

C & I LEASING PLC

**UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

C & I LEASING PLC

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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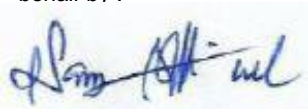
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C&I LEASING PLC

UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

		Group		Company	
		30 September 2023	30 December 2022	30 September 2023	30 December 2022
Notes		N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	10.	2,011,058	1,150,255	1,380,655	1,047,561
Loans and receivables	11.	1,383,620	769,176	1,377,759	763,743
Trade and other receivables	12.	18,208,848	17,114,806	18,836,365	16,967,131
Due from related companies	12.1	-	-	2,656,138	4,421,662
Finance lease receivables	13.	2,532,964	2,146,988	1,469,184	1,988,845
Available for sale assets	14.	19,389	11,518	19,389	11,518
Investment in subsidiaries	15.	-	-	759,481	759,481
Investment in joint ventures		3,601,961	3,308,053	3,601,961	3,308,053
Other assets	16.	640,171	480,278	502,522	430,591
Operating lease assets	17.	41,258,030	32,123,479	16,330,751	16,511,609
Property, plant and equipment	18.	1,464,074	400,316	1,270,101	309,333
Intangible assets	19.	19,254	25,441	14,143	25,414
Deferred income tax assets	23.3	962,221	878,592	854,607	854,607
Total assets		72,101,590	58,408,902	49,073,056	47,399,549
Liabilities					
Balances due to banks	20.	1,189,743	1,625,622	1,163,447	1,618,276
Commercial notes	21.	14,448,378	13,554,429	14,448,378	13,554,429
Trade and other payables	22.	9,265,675	5,083,946	6,181,086	4,418,140
Current income tax liability	23.2	805,593	642,081	659,390	598,872
Borrowings	24.	20,090,911	20,234,751	18,622,668	19,342,621
Retirement benefit obligations	26.	36,289	22,412	36,289	22,412
Total liabilities		45,836,589	41,163,241	41,111,258	39,554,749
Equity					
Share capital	27.	390,823	390,823	390,823	390,823
Deposit for shares	28.	1,975,000	1,975,000	1,975,000	1,975,000
Share premium		3,361,609	3,361,609	3,361,609	3,361,609
Statutory reserve	29.	1,875,088	1,776,810	1,024,802	989,703
Statutory credit reserve	30.	351,372	351,372	380,152	380,152
Retained earnings	31.	4,583,017	4,355,006	819,066	738,473
Foreign currency translation reserve	32.	12,649,983	4,205,167	-	-
AFS fair value reserve	33.	10,345	9,039	10,345	9,039
Revaluation reserve	34.	-	-	-	-
		25,197,238	16,424,827	7,961,799	7,844,800
Non-controlling interest	35.	1,067,764	820,834	-	-
Total equity		26,265,002	17,245,661	7,961,799	7,844,800
Total liabilities and equity		72,101,590	58,408,902	49,073,056	47,399,549

These consolidated financial statements were approved by the Board of Directors on 23rd October, 2023 and signed on its behalf by :



Samuel Onyishi
Chairman
FRC/2021/003/00000023928



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



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

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

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UNAUDITED CONSOLIDATED AND SEPARATE INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Notes	Group				Company			
		9 Months to Sept 2023 N'000	3 Months to Sept 2023 N'000	9 Months to Sept 2022 N'000	3 Months to Sept 2022 N'000	9 Months to Sept 2023 N'000	3 Months to Sept 2023 N'000	9 Months to Sept 2022 N'000	3 Months to Sept 2022 N'000
Gross earnings		16,330,803	6,309,716	14,927,139	5,205,621	13,135,621	4,755,394	11,496,576	4,118,139
Lease rental income	38.	13,554,592	5,053,623	12,098,779	4,006,822	9,542,184	3,307,151	8,729,134	2,956,078
Lease expenses	44.	(6,957,182)	(2,741,852)	(6,179,870)	(2,173,271)	(6,008,088)	(2,326,709)	(5,486,096)	(1,969,690)
Net lease rental income		6,597,410	2,311,772	5,918,909	1,833,551	3,534,096	980,441	3,243,039	986,389
Net outsourcing income	40.	1,022,461	333,251	1,218,161	326,455	1,022,461	333,251	1,218,161	326,455
Tracking income	41.	100,815	46,165	101,075	31,693	100,815	46,165	101,075	31,693
Tracking expenses	41.	(60,075)	(26,831)	(45,720)	(10,552)	(60,075)	(26,831)	(45,720)	(10,552)
Net tracking income		40,739	19,333	55,355	21,141	40,739	19,333	55,355	21,141
Interest income	42.	41,236	10,250	26,611	1,517	27,896	2	22,300	370
Other operating income	43.	789,217	426,376	986,726	666,705	1,619,782	628,775	930,119	631,114
Income from Joint Venture		822,483	440,051	495,786	172,429	822,483	440,051	495,786	172,429
Finance cost	39.	(4,421,315)	(1,726,515)	(3,532,381)	(1,218,938)	(4,189,511)	(1,635,911)	(3,237,894)	(1,135,903)
		4,892,231	1,814,518	5,169,167	1,802,859	2,877,947	765,941	2,726,865	1,001,995
Impairment charge	37.	(1,867)	1,035	7,881	28,142	7,871	1,139	2,801	(506)
Depreciation expense	45.	(2,486,780)	(988,609)	(2,985,386)	(1,012,860)	(1,317,091)	(457,904)	(1,662,053)	(589,257)
Personnel expenses	46.	(962,723)	(325,943)	(999,831)	(327,540)	(799,336)	(248,566)	(883,125)	(295,027)
Other operating expenses	47.	(749,510)	(161,915)	(668,131)	(218,501)	(591,874)	(95,934)	(570,015)	(189,240)
Profit on continuing operations before taxation		691,352	339,086	523,700	272,100	177,517	(35,324)	(385,527)	(72,035)
Income tax	23.1	(277,278)	(165,830)	(154,535)	(37,425)	(60,518)	(32,312)	(65,944)	(13,070)
Profit after tax		414,074	173,256	369,165	234,675	116,998	(67,636)	(451,471)	(85,105)
Profit attributable to:									
Owners of the parent		327,595	101,973	313,863	194,568	116,998	(67,636)	(451,471)	(85,105)
Non-controlling interests		86,479	71,283	55,302	40,107				
		414,074	173,256	369,165	234,675	116,998	(67,636)	(451,471)	(85,105)
Appropriation of profit attributable to owners of the									
Transfer to statutory reserve		98,279	30,592	229,600	193,812	35,100	(20,291)	-	-
Transfer to statutory credit reserve									
Transfer to retained earnings		229,317	71,381	84,263	756	81,899	(47,345)	(451,471)	(85,105)
		327,595	101,973	313,863	194,568	116,998	(67,636)	(451,471)	(85,105)
Basic earnings per share [kobo]	48.	42	13	40	25	15	-9	-58	-11

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

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CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 2023

		Group		Company	
	Notes	30 Sept 2023 N'000	30 Sept 2022 N'000	30 Sept 2023 N'000	30 Sept 2022 N'000
Cash flows from operating activities					
Profit after tax		327,595	369,165	116,998	(451,471)
Adjustment for:					
Depreciation of property, plant and equipment	18.	-	71,466	20,711	27,379
Depreciation of operating lease assets	17.	-	2,913,920	1,296,380	1,634,674
Amortisation of intangible assets	19.	6,187	11,336	11,271	11,271
Profit on disposal of operating/finance lease assets		-	(897,494)	(166,101)	(850,703)
Foreign currency translation difference		8,444,816	(452,183)	-	-
Finance cost	39.	4,421,315	3,532,381	4,189,511	3,237,894
Prior year adjustment		401,633	(148,938)	351,742	732,216
Exchange loss/Gain adjustment		-	15,033	59,026	18,418
Deferred tax income		(83,629)	-	-	-
Gain on revaluation of AFS assts		(7,871)	(628)	(7,871)	(628)
Tax expense	23.2	163,511	154,535	60,518	65,944
		13,673,557	5,568,594	5,932,186	4,424,994
Changes in operating assets and liabilities					
Increase/(Decrease) in loans and receivables		(614,444)	(419,900)	(506,941)	(432,316)
Increase/(Decrease) in trade and other receivables		(1,094,042)	1,312,805	(103,710)	1,030,970
Decrease in finance lease receivables		(385,976)	(626,202)	519,660	(559,974)
Decrease in other assets		(159,893)	(200,022)	(71,930)	(183,666)
Increase/(decrease) in trade and other payables		4,181,729	(247,265)	1,762,947	(5,625)
Increase/(decrease) in commercial papers		893,949	1,268,084	893,949	1,271,521
Decrease/(Increase) in Pension contribution		13,877	106,304	13,877	106,304
Increase/(decrease) in deferred tax		-	(36,124)	-	-
Tax paid	23.2	-	(23,964)	-	(23,964)
Net cash from operating activities		16,508,757	6,702,310	8,440,038	5,628,244
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		-	-	-	-
Purchase of property, plant and equipment	18.	(1,063,758)	-	(981,479)	-
Proceeds from sale of operating lease assets		-	923,744	-	1,007,592
Purchase of operating lease assets	17.	(9,134,550)	(2,789,204)	(1,115,502)	(2,738,311)
Acquisition of intangible assets		-	-	-	-
Proceed from investment in subsidiaries		-	-	-	-
Proceed from investment in joint ventures		(293,908)	687,206	(293,908)	687,206
Proceeds from sale of investment securities		-	-	-	-
Net cash used in investing activities		(10,492,216)	(1,178,255)	(2,390,889)	(1,043,513)
Cash flows from financing activities					
Repayment of borrowings		-	-	-	-
Decrease/(increase) in borrowings		(143,840)	(2,914,923)	(719,953)	(1,905,769)
Finance cost	39.	(4,421,315)	(3,532,381)	(4,189,511)	(3,237,894)
Share of (profit)/loss to non-controlling interest	35.	246,929	263,980	-	-
Dividend paid	31.	-	-	-	-
Net cash from financing activities		(4,318,225)	(6,183,325)	(4,909,464)	(5,143,663)
Increase/(decrease) in cash and cash equivalents		1,698,315	(659,269)	1,139,685	(558,933)
Cash and cash equivalents at 1 January		(877,000)	(217,731)	(922,478)	(363,545)
Cash and cash equivalents at 30 September	36.	821,315	(877,000)	217,206	(922,478)

