42,618**	0

Amortisation charged for the year is included in the other operation expenses.

The software is not internally generated.

20.	**Balance due to banks**				
	Access Bank Plc	**715,288**	418,914	**695,947**	411,126
	Guaranty Trust Bank Plc	**16**	-	**16**	-
	First Security Discount House	**-**	-	**-**	-
	Stanbic IBTC Bank Plc	**-**	23,184	**-**	-
	Fidelity Bank Plc	**465,840**	498,776	**465,840**	498,776
	Union Bank	**86,244**	-	**86,244**	-
	Zenith Bank Plc	**783**	1,106	**793**	-
	First Bank of Nigeria Limited	**-**	-	**-**	-
	Keystone Bank	**-**	-	**-**	-
	First City Monument Bank Plc	**43,286**	15,010	**43,276**	15,010
	United Bank of Africa	**-**	9,769	**-**	-
	Intercontinental Bank-Cidi	**-**	-	**-**	-
	Standard Chartered bank	**-**	-	**-**	-
		1,311,457	966,759	**1,292,116**	924,912
21.	**Commercial notes**				
	Institutional clients	**1,941,349**	2,954,785	**1,943,968**	2,960,354
	Individual clients	**8,209,048**	12,494,390	**8,193,819**	12,477,879
		10,150,397	15,449,175	**10,137,787**	15,438,232
21.1	**Analysis of commercial notes**				
	Current	**10,150,397**	15,449,175	**10,137,787**	15,438,232
	Non-current	**-**	-	**-**	-
		10,150,397	15,449,175	**10,137,787**	15,438,232
22.	**Trade and Other payables**				
	Financial liabilities:				
	Statutory deductions (WHT, PAYE)	**607,959**	554,946	**510,376**	433,780
	Accounts payable	**3,589,658**	3,495,574	**2,710,807**	2,742,077
	Payments received on account	**250,629**	295,977	**250,629**	295,977
	Deferred rental income	**8,000**	4,137	**8,000**	3,520
		4,456,246	4,350,634	**3,479,813**	3,475,354
	Non-financial liabilities:				
	Provision and accruals	**598,670**	352,136	**21,490**	13,840
	Total other liabilities	**5,054,916**	4,702,770	**3,501,302**	3,489,194

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		Group		Company	
		30 September 2021	31 December 2020	**30 September 2021**	31 December 2020
		N'000	N'000	**N'000**	N'000
23.	**Taxation**				
23.1	**Current income tax liability**				
	At the beginning of the year	**93,276**	25,935	**169,112**	85,554
	Prior year adjustment	**106,075**	12,696	**73,501**	11,289
	Charge for the year	**312,907**	119,071	**180,009**	77,176
	Reclassified to deferred income tax asset		(1,407)		(1,407)
	Withholding tax credit utilised	**(303,580)**	-	**(303,580)**	-
	Payments during the year	**(22,043)**	(63,020)	(22,043)	(3,500)
	Adjustment/exchange difference	**-**	-	**-**	-
	At the end of the year	**186,634**	93,276	**96,998**	169,112
23.2	**Current income tax asset**				
	At the beginning of the year	**-**	-	**-**	-
	Charge for the year			**-**	-
	Refund	**-**	-	**-**	-
	Under/(over)-provision in prior year	**-**	-	**-**	-
	Adjustment/exchange difference			**-**	-
	At the end of the year	**-**	-	-	-
23.3	**Deferred income tax assets**				
	At the beginning of the year	**(854,607)**	(854,607)	**(854,607)**	(854,607)
	Merge operations				
	Charge in the year	**-**	-	**-**	-
	Prior year adjustment	**-**	-	**-**	**-**
	At the end of the year	**(854,607)**	(854,607)	**(854,607)**	(854,607)
23.3.1	**Analysis of deferred income tax assets**				
	Property, plant and equipment	**(854,607)**	(858,249)	**(854,607)**	(854,607)
	Allowance for loan and other assets losses	**-**	-	**-**	-
		(854,607)	(858,249)	**(854,607)**	(854,607)

		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	**30 September 2021 N'000**	31 December 2020 N'000
24.	**Borrowings**				
	Term loans (Note 26.1)	**6,727,665**	8,864,939	**6,652,111**	7,869,212
	Finance lease facilities (Note 26.2)	**4,639,875**	6,333,252	**2,479,120**	3,711,448
	Redeemable bonds (Note 26.3)	**13,965,270**	4,181,274	**13,965,270**	4,181,274
		25,332,809	19,379,465	**23,096,501**	15,761,935

The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year (December 2016 : Nil).