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

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UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Group	Share capital	Share premium	Deposit for shares	Statutory Reserve	Statutory credit reserve	Retained earnings	Foreign currency translation reserve	AFS fair value reserve	Revaluation reserve	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	390,823	3,361,609	1,975,000	1,776,810	351,372	4,355,006	4,205,167	9,039	-	820,834	17,245,661
Changes in equity for the period ended 30 September 2023											
Profit for the period	-	-	-	-	-	327,595	-	-	-	86,479	414,074
Right issue	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income											
Fair value changes on available for sale financial assets	-	-	-	-	-	(1,306)	-	1,306	-	-	-
Audit Adjustment	-	-	-	-	-	-	-	-	-	-	-
Arising on consolidation/Audit adjustments	-	-	-	-	-	-	-	-	-	-	-
Gain on foreign operations translation	-	-	-	-	-	-	8,444,816	-	-	160,451	8,605,267
Total comprehensive income for the period ended 30 September 2023	-	-	-	-	-	326,289	8,444,816	1,306	-	246,929	9,019,340
Transactions with owners											
Transfer between reserves	-	-	-	98,279	-	(98,279)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Reclassified from Liabilities	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	98,279	-	(98,279)	-	-	-	-	-
At 30 September 2023	390,823	3,361,609	1,975,000	1,875,088	351,372	4,583,017	12,649,983	10,345	-	1,067,764	26,265,002
At 30 September 2022	390,823	3,361,609	-	1,524,988	351,372	3,301,055	3,393,453	6,706	716,490	929,385	13,975,882

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UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Company

	Share Capital	Share Premium	Deposit for shares	Statutory Reserve	Statutory credit reserve	Retained earnings	Foreign currency translation reserve	AFS fair value reserve	Revaluation reserve	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	390,823	3,361,609	1,975,000	989,703	380,152	738,473	-	9,039	-	7,844,800
Changes in equity for the period ended 30 September 2023										
Profit for the period	-	-	-	-	-	116,999	-	-	-	116,999
Right issue	-	-	-	-	-	-	-	-	-	-
Other comprehensive income										
Fair value changes on available for sale	-	-	-	-	-	(1,306)	-	1,306	-	-
Audit adjustments	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended 30 September 2023	-	-	-	-	-	115,693	-	1,306	-	116,999
Transactions with owners										
Transfer between reserves	-	-	-	35,100	-	(35,100)	-	-	-	-
Dividends paid during the period	-	-	-	-	-	-	-	-	-	-
Reclassified from Liabilities	-	-	-	-	-	-	-	-	-	-
	-	-	-	35,100	-	(35,100)	-	-	-	-
At 30 September 2023	390,823	3,361,609	1,975,000	1,024,802	380,152	819,067	-	10,345	-	7,961,799
At 30 September 2022	390,823	3,361,609	-	873,770	380,152	19,063	-	6,706	716,490	5,748,614

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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 Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), the Nigerian Stock Exchange (NSE); in addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at year end, the Company has three subsidiary companies namely:

- 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 2023 to 30 September 2023**.

The consolidated financial statements for the period ended 30 September 2023 were approved for issue by the Board of Directors on **26 October 2023**.

2. Basis of preparation

2.1 Statement of compliance with IFRSs

The Group's Consolidated financial statements for the period ended 30 September 2023 have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act, 2020 and other relevant Central Bank of Nigeria circulars and Guidelines.

The consolidated 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 Going concern consideration

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

2.3 Basis of measurement

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

2.4 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.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2023.

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

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

2.6 Changes in accounting policies and disclosures and Standards Issued

2.6.1 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023.

Several standards amendments and interpretations apply for the first time in 2023 but their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

New and amended IFRS Standards

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2021. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

2.6.1.a Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Company has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2021.

Both the Phase 1 and Phase 2 the amendments are not relevant to the Company and the Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

2.6.1.b Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16

In the prior year, the Company early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022. In the current financial year, the Company has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
- c) There is no substantive change to other terms and conditions of the lease

The Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

2.6.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 (including the June 2020 amendments to IFRS 17) - Insurance Contracts
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts — Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

2.6.2.a IFRS 17 Insurance Contracts

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

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

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

IFRS 17 will have no impact on the Group, as it does not issue insurance contract.

2.7 Significant accounting judgements, estimates and assumptions

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

Management discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

2.7.1 Estimates and assumptions

The key assumption concerning the future and other key sources of estimation uncertainty 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

2.8 Standards issued but not yet effective

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

2.8.2.a IFRS 17 Insurance contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

IFRS 17 will have no impact on the Group, as it does not issue insurance contract.

2.8.2.b Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The Directors of the company do not anticipate that the application of the amendments in the future will have an impact on the company's financial statements.

2.8.2.c Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

2.8.2.d Amendments to IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

2.8.2.e Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

2.8.2.f Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify that the cost of fulfilling a contract comprises the costs that relates directly to the contract. Cost that relates directly to a contract consists of both the incremental cost of fulfilling that contract. Examples would be direct labour or materials and allocation of other costs that relates directly to fulfilling the contract (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendment's. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other components of equity, as appropriate, at the date of initial application

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendment in the future will have an impact on the Company's financial statements.

2.8.2.g Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

2.8.2.h Annual Improvements to IFRS Standards 2018 - 2020 — Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a)

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

2.8.2.i Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements..

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

2.8.2.j Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

2.8.2.k Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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 usually present when an entity has:

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

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

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

3.2 Investments in associates

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

3.3 Investments in joint ventures

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

3.4 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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

3.6.2 Subsequent costs

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

3.6.3 Depreciation

Depreciation starts when an asset is ready for use and ends when derecognised or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated. Depreciation is calculated on a straight-line basis to write-off assets over their estimated useful lives. Land and assets under construction (work-in-progress) are not depreciated. However, in year 2022 the Group changed the depreciation rate for Motor vehicles/autos and trucks and Marine equipment to reflect the current reality.

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

Buildings	2%
Furniture and fittings	20%
Plant and machinery	20%
Motor vehicles/autos and trucks	20%
Office equipment	20%
Marine equipment	4%
Leased assets	20%
Cranes	10%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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 assets and liabilities

3.9.1. Initial recognition

The Group initially recognises loans and advances, finance lease receivables, Plant and equipment lease receivables, equity securities and/or other debt financial assets on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

a. Day 1 profit or loss

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

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b. Amortised cost and gross carrying amount

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

c. Effective interest rate method

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

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

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

d. Interest income

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

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

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

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

3.9.2. Financial assets - Subsequent measurement

a. Debt instruments

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

- b. Amortised cost:** Assets that are held within a business model whose objective is collection of contractual cash flows and where such cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss due to impairment or upon derecognition of a debt investment that is subsequently measured at amortised cost is recognised in profit or loss. Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.
- c. Fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is achieved both by collection of contractual cash flows and by selling the assets, where those cash flows represent solely payments of principal and interest, and are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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

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

3.9.3. Business Model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing financial assets is achieved and how cash flows are realized.

3.9.4. SPPI assessment

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money - e.g. periodical rate of interest.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

3.9.5. Reclassifications

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

3.9.6. Modifications

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

a. Equity instruments

The Group subsequently measures all unquoted equity investments at fair value through other comprehensive income. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

3.9.7. Impairment of financial assets

Overview of the ECL principles

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

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

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

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

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

- **Stage 1:** When loans and advances, finance lease receivables, Plant and equipment lease receivables, are first recognised, the Group recognises an allowance based on 12 months expected credit losses (12mECLs). Stage 1 loans and advances, finance lease receivables, Plant and equipment lease receivables also include receivables where the credit risk has improved and the loans and advances, finance lease receivables, Plant and equipment lease receivables have been reclassified from Stage 2.
- **Stage 2:** When a loans and advances, finance lease receivables, Plant and equipment lease receivables has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime expected credit losses (LTECLs). Stage 2 trade receivable also include facilities, where the credit risk has improved and the loans and advances, finance lease receivables, Plant and equipment lease receivables have been reclassified from Stage 3.
- **Stage 3:** These are loans and advances, finance lease receivables, Plant and equipment lease receivables considered as credit-impaired. The Group records an allowance for the LTECLs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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.

The calculation of ECLs

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

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **PD:** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD:** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including part repayments of total debts or amount owed and whether scheduled by contract or otherwise .
- **LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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

The mechanics of the ECL method are summarised below:

Stage 1

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

Stage 2

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

Stage 3

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

POCI

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Credit-impaired financial

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

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

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

3.9.8.3.9.8 Debt instruments measured at fair value through OCI

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

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

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

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

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

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

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

3.9.10. 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 as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Group's statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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.

3.9.11. Presentation of allowance for ECL

loans and advances, finance lease receivables, Plant and equipment lease receivables 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;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision, and
- 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 is recognised in the fair value reserve.

3.9.12. 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 initiated 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.

3.9.13. Forward looking

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

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

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

3.9.14. Financial liabilities

Classification and subsequent measurement

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

Derecognition

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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

Financial guarantee contracts , loans and borrowings and other commitments

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

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

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

For loans and borrowings and other commitments and financial guarantee contracts, the loss allowance is

3.10. Fair value measurement

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

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

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

3.10.1 Write off

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

3.10.2 Financial assets measured at fair value through other comprehensive income

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

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

3.10.3 Offsetting financial instruments

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

3.11 Trade and other receivables

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. See further details in note 3.9.

3.12 Cash and cash equivalents

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

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

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. See further details in note 3.9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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 incurred.

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 years.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

3.16.2 Termination benefits

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

3.16.3 Short term employee benefits

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

3.17 Taxation

3.17.1 Current income tax

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

3.18 Provisions

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

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

3.18.1 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. See further details in note 3.9.

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. See further details in note 3.9.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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 property, plant and equipment for lease

Lease income from property, plant and equipment for lease is recognised in statement of profit or loss and other comprehensive income on a straight-line basis over the lease term on a systematic basis which is representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred by the Group in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. When an operating lease is terminated before the lease period has expired, any payment required by the lessee by way of penalty is recognised in 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 Group's net investment in the finance lease. The Group therefore allocates finance income over the lease term on a systematic and rational basis reflecting this pattern. Lease payments relating to the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

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

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

Exchange differences arising 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 Group's Executive Committee regularly reviews operating activity on a number of bases, including by geographical region, customer group and business activity by geographical region.

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

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's operating segments were determined in a manner consistent with the internal reporting provided to the Executive Committee, which represents the chief operating decision-maker, as this is the information CODM uses in order to make decisions about allocating resources and assessing performance.

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

5. Critical accounting estimates and judgement

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

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

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

5.1 Measurement of the expected credit loss allowance

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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

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

5.2 Judgements

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

5.2.1 Determination of impairment of non-financial assets

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

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

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

5.2.3 Depreciable life of property, plant and equipment

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

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6. Financial instruments and fair values

As explained in Note 3.11, financial instruments have been classified into categories that determine their basis of measurement and, for items measured at fair value, such changes in fair value are recognised in the statement of comprehensive income either through the income statement or other comprehensive income. For items measured at amortised cost, changes in value are recognised in the income statement of the statement of comprehensive income. Therefore the financial instruments carried in the statement of financial position are shown based on their classifications in the table below:

6.1 Classes of financial instrument

Group	Financial assets				Financial liabilities		Total carrying amount N'000
	Fair value through profit or N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	
At 30 September 2023							
Assets							
Cash and balances with banks	2,011,058	-	-	-	-	-	2,011,058
Loans and receivables	-	1,383,620	-	-	-	-	1,383,620
Finance lease receivables	-	2,532,964	-	-	-	-	2,532,964
Available for sale assets	-	-	19,389	-	-	-	19,389
Trade receivables	-	18,208,848	-	-	-	-	18,208,848
Other assets	-	640,171	-	-	-	-	640,171
	2,011,058	22,765,603	19,389	-	-	-	24,796,050
Liabilities							
Balances due to banks	-	-	-	-	1,189,743	-	1,189,743
Borrowings	-	-	-	-	-	20,090,911	20,090,911
Trade payables	-	-	-	-	-	9,265,675	9,265,675
Commercial notes	-	-	-	-	-	14,448,378	14,448,378
	-	-	-	-	1,189,743	43,804,964	44,994,707
	Financial assets				Financial liabilities		Total carrying amount N'000
	Fair value through profit or N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	
At 31 December 2022							
Assets							
Cash and balances with banks	1,150,255	-	-	-	-	-	1,150,255
Loans and receivables	-	769,176	-	-	-	-	769,176
Finance lease receivables	-	2,146,988	-	-	-	-	2,146,988
Available for sale assets	-	-	11,518	-	-	-	11,518
Trade and other receivables	-	17,114,806	-	-	-	-	17,114,806
Other assets	-	480,278	-	-	-	-	480,278
	1,150,255	20,511,248	11,518	-	-	-	21,673,021
Liabilities							
Balances due to banks	-	-	-	-	1,625,622	-	1,625,622
Borrowings	-	-	-	-	-	20,234,751	20,234,751
Trade and other payables	-	-	-	-	-	5,083,946	5,083,946
Commercial notes	-	-	-	-	-	13,554,429	13,554,429
	-	-	-	-	1,625,622	38,873,126	40,498,748

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Company	Financial assets				Financial liabilities		
	through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 30 September 2023							
Assets							
Cash and balances with banks	1,380,655	-	-	-	-	-	1,380,655
Loans and receivables	-	1,377,759	-	-	-	-	1,377,759
Finance lease receivables	-	1,469,184	-	-	-	-	1,469,184
Available for sale assets	-	-	19,389	-	-	-	19,389
Other assets	-	502,522	-	-	-	-	502,522
Trade and other receivables	-	21,492,503	-	-	-	-	21,492,503
	1,380,655	24,841,968	19,389	-	-	-	26,242,012
Liabilities							
Balances due to banks	-	-	-	-	1,163,447	-	1,163,447
Borrowings	-	-	-	-	-	18,622,668	18,622,668
Trade and other payables	-	-	-	-	-	-	6,181,086
Commercial notes	-	-	-	-	-	14,448,378	14,448,378
	-	-	-	-	1,163,447	33,071,046	40,415,579
	Financial assets				Financial liabilities		
	Fair value through profit or N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 31 December 2022							
Assets							
Cash and balances with banks	1,047,561	-	-	-	-	-	1,047,561
Loans and receivables	-	763,743	-	-	-	-	763,743
Finance lease receivables	-	1,988,845	-	-	-	-	1,988,845
Available for sale assets	-	-	11,518	-	-	-	11,518
Trade and other receivables	-	21,388,793	-	-	-	-	21,388,793
Other assets	-	430,591	-	-	-	-	430,591
	1,047,561	24,571,972	11,518	-	-	-	25,631,051
Liabilities							
Balances due to banks	-	-	-	-	1,618,276	-	1,618,276
Borrowings	-	-	-	-	-	19,342,621	19,342,621
Trade and other payables	-	-	-	-	-	4,418,140	4,418,140
Commercial notes	-	-	-	-	-	13,554,429	13,554,429
	-	-	-	-	1,618,276	37,315,189	38,933,466

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 year.

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

6.3 Fair value measurements recognised in the statement of financial position

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

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

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

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

The Group maintains quoted investments in the companies listed in Note 14 and were valued at N12,824,369.10 (December 2022: N11,518,463) 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 35% at the end of the period, compared to 25% recorded for the year ended 31 December, 2022 respectively.

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

	Group		Company	
	30 Sept 2023 N'000	31 December 2022 N'000	30 Sept 2023 N'000	31 December 2022 N'000
Tier 1 capital				
Share capital	390,823	390,823	390,823	390,823
Deposit for shares	1,975,000	-	1,975,000	-
Share premium	3,361,609	3,361,609	3,361,609	3,361,609
Statutory reserve	1,875,088	1,776,810	1,024,802	989,703
Statutory credit reserve	351,372	351,372	380,152	380,152
Retained earnings	4,583,017	4,355,006	819,066	738,473
Non-Controlling interest	1,067,764	820,834	-	-
Sub-Total	13,604,673	11,056,455	7,951,453	5,860,761
Less: Intangible assets	(19,254)	(25,441)	(14,143)	(25,414)
Under Provision/Deferred assets	-	-	-	-
Required loan loss reserve	(351,372)	(351,372)	(380,152)	(380,152)
Deferred income tax assets	(962,221)	(878,592)	(854,607)	(854,607)
Total qualifying for tier 1 capital	12,271,826	9,801,049	6,702,551	4,600,587
Tier 2 capital				
Exchange translation reserve	12,649,983	4,205,167	-	-
Fair value reserve	10,345	9,039	10,345	9,039
Revaluation reserve	-	-	-	-
	12,660,328	4,214,206	10,345	9,039
Total qualifying for tier 2 capital (Maximum of 33.3% of tier 1 capital)	12,660,328	4,214,206	2,231,949	2,200,955
Total regulatory capital	24,932,154	14,015,255	8,934,500	6,801,542

	%				
Cash in hand	0	9,470	35,051	9,470	35,051
Cash and balances with banks	20%	1,656,988	1,418,859	1,371,184	1,125,970
Loans and receivables	100%	1,383,620	543,874	1,377,759	526,898
Trade receivables	100%	18,208,848	13,308,926	18,836,365	11,682,825
Due to related companies	100%	-	-	2,656,138	5,207,439
Finance Lease Receivables	100%	2,532,964	2,313,173	1,469,184	2,221,289
Availables for saleassets	100%	19,389	7,335	19,389	7,335
Investment in subsidiaries	100%	-	-	759,481	759,467
Investment in joint venture	100%	3,601,961	2,952,373	3,601,961	2,952,373
Other assets	100%	640,171	647,720	502,522	561,537
Inventories	100%	-	-	-	-
Operating lease assets	100%	41,258,030	32,521,421	16,330,751	17,439,055
Property, plant and equipment	100%	1,464,074	1,423,705	1,270,101	1,204,576
Deferred income	100%	-	-	-	-
Total risk weighted assets		70,775,515	55,172,436	48,204,306	43,723,814
Risk-weighted Capital Adequacy Ratio (CAR)		35%	25%	19%	16%

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8. Risk management framework

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

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

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

C & I Leasing Plc's principal significant risks are assessed and mitigated under three broad headings:

Strategic risks – This specifically focused on the economic environment, the products offered and market. The strategic risks arise from a group's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making, resource allocation and its inability 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 C&I Leasing Plc.

To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.

To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

To retain financial flexibility by maintaining strong liquidity.

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

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

C&I Leasing's operations are subject to regulatory requirements of Central Bank Nigeria (CBN) and Securities Exchange Commission (SEC), Nigerian Exchange Limited (NGX) in addition, annual returns must be submitted to Corporate Affairs Commission (CAC) on a regular basis.

8.2 Operational risks

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

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

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

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

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8.3 Financial risks

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

Credit risks
Liquidity risks
Market risks

8.3.1 Credit risks

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

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

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

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

Exposure to risk

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

	Group	
	30 Sept 2023	31 December 2022
	N'000	N'000
Financial assets		
Cash and balances with banks	2,011,058	1,150,255
Loans and receivables	1,383,620	769,176
Finance lease receivables	2,532,964	2,146,988
Available for sale assets	19,389	11,518
Trade receivables	18,208,848	17,114,806
Other assets	640,171	480,278
	24,796,050	21,673,021
	Company	
	30 Sept 2023	31 December 2022
	N'000	N'000
Financial assets		
Cash and balances with banks	1,380,655	1,047,561
Loans and receivables	1,377,759	763,743
Finance lease receivables	1,469,184	1,988,845
Available for sale assets	19,389	11,518
Trade and other receivables	18,836,365	16,967,131
Other assets	502,522	430,591
	23,585,874	21,209,390

8.3.2 Liquidity risks

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

The Group maintains sufficient amount of cash for its operations. Management reviews cashflow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. 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.

	Group		
	Current N'000	Non-current N'000	Total N'000
30 Sept 2023			
Balance due to banks	1,189,743	-	1,189,743
Borrowings	3,608,371	16,482,540	20,090,911
Trade payables	9,265,675	-	9,265,675
Commercial notes	2,770,544	11,677,834	14,448,378
	<u>16,834,334</u>	<u>28,160,373</u>	<u>44,994,707</u>
31 December 2022			
Balance due to banks	1,625,622	-	1,625,622
Borrowings	3,680,991	16,553,760	20,234,751
Trade payables	5,083,946	-	5,083,946
Commercial notes	2,599,125	10,955,303	13,554,429
	<u>12,989,685</u>	<u>27,509,063</u>	<u>40,498,748</u>
	Company		
	Current N'000	Non-current N'000	Total N'000
30 Sept 2023			
Balance due to banks	1,163,447	-	1,163,447
Commercial notes	2,770,544	11,677,834	14,448,378
Borrowings	2,520,011	16,102,657	18,622,668
Trade payables	6,181,086	-	6,181,086
	<u>12,635,088</u>	<u>27,780,491</u>	<u>40,415,579</u>
31 December 2022			
Balance due to banks	1,618,276	-	1,618,276
Commercial notes	2,599,125	10,955,303	13,554,429
Borrowings	2,685,756	16,656,866	19,342,621
Trade and Other payables	4,418,140	-	4,418,140
	<u>11,321,297</u>	<u>27,612,169</u>	<u>38,933,466</u>

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

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

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

8.3.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk 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 this period as a result of translation has been recognised in the statement of other comprehensive income .