		Group 30 September 2021	Group 31 December 2020	Company 30 September 2021	Company 31 December 2020
24.1	**Term loans**				
	First City Monument Bank Plc (Note 24.1.2)	**-**	3,683,350	**-**	**3,683,350**
	Fidelity Bank	**554,176**	1,110,709	**554,176**	-
	Secured Leased Notes (Note 26.1.5)	**129,369**	1,812,973	**-**	1,812,973
	Financial Derivative Company	**973,666**	2,257,907	**973,666**	2,372,889
	Bank of Industry (Note 26.1.4)	**2,906,375**	-	**2,906,375**	-
	Lease Notes Investment	**2,164,079**	-	**2,217,894**	-
		6,727,665	8,864,939	**6,652,111**	7,869,212
24.1.1	**Analysis of term loans**				
	Current	**1,524,776**	2,009,173	**1,463,550**	1,731,329
	Non-current	**5,202,889**	6,855,766	**5,188,560**	6,137,884
		6,727,665	8,864,939	**6,652,111**	7,869,212

24.1.2 First City Monument Bank Plc

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

24.1.3 ABSA Bank Limited, South Africa

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

24.1.4 Bank of industry

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

24.1.5 Secured Leased Notes

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

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		30 September 2021 N'000	31 December 2020 **N'000**	**30 September 2021 N'000**	31 December 2020 **N'000**
24.2	**Finance lease facilities**				
	Diamond Bank Plc (Note 26.2.2)	**73,626**	**1,226,912**	**73,626**	**1,226,912**
	Stanbic IBTC Bank (Note 26.2.3)	**831,336**	**753,547**	**583,556**	**289,066**
	First Bank Nigeria Ltd (Note 26.2.4)	**382,459**	-	**382,459**	-
	First City Monument Bank Plc (24.1.2)	**449,814**	**37,052**	**449,814**	**37,052**
	Lotus Capital Limited	**-**	**831,075**	**-**	**831,075**
	Growth and Development Assets MgtLtd	**0**	**217,778**	**0**	**217,778**
	United Bank for Africa (Note 26.2.7)	**4,888**	**561,527**	**-**	-
	Golden Cedar, Ghana (Note 25.2.9)	**538,865**	**737,446**	**-**	-
	Barclays Bank Ghana (Note 26.2.10)	**32,898**	**807,675**	**32,898**	-
	Central Bank of Ghana	**134,028**	-	**-**	-
	FSDH Merchant Bank Ltd (Note 25.2.11)	**688,640**	**556,626**	**-**	**556,626**
	WSTC Financial Services	**41,654**	**502,459**	**-**	**502,459**
	Zenith Bank Plc	**956,767**	-	**956,767**	-
	Others	**504,900**	**101,154**	**-**	**50,480**
		4,639,875	6,333,252	**2,479,120**	3,711,448
24.2.1	**Analysis of finance lease facility**				
	Current	**1,998,152**	**2,727,402**	**633,618**	**948,578**
	Non-current	**2,641,722**	**3,605,850**	**1,845,503**	**2,762,870**
		4,639,875	6,333,252	**2,479,120**	3,711,448

24.2.2 Access Bank Plc (formerly Diamond Bank Plc)

This facility represents N1.2 billion motor vehicle corporate lease renewable annually for the purpose of financing 80% of cost required to purchase vehicles to service lease or fleet management contract for vehicles from corporate organisations. The interest is at 19% per annum (subject to changes in line with money market conditions) and its tenor is

24.2.3 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 18% per annum. The facility was secured by legal ownership of assets finance under the lease contract.

24.2.4 First Bank Nigeria Limited

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

24.2.5 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.

24.2.7 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.

24.2.8 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.

24.2.9 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.