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NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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

8.3.5 Interest rate risk

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

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

8.3.6 Market price risk

Investments by the Group in available for sale financial assets expose the Group to market (equity) price risk. The impact of this risk on the financial statements is considered positive because of the continuous increase and stability in value of equities in the past few years. Furthermore, there was a positive impact on the income statement because of the portion of investment disposed off during the period - equity shares in Guaranty Trust Bank (Gross Domestic Receipt), however all other gains due to increase in market prices were recorded in the fair value reserve through the other comprehensive income.

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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

During the period ended 30 September 2023, the Company has transferred NIL (31 December 2022: N(367,011,569.44) to the statutory credit reserve. This is because the provisions for credit and other known losses as determined under the prudential guidelines issued by the Central Bank of Nigeria (CBN), is higher than the impairment allowance as determined in line with IAS 39 as at the year then ended.

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
10. Cash and balances with banks				
Cash in hand	9,470	5,890	9,470	5,890
Current balances with banks	1,656,988	1,144,364	1,371,184	1,041,670
Placement with bank	344,600	-	-	-
	<u>2,011,058</u>	<u>1,150,255</u>	<u>1,380,655</u>	<u>1,047,561</u>
11. Loans and receivables				
Lease rental due	1,403,227	790,846	1,403,227	790,846
Loans and advances	49,064	47,000	43,202	41,568
	-	-	-	-
	<u>1,452,291</u>	<u>837,846</u>	<u>1,446,429</u>	<u>832,414</u>
Impairment allowance (Note 11.4)	(68,670)	(68,670)	(68,670)	(68,670)
	<u>1,383,620</u>	<u>769,176</u>	<u>1,377,759</u>	<u>763,743</u>
11.1 Analysis of loans and receivables by security				
Secured	-	-	-	-
Otherwise secured	1,452,291	837,846	1,446,429	832,414
	<u>1,452,291</u>	<u>837,846</u>	<u>1,446,429</u>	<u>832,414</u>
11.2 Loans and receivables are further analysed as follows:				
Less than one year	847,069	488,686	843,650	485,517
More than one year and less than five years	605,222	349,161	602,779	346,897
More than five years	-	-	-	-
	<u>1,452,291</u>	<u>837,846</u>	<u>1,446,429</u>	<u>832,414</u>
11.3 Impairment allowance on loans and receivables				
Lease rental due	51,109	51,109	51,109	51,109
Loans and advances	17,562	17,562	17,562	17,562
	<u>68,670</u>	<u>68,670</u>	<u>68,670</u>	<u>68,670</u>
11.4 Analysis of impairment allowance - Lease rental due				
Specific impairment	17,562	17,562	17,562	17,562
Collective impairment	51,109	51,109	51,109	51,109
	<u>68,670</u>	<u>68,670</u>	<u>68,670</u>	<u>68,670</u>

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	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
11.6 Analysis of impairment allowance - Loans and advances				
Specific impairment	17,562	17,562	17,562	17,562
Collective impairment	-	-	-	-
	<u>17,562</u>	<u>17,562</u>	<u>17,562</u>	<u>17,562</u>
11.6.1 Movement in impairment allowance - Loans and advances				
At the beginning of the year	17,562	1,764	17,562	1,764
(Write back)/(Charge for the period)	-	15,798	-	15,798
At the end of the year	<u>17,562</u>	<u>17,562</u>	<u>17,562</u>	<u>17,562</u>
12. Trade receivables				
Trade receivables	-	-	-	-
Operating lease service receivables	7,026,367	7,113,397	6,324,671	6,256,973
Amount due from related companies (12.1)	-	-	-	-
Account receivables	1,282,030	318,115	2,767,698	1,231,200
Other debit balances	-	128,248	-	17,273
Consumables	3,478,508	3,304,253	3,375,826	3,267,489
Insurance receivables	1,479	2,175	-	-
Withholding tax receivables	6,644,023	6,386,411	6,505,963	6,331,989
	18,432,406	17,252,599	18,974,158	17,104,924
Impairment allowance	(223,558)	(137,793)	(137,793)	(137,793)
	<u>18,208,848</u>	<u>17,114,806</u>	<u>18,836,365</u>	<u>16,967,131</u>
12.1 Amount due from related companies				
Leasafric Ghana	-	-	(335,179)	(328,927)
C & I Leasing FZE	-	-	15,148	14,898
EPIC International FZE, United Arab Emirates	-	-	3,001,777	4,761,298
Impairment	-	-	(25,608)	(25,608)
	<u>-</u>	<u>-</u>	<u>2,656,138</u>	<u>4,421,662</u>
13. Finance lease receivables				
Gross finance lease receivable	4,590,201	4,985,357	3,525,816	4,772,616
Unearned lease interest/maintenance	(2,055,710)	(2,783,575)	(2,055,105)	(2,782,244)
Net investment in finance lease	2,534,491	2,201,782	1,470,711	1,990,372
Impairment allowance (Note 13.4)	(1,527)	(54,794)	(1,527)	(1,527)
	<u>2,532,964</u>	<u>2,146,988</u>	<u>1,469,184</u>	<u>1,988,845</u>
13.2 The net investment in finance lease may be analysed as follows:				
Less than one year	1,896,135	1,647,225	1,134,838	1,535,821
More than one year and less than five years	638,356	554,557	335,874	454,551
More than five years	-	-	-	-
	<u>2,534,491</u>	<u>2,201,782</u>	<u>1,470,711</u>	<u>1,990,372</u>
13.3 Analysis into current portion and non-current portion				
Current portion	1,896,135	1,647,225	1,134,838	1,535,821
Non-current portion	638,356	554,557	335,874	454,551
	<u>2,534,491</u>	<u>2,201,782</u>	<u>1,470,711</u>	<u>1,990,372</u>
13.4 Analysis of impairment allowance - Finance lease receivables				
Specific impairment	1,527	54,794	1,527	1,527
Collective impairment	-	-	-	-
	<u>1,527</u>	<u>54,794</u>	<u>1,527</u>	<u>1,527</u>
13.4.1 Movement in impairment allowance - Finance lease receivables				
At the beginning of the year	54,794	1,873	1,527	1,873
Charge for the year	-	-	-	-
Provision no longer required	(53,267)	52,921.1	-	(346)
Written off in the year	-	-	-	-
At the end of the period	<u>1,527</u>	<u>54,794</u>	<u>1,527</u>	<u>1,527</u>

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
14. Available for sale assets				
14.1 Listed and unlisted equities - at fair value				
Access Bank Plc (GDR)	-	-	-	-
First Bank of Nigeria Plc	16,500	16,500	16,500	16,500
Fidelity Bank Plc	12,000	12,000	12,000	12,000
Dimunition	(9,111)	(16,982)	(9,111)	(16,982)
	<u>19,389</u>	<u>11,518</u>	<u>19,389</u>	<u>11,518</u>
15. Investment in subsidiaries				
Leasafric Ghana Limited	-	-	754,750	754,736
EPIC International FZE, United Arab Emirates	-	-	4,231	4,231
C & I Leasing FZE	-	-	500	500
	<u>-</u>	<u>-</u>	<u>759,481</u>	<u>759,467</u>

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	Leasing	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 Ghanaian 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 was incorporated on 18 December, 2017 as a Free Zone Establishment (FZE) under the companies licensed by the Dangoe Industries Free Zone Development Company under Act 63 of 1992 by the Nigeria Export Processing Zones Authority (NEPZA) as a service rendering enterprise.

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

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

15.2.1 Condensed results of consolidated entities

30 September 2023

	Parent - C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasingl FZE N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination N'000	Group N'000
Condensed income statement							
Gross earnings	13,135,621	2,343,602	-	1,872,478	17,351,701	(1,020,898)	16,330,803
Net operating income/(Loss)	2,877,947	1,172,749	-	1,862,433	5,913,129	(1,020,898)	4,892,231
Impairment charge	7,871	(9,737)	-	-	(1,867)	-	(1,867)
Depreciation expense	(1,317,091)	(342,525)	-	(827,164)	(2,486,780)	-	(2,486,780)
Personel expenses	(799,336)	(163,386)	-	-	(962,723)	-	(962,723)
Other operating expenses	(591,874)	(143,265)	-	(1,035,269)	(1,770,408)	1,020,898	(749,510)
Profit/(loss) before tax	177,517	513,835	-	-	691,352	-	691,352
Income tax	(60,518)	(216,760)	-	-	(277,278)	-	(277,278)
Profit/(loss) after tax	116,998	297,075	-	-	414,074	-	414,074

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

30 September 2023

Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasing I FZE	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
Assets							
Cash and balances with banks	1,380,655	627,942	100	2,361	2,011,058		2,011,058
Loans and receivables	1,377,759	5,861	-	-	1,383,620	-	1,383,620
Trade receivables	18,836,365	1,583,333	73,274	-	20,492,972	(2,284,124)	18,208,848
Due from related companies	2,656,138	305,775	(75,326)	(11,223,127)	(8,336,541)	8,336,541	-
Finance lease receivables	1,469,184	1,063,780	-	-	2,532,964		2,532,964
Available for sale financial assets	19,389	-	-	-	19,389		19,389
Investment in subsidiaries	759,481	-	-	-	759,481	(759,481)	-
Investment in joint ventures	3,601,961	-	-	-	3,601,961		3,601,961
Other assets	502,522	137,649	-	-	640,171	-	640,171
Inventory	-	-	-	-	-		-
Operating lease assets	16,330,751	2,889,458	-	22,037,820	41,258,030		41,258,030
Property, plant and equipment	1,270,101	193,973	-	-	1,464,074		1,464,074
Intangible assets	14,143	5,111	-	0.06	19,254		19,254
Current income tax assets	-	-	-	-	-		-
Deferred income tax assets	854,607	107,614	-	-	962,221		962,221
Total assets	49,073,056	6,920,496	(1,952)	10,817,054	66,808,655	5,292,935	72,101,590
Liabilities and equity							
Balances due to banks	1,163,447	26,296	-	-	1,189,743		1,189,743
Commercial notes	14,448,378	-	-	-	14,448,378		14,448,378
Borrowings	18,622,668	1,468,243	-	-	20,090,911	-	20,090,911
Trade payables	6,181,086	3,127,662	(107,412)	2,957,873	12,159,210	(2,893,535)	9,265,675
Other liabilities	-	-	-	-	-	-	-
Retirement benefit obligations	36,289	-	-	-	36,289		36,289
Current income tax liability	659,390	146,203	-	-	805,593		805,593
Deferred income tax liability	-	-	-	-	-		-
Equity and reserves	7,961,799	2,152,092	105,460	7,859,181	18,078,531	8,186,470	26,265,002
Total liabilities and equity	49,073,056	6,920,496	(1,952)	10,817,054	66,808,655	5,292,935	72,101,590