		Group		Company	
		30 September 2021 N'000	31 December 2020 **N'000**	**30 September 2021 N'000**	31 December 2020 **N'000**
24.3	**Redeemable bonds**				
	Redeemable Redeemable bond	**3,461,520**	**4,181,274**	**3,461,520**	**4,181,274**
	Redeemable Redeemable bond 2	**10,503,750**	-	**10,503,750**	-
		13,965,270	4,181,274	**13,965,270**	4,181,274
24.3.1	**Analysis of redeemable bonds**				
	Current	**1,108,676**	123,851	**984,219**	123,851
	Non-current	**12,856,594**	4,057,423	**12,981,051**	4,057,423
		13,965,270	4,181,274	**13,965,270**	4,181,274

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

The redeemable bonds represent N940 million & N600M notes issued to subscribers (as indicated above) on 30 November 2012 & 2016 respectively 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. The loan is direct, unconditional and secured obligation of C&I Leasing Plc. The N940 million bond has been fully paid in November 2017
Redeemable bonds include financial instruments classified as liabilities measured at amortised cost.

		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	**30 September 2021 N'000**	31 December 2020 N'000
25.	**Retirement benefit obligations**				
	Defined contribution pension plan (Note 27.1)	**69,965**	43,401	**69,965**	**43,401**
		69,965	43,401	**69,965**	43,401
25.1	**Defined contribution pension plan**				
	At the beginning of the year	**43,400**	10,772	**43,400**	**10,772**
	Contribution during the year	549,720	726,387	549,720	**726,387**
	Remittance during the year	(523,156)	(693,759)	(523,156)	**(693,759)**
	At the end of the year	**69,964**	43,400	**69,964**	43,400

25.1.1 The Group and its employees make a joint contribution of 18% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

		Group		Company	
		30 September 2021 N'000	**31 December 2020 N'000**	**30 September 2021 N'000**	**31 December 2020 N'000**
26.	**Share capital**				
26.1	**Authorised share capital**				
	3,000,000,000 ordinary shares of 50k each	**1,500,000**	1,500,000	**1,500,000**	1,500,000
26.2	**Issued and fully paid**				
	781,647,000 ordinary shares of 50k each	**390,823**	**390,823**	**390,823**	**390,823**
27.	**Deposit for shares**				
	At the beginning of the year	**1,975,000**	1,975,000	**1,975,000**	1,975,000
	Payment	**-**	-		
	Exchange difference	**-**	-	**-**	-
	At the end of the period	**1,975,000**	1,975,000	**1,975,000**	1,975,000

This represents US$12,486,143.09 unsecured variable coupon convertible notes issued to Aureos Africa LLC (now wholly owned by Abraaj Advisers Nigeria Limited) on 11 January 2010 for a period of five years. The interest to be paid on the notes, is equivalent, in any period, to dividend declared by C&I Leasing Plc and payable on the equivalent number of ordinary shares underlying the loan stock. As at 31 December 2019, the Company intended to convert the loan notes to its equity and had elected to include the notes in equity as deposit for shares. The amount outstanding as at 30 September, 2020 is US$10,000,000.

		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	**30 September 2021 N'000**	31 December 2020 N'000
28.	**Statutory reserve**				
	At the beginning of the year	**1,342,874**	1,703,520	**867,817**	889,678
	Prior year Adjustments	**(80,836)**	(468,731)	**(5,953)**	(42,914)
	Transfer from income statement	**(54,574)**	108,085	**-**	21,053
	At the end of the period	**1,207,465**	1,342,874	**861,864**	867,817

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

		Group		Company	
		30 September 2021 N'000	31 December 2020 N'000	**30 September 2021 N'000**	31 December 2020 N'000
29.	**Statutory credit reserve**				
	At the beginning of the year	**258,643**	373,682	**258,643**	373,682
	Prior year Adjustments	**367,085**	(115,039)	**380,136**	(115,039)
	Impact of adopting IFRS 9 - component entity		-		-
	Arising in the year		-		-
	At the end of the period	**625,728**	258,643	**638,779**	258,643

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.

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	Group		Company	
	30 September 2021 N'000	31 December 2020 N'000	30 September 2021 N'000	31 December 2020 N'000
30. Retained earnings				
At the beginning of the year	**3,320,154**	3,972,171	**1,175,350**	950,442
Prior year adjustment	**263,584**	(747,887)	**(230,643)**	332,113
Dividend declared and paid	**(539,082)**	(156,329)	**(539,082)**	(156,329)
Transfer from income statement	**(181,912)**	252,199	**(794,918)**	49,124
Transfer to statutory reserve	**54,574**	-	**-**	-
Transfer to statutory credit reserve	**-**	-	**-**	-
At the end of the period	**2,917,317**	3,320,154	**(389,294)**	1,175,350
31. Foreign currency translation reserve				
At the beginning of the year	**3,692,655**	893,787	**-**	-
Prior year adjustment	**(836,513)**	2,080,226	**-**	-
Arising in the year	**888,835**	718,642	**-**	-
At the end of the period	**3,744,978**	3,692,655	**-**	-