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

15.2.1 Condensed results of consolidated entities (Cont'd)

30 September 2022

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I LeasingI FZE	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
Condensed income statement							
Gross earnings	11,496,576	2,032,873	-	1,397,691	14,927,139	-	14,927,139
Operating income	2,726,865	1,118,987	-	1,323,315	5,169,167	-	5,169,167
Impairment charge	2,801	5,080	-	-	7,881	-	7,881
Depreciation and amortisation	(1,662,053)	(636,230)	-	(687,102)	(2,985,386)	-	(2,985,386)
Personnel expenses	(883,125)	(116,706)	-	-	(999,831)	-	(999,831)
Other operating expenses	(570,015)	(92,562)	-	(5,554)	(668,131)	-	(668,131)
Profit/(Loss) before tax							
Income tax expense	(385,527)	278,569	-	630,659	523,700	-	523,700
Profit/(loss) after tax							
	(65,944)	(88,591)	-	-	(154,535)	-	(154,535)
	(451,471)	189,977	-	630,659	369,165	-	369,165

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

15.2.1 Condensed results of consolidated entities (Cont'd)

30 September 2022

Condensed statement of financial
position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I LeasingI FZE	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
Assets							
Cash and balances due from banks	534,452	65,791	100	5,175	605,519		605,519
Loans and receivables	1,272,557	6,370	-	-	1,278,926	-	1,278,926
Trade and other receivables	16,307,005	783,986	272,345	-	17,363,336	(665,527)	16,697,809
Due from related companies	3,885,390	209,202	358,891	(7,443,930)	(2,990,448)	2,990,448	-
Finance lease receivables	2,288,239	185,092	-	-	2,473,331		2,473,331
Available for sale financial assets	10,314	-	-	-	10,314		10,314
Investment in subsidiaries	759,481	-	-	-	759,481	(759,481)	-
Investment in joint ventures	3,008,127	-	-	-	3,008,127		3,008,127
Other assets	402,350	81,289	-	-	483,640	-	483,640
Inventories	-	-	-	-	-		-
Operating lease assets	16,222,823	888,506	-	13,001,318	30,112,647		30,112,647
Property, plant and equipment	1,137,123	90,595	-	-	1,227,718		1,227,718
Intangible assets	29,172	39	-	0.03	29,210		29,210
Current income tax assets	-	-	-	-	-		-
Deferred income tax assets	854,607	22,618	-	-	877,226		877,226
Total assets	46,711,641	2,333,488	631,337	5,562,563	55,239,029	1,565,439	56,804,468
Liabilities and equity							
Balances due to banks	1,456,930	25,588	-	-	1,482,518		1,482,518
Commercial notes	12,873,802	8,891	-	-	12,882,692		12,882,692
Borrowings	19,569,703	946,760	-	-	20,516,463	-	20,516,463
Trade and Other payables	4,568,043	429,296	525,877	695,468	6,218,683		6,218,683
Retirement benefit obligations	-	-	-	-	-	(806,648)	(806,648)
Current income tax liability	130,136	-	-	-	130,136		130,136
Deferred income tax liability	389,413	40,327	-	-	429,740		429,740
Equity and reserves	-	-	-	-	-		-
Total liabilities and equity	7,723,614	882,626	105,460	4,867,095	13,578,796	2,372,088	15,950,883
	46,711,641	2,333,488	631,337	5,562,563	55,239,029	1,565,439	56,804,468

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 September 2022 N'000	31 December 2022 N'000	30 September 2022 N'000	31 December 2022 N'000
16. Other assets				
Non-financial assets:				
Prepayments	640,171	480,278	502,522	430,591
Net other assets balance	640,171	480,278	502,522	430,591

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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 2023	11,033,428	36,856	41,797,274	-	59,004	52,926,562
Ajustment/Reclassification	-	-	-	-	-	-
Additions	1,115,502	-	-	-	-	1,115,502
Disposals in the period	-	-	-	-	-	-
Exchange difference	3,890,246	-	12,349,685	-	20,633	16,260,563
At 30 Sept 2023	16,039,176	36,856	54,146,959	-	79,637	70,302,628
Accumulated depreciation						
At 1 January 2023	7,653,905	36,074	13,063,027	-	50,077	20,803,082
Charge for the year	1,801,807	447	652,643	-	1,575	2,456,472
Disposals in the period	-	-	-	-	-	-
Exchange difference	714,751	-	5,049,661	-	20,631	5,785,043
At 30 Sept 2023	10,170,463	36,521	18,765,331	-	72,283	29,044,598
Carrying amount						
At 31 Sept 2023	5,868,713	335	35,381,628	-	7,354	41,258,030
	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 2022	9,405,393	36,856	40,056,053	-	56,839	49,555,141
Additions	2,895,057	-	-	-	-	2,895,057
Ajustment/Reclassification	-	-	330,963	-	-	330,963
Disposals in the period	(1,267,022)	-	-	-	-	(1,267,022)
Exchange difference	-	-	1,410,258	-	2,165	1,412,423
At 31 December 2022	11,033,428	36,856	41,797,274	-	59,004	52,926,562
Accumulated depreciation						
At 1 January 2021	7,997,066	35,261	12,588,632	-	45,466	20,666,425
Charge for the year	2,155,045	813	851,507	-	2,490	3,009,855
Disposals in the period	(1,240,022)	-	-	-	-	(1,240,022)
Exchange difference	(1,258,184)	-	(377,113)	-	2,121	(1,633,176)
At 31 December 2022	7,653,905	36,074	13,063,027	-	50,077	20,803,082
Carrying amount						
At 31 December 2022	3,379,523	782	28,734,247	-	8,927	32,123,479

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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 2023	6,102,756	36,856	22,958,860	-	21,000	29,119,472
Additions	1,115,502	-	-	-	-	1,115,502
Reclassified	-	-	-	-	-	-
Disposals in the period	-	-	-	-	-	-
At 30 Sept 2023	7,218,258	36,856	22,958,860	-	21,000	30,234,974
Accumulated depreciation						
At 1 January 2023	3,597,285	36,074	8,962,429	-	12,075	12,607,863
Reclassified	-	-	(20)	-	-	(20)
Charge for the period	641,715	447	652,643	-	1,575	1,296,380
Disposals in the period	-	-	-	-	-	-
At 30 Sept 2023	4,238,999	36,521	9,615,052	-	13,650	13,904,223
Carrying amount						
At 30 Sept 2023	2,979,259	335	13,343,808	-	7,350	16,330,752
	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 2022	4,916,389	36,856	22,958,860	-	21,000	27,933,105
Additions	2,453,389	-	-	-	-	2,453,389
Disposal in the year	(1,267,022)	-	-	-	-	(1,267,022)
At 31 December 2022	6,102,756	36,856	22,958,860	-	21,000	29,119,472
Accumulated depreciation						
At 1 January 2022	4,169,927	35,261	8,110,922	-	9,975	12,326,084
Charge for the year	667,380	813	851,507	-	2,100	1,521,800
Disposals in the year	(1,240,022)	-	-	-	-	(1,240,022)
At 31 December 2022	3,597,285	36,074	8,962,429	-	12,075	12,607,863
Carrying amount						
At 31 December 2022	2,505,471	782	13,996,431	-	8,925	16,511,609

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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	Buildings N'000	Land N'000	Construction in progress N'000	Marine Equipment N'000	Total N'000
Valuation/Cost									
At 1 January 2023	725,139	96,075	428,255	73,591	263,196	158,734	77,239	11,133	1,833,363
Additions	59,018	-	14,254	-	6,217	901,990	-	-	981,479
Revaluation surplus	-	-	-	-	-	-	-	-	-
Transfer/Reclassifications	-	-	-	-	-	-	-	-	-
Disposal in the period	-	-	-	-	-	-	-	-	-
Exchange difference	313,098	11,406	44,869	7,890	9,706	16,590	-	-	403,560
At 30 Sept 2023	1,097,254	107,482	487,379	81,481	279,119	1,077,314	77,239	11,133	3,218,402
Accumulated depreciation									
At 1 January 2023	691,127	90,463	378,213	62,864	199,247	-	-	11,133	1,433,048
Adjustment	-	-	-	-	-	-	-	-	-
Charge for the period	-	2,827	18,144	2,116	7,221	-	-	-	30,308
Disposal in the period	-	-	-	-	-	-	-	-	-
Exchange difference	264,798	5,424	14,829	1,636	4,286	-	-	-	290,973
At 30 Sept 2023	955,925	98,714	411,185	66,616	210,754	-	-	11,133	1,754,328
Carrying amount									
At 30 Sept 2023	141,329	8,768	76,194	14,865	68,365	1,077,314	77,239	-	1,464,074
Valuation/Cost									
At 1 January 2022	931,346	99,321	438,477	61,510	487,214	783,289	77,239	13,359	2,891,754
Additions	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	(218,597)	(497,893)	-	-	(716,490)
Transfer/Reclassifications	(130,409)	(2,660)	(5,406)	11,180	(7,326)	-	-	(2,226)	(136,847)
Disposal in the year	-	-	-	-	-	(126,661)	-	-	(126,661)
Exchange difference	(75,798)	(586)	(4,815)	902	1,905	-	-	-	(78,392)
At 31 December 2022	725,139	96,075	428,255	73,591	263,196	158,734	77,239	11,133	1,833,363
Accumulated depreciation									
At 1 January 2022	723,293	88,783	374,545	57,138	191,250	-	-	8,907	1,443,915
Charge for the year	47,968	3,974	21,673	5,582	8,882	-	-	2,227	90,306
Disposal in the year	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	0	-	-	-
Exchange difference	(80,134)	(2,295)	(18,005)	145	(885)	-	-	-	(101,174)
At 31 December 2022	691,127	90,463	378,213	62,864	199,247	-	-	11,133	1,433,048
Carrying amount									
At 31 December 2022	34,012	5,612	50,043	10,727	63,949	158,734	77,239	-	400,316