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

	Group		Company	
32. AFS fair value reserve				
At the beginning of the year	**4,497**	4,497	**4,497**	4,497
Gain/(loss) arising in the year	**2,210**	-	**2,210**	-
At the end of the period	**6,707**	4,497	**6,707**	4,497

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

	Group		Company	
	30 September 2021 N'000	31 December 2020 N'000	30 September 2021 N'000	31 December 2020 N'000
33. Revaluation reserve				
At the beginning of the year	**716,490**	716,490	**716,490**	716,490
Arising during the year	**-**	-	**-**	-
At the end of the period	**716,490**	716,490	**716,490**	716,490

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

	Group		Company	
	30 September 2021 N'000	31 December 2020 N'000	30 September 2021 N'000	31 December 2020 N'000
34. Non controlling interest				
At the beginning of the year	**251,999**	363,118		
Prior year adjustment	**373,467**	(106,824)		
Share of profit from Leaseafric Ghana	**11,914**	(4,295)		
At the end of the period	**637,380**	251,999	**-**	-
35. Cash and cash equivalents				
Cash and balances with banks (Note 10)	**1,093,725**	1,453,910	**928,571**	1,161,021
Balance due to banks (Note 21)	**(1,311,457)**	(966,759)	**(1,292,116)**	(924,912)
	(217,732)	487,151	**(363,546)**	236,109

		Group		Company	
		9 Months to Sept 2021	9 Months to Sept 2020	9 Months to Sept 2021	9 Months to Sept 2020
		N'000	N'000	N'000	N'000
36.	**Impairment charge**				
	Debit balances written off				-
	Finance lease receivables	**(288)**	**335**	**(288)**	**335**
	Lease rental due	**-**	-	**-**	-
	Other assets	**44,143**	-	**-**	-
	Inventory	**-**	-	**-**	-
	Per income statement	**43,855**	335	**(288)**	335

		Group				Company			
		9 Months to Sept 2021	3 Months to Sept 2021	9 Months to Sept 2020	3 Months to Sept 2020	9 Months to Sept 2021	3 Months to Sept 2021	9 Months to Sept 2020	3 Months to Sept 2020
		N'000		N'000		N'000		N'000	
37.	**Lease rental income**								
	Finance lease/operating lease	**11,833,009**	**4,042,437**	13,587,060	4,157,660	**7,832,043**	**2,698,823**	8,364,356	2,536,729
		11,833,009	**4,042,437**	13,587,060	4,157,660	**7,832,043**	**2,698,823**	8,364,356	2,536,729
38.	**Lease interest expense**								
	Finance lease interest	**915,703**	**295,032**	1,383,857	113,869	**481,377**	**156,228**	663,961	197,242
	Commercial notes interest	**1,010,506**	**216,251**	1,528,233	488,612	**1,010,506**	**216,251**	1,528,233	488,612
	Term loans interest	**1,472,665**	**683,016**	1,227,570	604,262	**1,258,263**	**626,425**	854,222	230,914
		3,398,873	**1,194,299**	4,139,660	1,206,743	**2,750,146**	**998,903**	3,046,416	916,768
39.	**Outsourcing income**								
	Outsourcing rental	**8,287,146**	**2,845,613**	7,575,606	2,562,511	**8,287,146**	**2,845,613**	7,575,606	2,562,511
	Outsourcing service expense	**(7,400,196)**	**(2,555,772)**	(6,772,302)	(2,448,309)	**(7,400,196)**	**(2,555,772)**	(6,772,302)	(2,448,309)
		886,950	**289,841**	803,303	114,202	**886,950**	**289,841**	803,303	114,202