19.1 The land and buildings of the group were not revalued on 30 September 2023.

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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	Buildings N'000	Land N'000	Construction in progress N'000	Marine Equipment N'000	Total N'000
Valuation/Cost									
At 1 January 2023	225,515	84,106	389,115	61,510	257,552	126,988	77,239	11,133.30	1,233,158
Adjustment	-	-	-	-	-	-	-	-	-
Write back of Revaluation Surplus	-	-	-	-	-	-	-	-	-
Additions	59,018	-	14,254	-	6,217	901,990	-	-	981,479
Disposal in the period	-	-	-	-	-	-	-	-	-
At 30 Sept 2023	284,533	84,106	403,370	61,510	263,770	1,028,978	77,239	11,133	2,214,638
Accumulated depreciation									
At 1 January 2023	225,516	80,902	353,243	60,770	192,262	-	-	11,133.30	923,826
Adjustment	-	-	-	-	-	-	-	-	-
Charge for the period	-	1,609	12,648.55	354	6,100	-	-	-	20,711
Disposal in the period	-	-	-	-	-	-	-	-	-
At 30 Sept 2023	225,516	82,511	365,891	61,124	198,361	-	-	11,133	944,537
Carrying amount									
At 30 Sept 2023	59,017	1,595	37,478	385	65,408	1,028,978	77,239	-	1,270,101
Valuation/Cost									
At 1 January 2022	225,515	84,106	379,522	61,510	462,649	751,543	77,239	11133.304	2,053,217
Write back of Revaluation Surplus	-	-	9,593	-	(218,597)	(497,893)	-	-	(706,897)
Additions	-	-	-	-	13,500	-	-	-	13,500
Disposal in the year	-	-	-	-	-	(126,661)	-	-	(126,661)
At 31 December 2022	225,515	84,106	389,115	61,510	257,552	126,988	77,239	11,133	1,233,158
Accumulated depreciation									
At 1 January 2022	225,516	77,689	334,970	56,854	184,499	-	-	8,907	888,435
Adjustment	-	-	-	-	-	-	-	-	-
Charge for the year	-	3,213	18,273	3,916	7,763	-	-	2,227	35,391
Disposal in the year	-	-	-	-	-	-	-	-	-
At 31 December 2022	225,516	80,902	353,243	60,770	192,262	-	-	11,133	923,826
Carrying amount									
At 31 December 2022	(0)	3,203	35,873	740	65,290	126,988	77,239	-	309,333

19.1 The land and buildings of the group were not revalued on 30 September 2023.

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
19. Intangible assets				
Computer software				
Cost	240,728	260,728	208,352	208,352
Transfer from Profit or Loss	-	-	-	-
Additions	4,561	-	-	-
Exchange difference	21,409	(20,000)	-	-
	<u>266,699</u>	<u>240,728</u>	<u>208,352</u>	<u>208,352</u>
Amortisation				
January 1, 2023	215,287	218,148	182,937	165,914
Exchange difference	20,620	(17,963)	-	1,995
Amortisation charge	11,537	15,102	11,271	15,028
	<u>247,444</u>	<u>215,287</u>	<u>194,208</u>	<u>182,937</u>
Net carrying amount At 30 September	<u>19,254</u>	<u>25,441</u>	<u>14,144</u>	<u>25,414</u>
The software is not internally generated.				
20. Balance due to banks				
First City Monument Bank Plc	35,032	-	35,032	-
Diamond Bank Plc	40,933	659,897	14,637	659,897
First Security Discount House	-	122	-	122
Sterling Bank	3,666	-	3,666	-
Fidelity Bank Plc	589,746	495,058	589,746	495,058
Keystone Bank	-	-	-	-
Polaris Bank	497,835	463,200	497,835	463,200
Zenith Bank Plc	2,143	-	2,143	-
Uniun Bank Plc	-	-	-	-
United Bank for Africa	20,387	7,346	20,387	-
	<u>1,189,743</u>	<u>1,625,622</u>	<u>1,163,447</u>	<u>1,618,276</u>
21. Commercial notes				
Institutional clients	2,770,544	2,599,125	2,770,544	2,599,125
Individual clients	11,677,834	10,955,303	11,677,834	10,955,303
	<u>14,448,378</u>	<u>13,554,429</u>	<u>14,448,378</u>	<u>13,554,429</u>
21.1 Analysis of commercial notes				
Current	14,448,378	13,554,429	14,448,378	13,554,429
Non-current	-	-	-	-
	<u>14,448,378</u>	<u>13,554,429</u>	<u>14,448,378</u>	<u>13,554,429</u>
22. Trade and other liabilities				
Financial liabilities:				
Trade payables	-	-	-	-
Security deposits	-	-	-	-
Statutory deductions (WHT, PAYE)	1,559,117	786,386	1,513,712	705,469
Accounts payable	5,935,716	3,527,071	4,021,213	3,131,173
Payments received on account	923,600	351,928	193,662	351,928
Deferred rental income	21,447	3,200	6,080	3,200
	<u>8,439,879</u>	<u>4,668,585</u>	<u>5,734,667</u>	<u>4,191,770</u>
Non-financial liabilities:				
Provision and accruals	825,795	415,361	446,420	226,370
Total other liabilities	<u>9,265,675</u>	<u>5,083,946</u>	<u>6,181,086</u>	<u>4,418,140</u>

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
23. Taxation				
23.1 Income tax charge				
Income tax	275,289	238,937	58,529	77,345
Education tax	214	13,189	214	13,189
Technology tax	1,775	-	1,775	-
Current income tax	277,278	252,126	60,518	90,533
Capital gain tax charge	-	184,870	-	184,870
Income tax	277,278	436,995	60,518	275,403
23.2 Current income tax liability				
At the beginning of the year	642,081	609,239	598,872	496,977
Exchange difference	(113,767)	(310,071)	-	(149,545)
Charge for the period	277,278	252,126	60,518	90,533
Capital gain tax charge	-	184,870	-	184,870
Payments during the period	-	(94,082)	-	(23,964)
At the end of the period	805,593	642,081	659,390	598,872
23.3 Deferred income tax assets				
At the beginning of the year	(878,592)	(854,607)	(854,607)	(854,607)
Addition	(107,614)	(23,985)	-	-
Payment	23,985	-	-	-
At the end of the period	(962,221)	(878,592)	(854,607)	(854,607)
23.3.1 Analysis of deferred income tax assets				
Property, plant and equipment	(962,221)	(878,592)	(854,607)	(854,607)
Allowance for loan and other assets losses	-	-	-	-
	(962,221)	(878,592)	(854,607)	(854,607)

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	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
24. Borrowings				
Term loans (Note 26.1)	5,759,156	4,504,087	5,759,156	4,504,087
Finance lease facilities (Note 26.2)	4,536,384	5,296,058	3,068,140	4,403,929
Redeemable bonds (Note 26.3)	9,795,371	10,434,605	9,795,371	10,434,605
	<u>20,090,911</u>	<u>20,234,751</u>	<u>18,622,668</u>	<u>19,342,621</u>
The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the period (December 2022 : Nil).				
24.1 Term loans				
Bank of Industry (24.1.4)	2,522,585	1,586,986	2,522,585	1,586,986
Cordros	-	-	-	-
First Ally	5,091	451,616	5,091	451,616
Financial Derivative Company	1,695,343	1,201,266	1,695,343	1,201,266
Secured lease notes	1,536,137	1,264,219	1,536,137	1,264,219
	<u>5,759,156</u>	<u>4,504,087</u>	<u>5,759,156</u>	<u>4,504,087</u>
24.1.1 Analysis of term loans				
Current	1,305,270	1,020,818	1,267,089	990,958
Non-current	4,453,886	3,483,269	4,492,067	3,513,130
	<u>5,759,156</u>	<u>4,504,087</u>	<u>5,759,156</u>	<u>4,504,087</u>

24.1.2 First City Monument Bank Plc

Facility represents US \$1,875,000 term loan secured from First City Monument Bank Plc 1n 2020 for a period of 48 months to part finance acquisition of a vessel and N500 million line IDF for marine operations. The interest on the loan is 9% per annum dollar interest rate.

24.1.3 B.V. Scheepswerf Damen Gorinchem, The

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 \$4,378,632 as at 30 June, 2020

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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	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
25.2 Finance lease facilities				
Diamond Bank Plc (Note 25.2.2)	-	-	-	-
Stanbic IBTC Bank (Note 25.2.3)	323,460	507,799	323,460	483,690
Fidelity Bank Nigeria Ltd (Note 25.2.4)	2,210,978	2,356,834	2,210,978	2,356,834
Lotus Capital Limited (25.2.4)	532,760	737,863	532,760	737,863
United Bank for Africa (Note 25.2.8)	-	489,659	-	-
Golden Cedar, Ghana (Note 25.2.9)	49,417	171,390	-	-
Barclays Bank Ghana (Note 26.2.10)	1,152,586	125,974	-	-
FSDH Merchant Bank Ltd (Note 25.2.11)	-	824,600	-	824,600
Growth and development Nig Ltd	-	-	942	942
Others	267,183	81,939	-	-
	4,536,384	5,296,058	3,068,140	4,403,929
25.2.1 Analysis of finance lease facility				
Current	2,023,153	2,361,956	972,974	1,396,581
Non-current	2,513,230	2,934,103	2,095,167	3,007,347
	4,536,384	5,296,058	3,068,140	4,403,929
25.2.2 Access 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 4 years (48 months).				
25.2.3 Stanbic IBTC Bank Plc				
Facility represents N700 million finance lease facility secured from Stanbic IBTC Bank Limited in February 2010 for a period of three years. The interest on the facility is 18% per annum. The facility was secured by legal ownership of assets finance under the lease contract.				
25.2.4 Lotus Capital Limited				
This represents N200 million Murabaha facility secured from Lotus Capital Limited under the Murabaha agreement of 7 September 2011 for a period of three years. The interest on the facility is 16.02% per annum.				