		Group				Company			
		9 Months to Sept 2021 N'000	**3 Months to Sept 2021 N'000**	9 Months to Sept 2020 N'000	3 Months to Sept 2020 N'000	**9 Months to Sept 2021 N'000**	**3 Months to Sept 2021 N'000**	9 Months to Sept 2020 N'000	3 Months to Sept 2020 N'000
40.	**Tracking and tagging income**								
	Tracking income	**116,461**	**33,746**	139,309	43,789	**116,461**	**33,746**	139,309	43,789
	Tracking cost	**(63,614)**	**(19,768)**	(50,097)	(16,631)	**(63,614)**	**(19,768)**	(50,097)	(16,631)
		52,848	**13,977**	89,213	27,158	**52,848**	**13,977**	89,213	27,158
41.	**Interest income**								
	Interest on loans and advances	**-**	**-**	-	-	**-**	**-**	-	-
	Interest on bank deposits	**3,170**	**(13,011)**	16,571	2,049	**3,151**	**1,524**	16,278	2,049
		3,170	**(13,011)**	16,571	2,049	**3,151**	**1,524**	16,278	2,049
42.	**Other income**								
	Gain on sale of operating lease assets (Note 46.1)	**220,025**	**88,489**	254,669	43,575	**143,489**	**69,570**	135,264	43,575
	Gain on sale of property, plant and equipment (Note 46.2)	**-**		-		**-**		-	
	Foreign exchange gain	**147,492**	**-**	14,123	14,123	**147,492**	**-**	-	-
	Insurance claims received	**59,629**	**12,752**	4,518	1,697	**59,629**	**12,752**	4,518	1,697
	Insurance income on finance leases	**12,764**	**6,407**	5,187	523	**12,764**	**6,407**	5,187	523
	Investment income	**601**	**601**	523	-	**601**	**601**	523	-
	Loss on joint venture	**-**	**-**	-	-				
	Rent received	**14,720**	**4,800**	15,520	5,280	**14,720**	**4,800**	15,520	5,280
	Others	**206,101**	**63,092**	350,521	135,597	**150,258**	**16,746**	209,244	107,212
		661,332	**176,141**	645,061	200,796	**528,953**	**110,876**	370,256	158,287

		Group				Company			
		9 Months to Sept 2021 N'000	**3 Months to Sept 2021 N'000**	9 Months to Sept 2020 N'000	3 Months to Sept 2020 N'000	**9 Months to Sept 2021 N'000**	**3 Months to Sept 2021 N'000**	9 Months to Sept 2020 N'000	3 Months to Sept 2020 N'000
43.	**Operating expenses**								
	Direct operating expenses	**4,161,883**	**1,188,770**	4,789,843	6,932	**3,928,833**	**1,357,079**	3,485,380	662,358
	Finance lease assets maintenance	**831,459**	**593,975**	691,365	634,495	**426,021**	**199,171**	377,439	320,569
	Finance lease assets insurance	**410,324**	**134,777**	405,875	267,474	**257,997**	**85,999**	227,076	88,675
		5,403,665	**1,917,522**	5,887,084	908,901	**4,612,851**	**1,642,248**	4,089,895	1,071,602
44.	**Depreciation expense**								
	Operating lease assets	**2,175,110**	**142,778**	2,824,223	1,617,401	**1,551,951**	**542,821**	1,185,091	420,356
	Property, plant and equipment	**1,042,283**	**956,703**	143,110	108,259	**34,093**	**11,109**	34,682	11,475
		3,217,393	**1,099,481**	2,967,332	1,725,660	**1,586,043**	**553,930**	1,219,774	431,831
45.	**Personnel expense**								
	Salaries and allowances	**720,398**	**235,675**	842,914	286,953	**659,977**	**214,680**	778,144	264,121
	Pension contribution expense	**48,765**	**16,921**	45,593	15,857	**42,943**	**14,856**	39,608	13,883
	Training and medical	**74,210**	**26,312**	164,657	47,115	**42,352**	**15,277**	114,387	30,365
		843,373	**278,908**	1,053,164	349,925	**745,271**	**244,812**	932,139	308,369
46.	**Distribution expenses**								
	Marketing	**-**	**-**	-	-	**-**	**-**	-	-
	Advertising	**-**	**-**	-	-	**-**	**-**	-	-
		-	**-**	-	-	**-**	**-**	-	-
47.	**Administrative expenses**								
	Auditors' remuneration	**34,346**	**11,648**	28,060	10,948	**28,432**	**9,477**	20,354	9,477
	Directors' emoluments	**96,777**	**33,792**	69,500	20,253	**84,651**	**29,717**	46,415	9,620
	Foreign exchange loss	**-**	**-**	47,717	22,328	**-**	**-**	47,717	22,328
	Bank charges	**132,486**	**45,061**	158,474	50,926	**120,462**	**40,754**	134,821	46,997
	Fuel and maintenance	**31,878**	**8,221**	40,336	14,393	**31,878**	**8,221**	30,945	7,411
	Insurance	**28,866**	**8,879**	43,336	14,445	**28,866**	**8,879**	43,336	14,445
	Advert and external relations	**11,401**	**2,716**	16,754	4,370	**5,338**	**678**	15,070	3,382
	Travel and entertainment	**39,787**	**11,115**	82,033	15,349	**35,732**	**8,553**	77,498	14,351
	Legal and professional expenses	**228,201**	**84,177**	249,076	109,709	**208,653**	**80,154**	240,306	108,103
	Communications	**62,365**	**24,212**	92,382	29,188	**48,105**	**16,712**	77,718	23,438
	Subscriptions	**30,896**	**10,238**	47,789	6,641	**17,557**	**5,927**	37,730	3,274
	Amortisation	**11,600**	**3,892**	-	-	**2,467**	**617**	-	-
	Levies and penalties	**5,499**	**3,817**	1,759	1,730	**5,499**	**3,817**	1,759	1,730
	Other administrative expenses	**114,277**	**34,308**	128,584	24,821	**48,328**	**17,589**	73,753	9,681
		828,378	**282,076**	1,005,799	325,101	**665,968**	**231,096**	847,424	274,237

48. Basic earnings per share

Earnings per share (basic) (EPS) have been computed for each period on the profit after taxation attributable to ordinary shareholders and divided by the weighted average number of issued N0.50 ordinary shares during the period. 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 September 2019 (December 2018 : Nil).

	Group		Company	
	9 Months to Sept 2021 N'000	9 Months to Sept 2020 N'000	**9 Months to Sept 2021 N'000**	9 Months to Sept 2020 N'000
Profit after taxation	**(169,999)**	343,145	**(794,918)**	(143,605)
	Number	Number	**Number**	Number
Number of shares at period end	**781,647**	781,647	**781,647**	**781,647**
Time weighted average number of	**781,647**	781,647	**781,647**	**781,647**
Diluted number of shares	**1,769,148**	**1,769,148**	**1,769,148**	**1,769,148**
Earnings per share (EPS) (kobo) -	**(22)**	**44**	**(102)**	**(18)**
Earnings per share (EPS) (kobo) -	**(10)**	19	**(45)**	(8)
	N'000	N'000	**N'000**	N'000

49. Information regarding Directors and employees

49.1 Directors

49.1.1 Directors' emoluments				
Fees	**46,317**	43,635	**34,191**	20,550
Other emoluments	**19,810**	23,906	**19,810**	23,906
	66,127	67,541	**54,001**	44,456

49.1.2 Fees and emoluments disclosed above excluding pension contributions include				
The Chairman	**3,000**	3,000	**3,000**	3,000
The highest paid Director	**63,127**	64,541	**51,001**	41,456

49.1.3 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	**-**	-	**-**	-
N400,001 - N1,550,000	**10**	10	**7**	7
N1,550,001 - N5,000,000	**1**	1	**-**	-
N5,000,000 - N8,000,000	**-**	-	**1**	1
N8,000,001 - N11,000,000	**1**	1	**1**	1
	-	12	**9**	9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

		Group		Company	
		9 Months to Sept 2021 Number	9 Months to Sept 2020 Number	**9 Months to Sept 2021 Number**	9 Months to Sept 2020 Number
49.2	**Employees**				
49.2.1	The average number of persons employed by the Group during the perid was as follows:				
	Managerial	**26**	26	**17**	17
	Senior staff	**32**	32	**28**	28
	Junior staff	**479**	479	**417**	417
		537	537	**462**	462
49.2.2	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**				
	250,001 — 370,000	196	196	187	187
	370,001 — 420,000	181	181	150	150
	430,001 — 580,000	75	75	58	58
	580,001 — 700,000	21	21	22	22
	700,001 — 750,000	13	13	9	9
	840,001 — 850,000	14	14	12	12
	1,000,001 — 1,100,000	14	14	7	7
	1,100,001 — 1,150,000	6	6	5	5
	1,200,001 — 1,400,000	5	5	4	4
	1,500,000 — 1,550,000	5	5	4	4
	1,650,000 — 2,050,000	7	7	4	4
		537	537	**462**	462

50. Reclassification of comparative figures

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

51. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

52. 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 taken into consideration in the preparation of these financial statements.