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

25.2.8 United Bank for Africa Plc

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

25.2.10 Barclays Bank of Ghana

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

25.2.11 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	31 December	30 September	31 December
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
25.3 Redeemable bonds				
7 billion Fixed Rate 5yr Redeemab Bond	-	545,813	-	545,813
10 billion Fixed Rate 5yr Redeemab Bond	9,795,371	9,888,792	9,795,371	9,888,792
	9,795,371	10,434,605	9,795,371	10,434,605
25.3.1 Analysis of redeemable bonds				
Current	279,948	298,217	279,948	298,217
Non-current	9,515,423	10,136,388	9,515,423	10,136,388
	9,795,371	10,434,605	9,795,371	10,434,605

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

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

	Group		Company	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
26. Retirement benefit obligations				
Defined contribution pension plan (Note 27.1)	36,289	22,412	36,289	22,412
	36,289	22,412	36,289	22,412
26.1 Defined contribution pension plan				
At the beginning of the period	22,412	23,832	22,412	23,832
Contribution during the period	700,672	991,532	700,672	991,532
Remittance during the period	(686,795)	(992,952)	(686,795)	(992,952)
At the end of the period	36,289	22,412	36,289	22,412

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

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	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
27. Share capital				
27.1 Issued and fully paid				
781,646,600 ordinary shares of 50k each	390,823	390,823	390,823	390,823
28. Deposit for shares				
At the beginning of the year	1,975,000	1,975,000	1,975,000	1,975,000
Adjustment	-	-	-	-
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 by 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 at 31 December, the company intended to convert the loan notes to its equity and had elected to include the notes as deposit for shares. The amount outstanding at 31 December is US\$10,000,000.00 (31 December 2021: US\$10,000,000.00). The convertible notes has however been bought over by Peace Mass Transit (PMT) in January 2021. The note has been converted to equity in December 2022.

	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
29. Statutory reserve				
At the beginning of the year	1,776,810	1,262,038	989,703	873,770
Foreign exchange gain	-	323,536	-	-
Prior year adjustment	-	33,351	-	-
Transfer from income statement	98,279	157,884	35,100	115,933
At the end of the period	1,875,088	1,776,810	1,024,802	989,703

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 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
30. Statutory credit reserve				
At the beginning of the year	351,372	643,413	380,152	638,779
Adjustment	-	(292,041)	-	(258,627)
Arising in the period	-	-	-	-
Exchange difference adjustment	-	-	-	-
At the end of the period	351,372	351,372	380,152	380,152

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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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
31. Retained earnings				
At the beginning of the year	4,355,006	2,879,061	738,473	(553,074)
Dividend declared and paid	-	-	-	-
Transfer from income statement	327,595	526,281	116,999	386,443
Fair value changes on available for sale	(1,306)	-	(1,306)	-
Prior year adjustment	-	1,107,548	-	1,028,415
Transfer to statutory credit reserve	(98,279)	(157,884)	(35,100)	(123,310)
At the end of the period	4,583,017	4,355,006	819,067	738,473

32. Foreign currency translation reserve

At the beginning of the year	4,205,167	3,848,910	-	-
Prior year adjustment	-	(201,951)	-	-
Arising in the period	8,444,816	558,209	-	-
At the end of the period	12,649,983	4,205,167	-	-

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

33. AFS fair value reserve

At the beginning of the year	9,040	6,707	9,040	6,707
(Loss)/Gain arising in the period	1,306	2,333	1,306	2,333
At the end of the period	10,346	9,040	10,345	9,040

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 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
34. Revaluation reserve				
At the beginning of the year	-	716,490	-	716,490
Write back of revaluation	-	(716,490)	-	(716,490)
Arising during the period	-	-	-	-
At the end of the period	-	-	-	-

Revaluation reserve relates surplus arising from the revaluation of land and buildings included in property, plant and equipment. The Central Bank of Nigeria (CBN, which is our primary regulator has directed the company to reverse it from the book until approval is obtained. The process of approval is in progress.

	Group		Company	
	30 September 2023 N'000	31 December 2022 N'000	30 September 2023 N'000	31 December 2022 N'000
35. Non controlling interest				
At the beginning of the year	820,835	665,406	-	-
Arising during the period	86,479	81,525	-	-
Prior year adjustment	-	208,677	-	-
Foreign exchange loss	160,451	(134,774)	-	-
At the end of the period	1,067,764	820,835	-	-
36. Cash and cash equivalents				
Cash and balances with banks (Note 10)	2,011,058	1,150,255	1,380,655	1,047,561
Balance due to banks (Note 20)	(1,189,743)	(1,625,622)	(1,163,447)	(1,618,276)
	821,315	(475,368)	217,208	(570,716)

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 September 2023 N'000	30 September 2022 N'000	30 September 2023 N'000	30 September 2022 N'000
37. Impairment charge				
Other assets	-	9,539	-	(1,355)
Per income statement	-	9,539	-	(1,355)

	Group				Company			
	9 Months to Sep 2023 N'000	3 Months to Sep 2023 N'000	9 Months to Sep 2022 N'000	3 Months to Sep 2022 N'000	9 Months to Sep 2023 N'000	3 Months to Sep 2023 N'000	9 Months to Sep 2022 N'000	3 Months to Sep 2022 N'000
38. Lease rental income								
Finance lease/operating lease	13,554,592	5,053,623	12,098,779	4,006,822	9,542,184	3,307,151	8,729,134	2,956,078
	<u>13,554,592</u>	<u>5,053,623</u>	<u>12,098,779</u>	<u>4,006,822</u>	<u>9,542,184</u>	<u>3,307,151</u>	<u>8,729,134</u>	<u>2,956,078</u>
39. Lease interest expense								
Finance lease interest	902,561	317,929	844,909	295,250	670,757	219,927	624,798	234,010
Commercial notes interest	1,647,491	636,576	958,150	351,753	1,647,491	636,576	958,150	351,753
Term loans interest	1,871,262	772,010	1,729,322	571,935	1,871,262	779,408	1,654,946	550,140
	<u>4,421,315</u>	<u>1,726,515</u>	<u>3,532,381</u>	<u>1,218,938</u>	<u>4,189,511</u>	<u>1,635,911</u>	<u>3,237,894</u>	<u>1,135,903</u>
40. Outsourcing income								
Outsourcing rental	11,042,180	3,838,350	9,842,859	3,191,091	11,042,180	3,838,350	9,842,859	3,191,091
Outsourcing service expense	(10,019,719)	(3,505,099)	(8,624,697)	(2,864,636)	(10,019,719)	(3,505,099)	(8,624,697)	(2,864,636)
	<u>1,022,461</u>	<u>333,251</u>	<u>1,218,161</u>	<u>326,455</u>	<u>1,022,461</u>	<u>333,251</u>	<u>1,218,161</u>	<u>326,455</u>

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group				Company			
	9 Months to Sep 2023 N'000	3 Months to Sep 2023 N'000	9 Months to Sep 2022 N'000	3 Months to June 2022 N'000	9 Months to Sep 2023 N'000	3 Months to Sep 2023 N'000	9 Months to Sep 2022 N'000	3 Months to June 2022 N'000
41. Tracking and tagging income								
Tracking income	100,815	46,165	101,075	31,693	100,815	46,165	101,075	31,693
Tracking expenses	(60,075)	(26,831)	(45,720)	(10,552)	(60,075)	(26,831)	(45,720)	(10,552)
	<u>40,739</u>	<u>19,333</u>	<u>55,355</u>	<u>21,141</u>	<u>40,739</u>	<u>19,333</u>	<u>55,355</u>	<u>21,141</u>
42. Interest income								
Interest on loans and advances	-	-	-	-	-	-	-	-
Interest on bank deposits	41,236	10,250	26,611	1,517	27,896	2	22,300	370
	<u>41,236</u>	<u>10,250</u>	<u>26,611</u>	<u>1,517</u>	<u>27,896</u>	<u>2</u>	<u>22,300</u>	<u>370</u>
43. Other income								
Gain on sale of operating lease assets (Note 46.1)	316,061	184,258	897,494	875,735	166,101	137,406	850,703	843,740
Foreign exchange gain	-	-	3,400	2,117	-	-	-	-
Insurance claims received	29,975	3,411	14,183	5,529	29,975	3,411	14,183	5,529
Insurance income on finance lease	2,931	(32)	3,750	447	2,931	(32)	3,750	447
Management fee income	57,281	23,904	45,190	15,248	57,281	23,904	45,190	15,248
Frank investment income	185,468	184,976	-	-	1,206,366	458,054	-	-
Rent received	14,400	4,800	14,400	4,800	14,400	4,800	14,400	4,800
Others	183,100	25,059	8,310	(237,170)	142,728	1,231	1,894	(238,650)
	<u>789,217</u>	<u>426,376</u>	<u>986,726</u>	<u>666,705</u>	<u>1,619,782</u>	<u>628,775</u>	<u>930,119</u>	<u>631,114</u>