53. 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 period ended September 30, 2021 (31 December 2020: Nil).

54. Related party transactions
The Group is controlled by C&I Leasing Plc, whose share are widely held. The parent company is a finance company.

A number of transactions are entered into with related parties in the normal course of business. These include loans and borrowings.

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

54.1 Loans and advances to related parties
The company granted various loans to other companies that have common directors with the company and those that are members of the group. The rates and terms agreed are comparable to other facilities being held in the company's portfolio. Details of these are described below:

	9 Months to Sept 2021 N'000	31 December 2020 N'000
Leasafic Ghana Limited	(326,811.56)	(192,595)
EPIC International FZE, U.AE.	5,190,153.71	4,958,915
C & I Leasing FZE	(346,617.35)	16,904
	4,516,725	**4,783,223**

No impairment loss has been recognised in respect of loans given to related parties.

The loans to subsidiaries are non-collaterised loans and advances at below market rates at 10%. These loans have been eliminated on consolidation and do not form part of the reported Group loans and advances.

C & I LEASING PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

50. Segment reporting

50.1 Segment results of operations

The segment information provided to the Group management committee for the reportable segments for the period ended 30 September 2021:

	Fleet management N'000	Personnel outsourcing N'000	Marine services N'000	Citrack telematic N'000	Total N'000
Gross earnings	**3,062,502**	**706,583**	**5,921,839**	**117,771**	**9,808,695**
Operating income	2,595,891	590,272	3,491,367	116,695	**6,794,224**
Operating expenses	(1,275,961)	-	(3,309,309)	(68,825)	**(4,654,094)**
Depreciation and amortisation	(775,225)	(4,966)	(807,188)	(514)	**(1,587,894)**
Personnel expense	(134,290)	(112,099)	(475,480)	(23,402)	**(745,271)**
Other operating expenses	(137,243)	(102,349)	(169,574)	(12,708)	**(421,874)**
Profit before taxation	**273,173**	**370,857**	**(1,270,185)**	**11,246**	**(614,909)**
Total assets employed	2,869,539	1,578,246	24,161,514	86,086	**28,695,385**
Interest Expense	(466,611)	(116,311)	(2,315,299)	(1,076)	**(2,899,297)**
Earnings Before Interest and Tax	739,784	487,168	1,045,113	12,322	**2,284,388**
ROCE (EBIT/Total Asset)	**26%**	**31%**	**4%**	**14%**	**8%**

	9 Months to Sept 2021 N'000	9 Months to Sept 2020 N'000
50.2 Geographical information		
1. Revenue		
Nigeria	**9,902,478**	13,438,605
Ghana	**2,707,411**	3,477,685
United Arab Emirates	**1,332,170**	2,946,118
	13,942,059	19,862,408
2. Total assets		
Nigeria	**46,339,963**	44,577,015
Ghana	**4,415,123**	4,053,023
United Arab Emirates	**6,948,299**	732,962
	57,703,385	49,363,000

51. Complaince with regulations

C&I LEASING PLC
RC: 161070

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CERTIFICATION OF THE UNAUDITED NINE (9) MONTHS 2021 RETURNS IN PURSUANT OF S.60 (2) OF ISA ACT 2007

We the undersigned, hereby certify that:

(a) We have reviewed the above-mentioned reports;

(b) Based on our knowledge, the report does not contain

i. any untrue statement of a material fact, or
ii. omit to state a material fact, which would make the statement, misleading in the light of the circumstances under which the report was prepared;

(c) based on our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the periods presented in the report.

(d) The signing officers:

i. are responsible for establishing and maintaining internal controls.
ii. have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
iii. have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
iv. have presented in the report their conclusions about the effectiveness of their internal controls based on their evaluation as of that date;

(e) The signing officers have disclosed to the Auditors of the company and audit committee:

i. all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's Auditors any material weakness in internal controls, and
ii. any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

LEASING PLC
RC: 161070

(f) The signing officers have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Yours faithfully,
For: C & I Leasing Plc

ALEXANDER MBAKOGU
Executive Director / CFO

ANDREW OTIKE-ODIBI
Managing Director

CERTIFIED TRUE COPY

NOTARY PUBLIC OF NIGERIA
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