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group				Company			
	9 Months to Sep 2023 N'000	3 Months to Sep 2023 N'000	9 Months to Sep 2022 N'000	3 Months to June 2022 N'000	9 Months to Sep 2023 N'000	3 Months to Sep 2023 N'000	9 Months to Sep 2022 N'000	3 Months to June 2022 N'000
44. Operating expenses								
Direct operating expenses	5,536,406	2,024,162	4,970,103	1,756,514	5,145,657	2,041,788	4,738,828	1,685,996
Finance lease assets maintenance	975,958	544,432	808,102	297,052	527,503	159,966	461,298	196,358
Finance lease assets insurance	444,817	173,259	401,665	119,705	334,928	124,955	285,970	87,335
	<u>6,957,182</u>	<u>2,741,852</u>	<u>6,179,870</u>	<u>2,173,271</u>	<u>6,008,088</u>	<u>2,326,709</u>	<u>5,486,096</u>	<u>1,969,690</u>
45. Depreciation expense								
Operating lease assets	2,456,472	987,376	2,913,920	991,401	1,296,380	451,003	1,634,674	580,906
Property, plant and equipment	30,308	1,234	71,466	21,459	20,711	6,902	27,379	8,351
	<u>2,486,780</u>	<u>988,609</u>	<u>2,985,386</u>	<u>1,012,860</u>	<u>1,317,091</u>	<u>457,904</u>	<u>1,662,053</u>	<u>589,257</u>
46. Personnel expense								
Salaries and allowances	789,579	259,041	857,755	281,221	710,975	221,689	795,371	263,765
Pension contribution expense	51,701	18,551	53,956	17,234	44,318	15,026	47,869	15,522
Training and medical	121,442	48,352	88,119	29,086	44,044	11,851	39,885	15,740
	<u>962,723</u>	<u>325,943</u>	<u>999,831</u>	<u>327,540</u>	<u>799,336</u>	<u>248,566</u>	<u>883,125</u>	<u>295,027</u>
47. Administrative expenses								
Auditors' remuneration	26,343	9,432	25,095	8,067	20,250	6,750	20,255	6,755
Directors' emoluments	49,276	16,022	49,949	14,792	41,943	12,748	43,485	14,908
Foreign exchange loss	68,872	1,223	18,432	5,046	59,026	466	18,432	5,046
Bank charges	7,720	(123,666)	111,139	28,612	2,853	(125,507)	106,116	27,611
Fuel and maintenance	43,910	17,453	60,867	19,392	39,521	14,604	55,582	18,265
Insurance	31,483	9,776	32,000	14,562	31,483	9,776	32,000	14,562
Advert and external relations	3,399	2,731	11,851	3,111	906	801	3,897	882
Travel and entertainment	61,890	28,176	19,080	5,592	54,766	29,965	17,757	5,312
Legal and professional expenses	157,705	74,232	111,485	30,397	122,726	57,749	94,654	25,010
Communications	90,703	35,110	72,835	28,120	78,478	29,981	66,086	25,475
Subscriptions	28,722	11,655	31,831	14,302	20,647	8,633	21,499	9,717
Levies and penalties	10,266	6,413	12,592	8,111	6,077	4,636	12,592	8,111
Other administrative expenses	169,221	73,356	110,975	38,398	113,197	45,333	77,660	27,586
	<u>749,510</u>	<u>161,915</u>	<u>668,131</u>	<u>218,501</u>	<u>591,874</u>	<u>95,934</u>	<u>570,015</u>	<u>189,240</u>

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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 1,769,146,167 potential dilutive shares as at September 2023 (December 2022 : 1,769,146,167).

	Group		Company	
	Sept 30, 2023 N'000	Sept 30, 2022 N'000	Sept 30, 2023 N'000	Sept 30, 2022 N'000
Profit after taxation	<u>327,595</u>	<u>313,863</u>	<u>116,998</u>	<u>(451,471)</u>
	Number	Number	Number	Number
Number of shares at period end	<u>781,646</u>	<u>781,646</u>	<u>781,646</u>	<u>781,646</u>
Time weighted average number	<u>781,646</u>	<u>781,646</u>	<u>781,646</u>	<u>781,646</u>
Diluted number of shares	<u>1,769,147</u>	<u>1,769,147</u>	<u>1,769,147</u>	<u>1,769,147</u>
Earnings per share (EPS) (kobo)	<u>42</u>	<u>40</u>	<u>15</u>	<u>-58</u>
Earnings per share (EPS) (kobo) - diluted	<u>19</u>	<u>18</u>	<u>7</u>	<u>-26</u>

**NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	Group		Company	
	Sept 30,	Sept 30,	Sept 30,	Sept 30,
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
49. Information regarding Directors and employees				
49.1 Directors				
49.1.1 Directors' emoluments				
Fees	41,376	22,226	34,043	15,645
Other emoluments	<u>7,900</u>	<u>12,932</u>	<u>7,900</u>	<u>12,932</u>
	<u>49,276</u>	<u>35,158</u>	<u>41,943</u>	<u>28,577</u>
49.1.2 Fees and emoluments disclosed above excluding pension				
The Chairman	8,010	6,753	8,010	6,753
Other Directors	<u>41,266</u>	<u>28,405</u>	<u>33,933</u>	<u>21,824</u>
49.1.3 The number of Directors [including the Chairman and the highest paid Director] who received fees and other				
	Number	Number	Number	Number
N240,001 - N400,000	-	-	-	-
N400,001 - N1,550,000	10	10	6	7
N1,550,001 - N5,000,000	1	-	-	-
N5,000,000 - N8,000,000	-	1	1	1
N8,000,001 - N11,000,000	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>12</u>	<u>12</u>	<u>8</u>	<u>9</u>

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Group		Company	
	30 Sept 2023 Number	31 December 2022 Number	30 Sept 2023 Number	31 December 2022 Number
50.2 Employees				
50.2.1 The average number of persons employed by the Group during the period was as follows:				
Managerial	12	29	8	19
Senior staff	36	48	34	45
Junior staff	272	485	238	407
	320	562	280	471

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

N	N				
250,001	370,000	105	159	98	159
370,001	420,000	94	244	84	189
430,001	580,000	46	80	44	53
580,001	700,000	16	24	15	24
700,001	750,000	12	18	8	15
840,001	850,000	11	12	9	12
1,000,001	1,100,000	18	5	10	5
1,100,001	1,150,000	4	5	3	4
1,200,001	1,400,000	4	5	3	4
1,500,000	1,550,000	3	5	2	4
1,650,000	2,050,000	7	5	4	2
		320	562	280	471

51. Reclassification of comparative figures

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

52. 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.

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

53. 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.

54. 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 30 September 2023 (31 December 2022: Nil).

55. 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 period-end, and related expense and income for the year are as follows:

	September 2023	31 December 2022
EPIC International FZE, U.AE.	3,001,776.93	4,761,298.50
Leasafric, Ghana	(335,179.47)	(328,927.14)
C & I Leasing FZE	15,148.03	14,898.03
Access bank Plc	(14,637)	(659,897)
	<u>2,667,108.17</u>	<u>3,787,372.02</u>

The loans to subsidiaries are non-collateralised 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.

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NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

56. Segment reporting

56.1 Segment results of operations

The segment information provided to the Group management committee for the reportable segments for the period ended 30 September 2023:

	Fleet management N'000	Personnel outsourcing N'000	Marine services N'000	Citrack N'000	Total N'000
Gross earnings	3,008,218	1,022,461	9,003,799	101,143	13,135,621
Operating income	2,641,440	948,665	4,901,534	101,143	8,592,781
Operating expenses	(1,640,905)	(295,865)	(3,712,517)	(63,727)	(5,713,014)
Depreciation	(664,678)	(4,631)	(658,573)	(480)	(1,328,362)
Personnel expense	(140,454)	(152,101)	(484,102)	(22,680)	(799,336)
Administrative expenses	(92,172)	(85,219)	(388,361)	(8,800)	(574,551)
Profit before taxation	103,231	410,849	(342,019)	5,456	177,517
Total assets employed	2,189,601	1,406,445	20,426,216	42,193	24,064,456
Interest Expense	(366,778)	(73,797)	(3,748,935)	-	(4,189,511)
Earnings Before Interest and Tax	470,009	484,646	3,406,917	5,456	4,367,027
ROCE (EBIT/Total Asset)	21%	34%	17%	13%	18%

30 Sept 2023 30 Sept 2022
N'000 N'000

56.2 Geographical information

1. Revenue

Nigeria	13,135,621	11,496,575
Ghana	2,343,602	2,032,873
United Arab Emirates	1,872,478	1,397,691
	17,351,701	14,927,139

30 Sept 2023 31 Dec 2022

2. Total assets

Nigeria	49,071,104	47,342,978
Ghana	6,920,496	2,333,488
United Arab Emirates	16,109,990	7,128,002
	72,101,590	56,804,468

31st October 2023

CERTIFICATION OF THIRD QUARTER 2023 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 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, summarise 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.


(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



Ugoji Lenin Ugoji
Group Managing Director


Okechukwu Nnake
Chief Financial Officer

CERTIFIED TRUE COPY

NOTARY PUBLIC OF NIGERIA
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Dr. Samuel Onyishi (Chairman)

Ugoji Lenin Ugoji (Managing Director/C

Rotunde Alao-Olaifa (Non-Execu

ve Road, Lekki Phase 1, Lagos (Non-Executive), Oluy



Hypothetical Case on Free Float Computation				
Shareholding Structure/Free Float Status				
Description	30-Sep-23		30-Sep-22	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	781,646,167	100%	781,646,167	100%
Substantial Shareholdings (5% and above)				
PEACE CAPITAL MARKET LTD.	0	0.00%	0	0.00%
CIL ACQUICO LIMITED	154,293,247	19.74%	134,154,681	17.16%
PETRA PROPERTIES LTD	40,304,265	5.16%	40,304,265	5.16%
PEACE MASS TRANSIT	0	0.00%	0	0.00%
PMT GLOBAL INVESTMENTS NIG LTD	209,806,920	26.84%	209,806,920	26.84%
Total Substantial Shareholdings	404,404,432	51.74%	384,265,866	49.16%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
NDU CHUKWUEMEKA E.	333,567	0.04%	359,566	0.05%
OMOTUNDE ALAO-OLAIFA	0	0.00%	0	0.00%
OTIKE-ODIBI ANDREW	5,333,901	0.68%	0	0.00%
BABATUNDE EDUN	1,867,074	0.24%	1,867,074	0.24%
SAMUEL MADUKA ONYISHI	0	0.00%	0	0.00%
UGOJI LENING UGOJI	0	0.00%	0	0.00%
SADIQ ABUBAKAR ADAMU	0	0.00%	0	0.00%
FLORENCE OKOLI	0	0.00%	0	0.00%
TOM OKO ACHODA	0	0.00%	0	0.00%
OLUYEMI PETER ABAOLU-JOHNSON	0	0.00%	0	0.00%
OMOTUNDE ALAO-OLAIFA (INDIRECT- REPRESENTING PETRA PROPERTIES LTD)	35,000,088	4.48%	35,000,088	4.48%
ACQUICO LTD)	0	0.00%	0	0.00%
REPRESENTING PMT GLOBAL INVESTMENTS NIG	0	0.00%	0	0.00%
Total Directors' Shareholdings	42,201,063	5.44%	37,226,728	4.76%
Other Influential Shareholdings				
	0	0.00%	0	0.00%
	0	0.00%	0	0.00%
Total Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	335,040,672	42.86%	360,153,573	46.08%
Free Float in Value	₦ 1,172,642,352.00		₦ 1,170,499,112.25	
Declaration:				
(A) C&I LEASING Plc with a free float percentage of 42.86% as at 30 September 2023, is compliant with NGX's				
(B) C&I LEASING Plc with a free float value of N1,170,499,112.25 as at 30 September 2022, is compliant with NGX's free float requirements for companies listed on the Main Board .				