Investing in this offer involves risks and this document is important and should be read carefully. If you are in any doubt as to its contents or the action to be taken, please consult your Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately. For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" commencing on page 24 hereof.

C&I LEASING PLC RC 161070

OFFER FOR SUBSCRIPTION VIA BOOK BUILDING FOR ₦600,000,000.00 18.25% FIXED RATE BONDS DUE NOVEMBER 25, 2020

Issue Price: ₦1, 000 per unit
Payable in full on Application

Application List Opens: October 12, 2015
Application List Closes: October 26, 2015

This offering of 5 year 18.25% Fixed Rate Bonds ("the Issue") by C&I Leasing Plc ("the Company" or "the Issuer") was made through a book building process wherein 100% of the Issue was offered to Qualified Institutional Investors ("QIIs") and High Net Worth Investors ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission ("the SEC" or "the Commission").

The bonds have been assigned a Bbb- rating by Agusto & Co Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

This Prospectus and the securities, which it offers, have been registered by the Securities and Exchange Commission. The Investments and Securities Act ("ISA"), provides for civil and criminal liabilities for the issue of a prospectus which contains false or misleading information. The registration of this Prospectus and the securities which it offers does not relieve the parties of any liability arising under the act for false or misleading statements or for any omission of a material fact in this Prospectus. Application has been made to the FMDQ OTC for the admission of the Bonds to the Daily Official List of the Exchange.

The Bond qualifies as securities in which Pension Fund Assets can be invested under the Pensions Reforms Act 2014 and securities in which Trustees may invest under the Trustees Investments Act, Cap T22, LFN, 2004. The Bonds are exempt from taxation in Nigeria in accordance with the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011, the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 and the Personal Income Tax (Amendment) Act 2011. As such, all payments made to Bondholders shall be free and clear of Withholding, State and Federal Income and Capital Gains Taxes with no deductions whatsoever being made at source.

A copy of this prospectus together with the documents specified herein have been delivered to the Commission for registration. This prospectus is issued under the provisions of the **Investments and Securities Act**, and in compliance with the requirements of the rules and regulations of the Commission and the listing requirements of the relevant securities exchange and over-the-counter market for the purpose of giving information to the public with regard to the securities of the company;

The Directors of the Company ("Directors") collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading or untrue. The Directors declare that having taken reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information. Furthermore, the material facts contained herein are true and accurate in all material respects and the Directors confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue

LEAD ISSUING HOUSE / BOOK RUNNER

FSDH MERCHANT BANK LIMITED RC 199528

JOINT ISSUING HOUSE / BOOK RUNNER

FBN CAPITAL LIMITED RC 446599

This Prospectus is dated February 15, 2016

CONTENTS

FORWARD LOOKING STATEMENTS

Certain statements included in this Prospectus may constitute forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer's intentions, beliefs or current expectations concerning, amongst other things, the Issuer's operating results, financial condition, liquidity, prospects, growth, strategies and the leasing industry in which it operates.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. In addition, even if the Issuer's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from the Issuer's expectations are contained in cautionary statements in this Prospectus and include, among other things, the following:

- Overall political, economic and business conditions in Nigeria;
- Changes in government regulations, especially those pertaining to the leasing industry;
- Changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- Economic and political conditions in international markets, including governmental changes;
- The demand for the Issuer's products and services;
- Competitive factors in the industries in which the Issuer and its customers compete;
- Interest rate fluctuations and other capital market conditions;
- Exchange rate fluctuations; and
- The timing, impact and other uncertainties of future actions.

The sections of this Prospectus entitled "Risk Factors", "Description of C&I Leasing Plc" and "Statutory and General Information" contain a more detailed discussion of the factors that could affect the Issuer's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur.

The Issuer does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

KEY TERMS AND ABBREVIATIONS

Terms/Abbreviations	Description
"Allotment Announcement"	The publication to be made after the SEC approval of allotment, in a minimum of two national newspapers by the Issuing Houses/Book Runners on behalf of the Issuer, which shall disclose the Coupon Rate, the size of the Issue and other salient information;
"Allotment Date"	Date the basis of allotment of the Bond is approved/cleared by the SEC
"Allottee"	A successful Participant from whom receipt of subscription monies is confirmed by the Receiving Bank and to whom the Bonds shall be allotted by the Issuer;
"Board" or "Directors"	Board of Directors of the Company;
"Bonds" or "Securities"	A registered certificate of debt issued by the Issuer which the Issuer obligates itself to pay to a Bondholder an aggregate principal amount and Coupons on a specified date after the Issue Date;
"Bonds Issue"	C&I Leasing Plc ₦800,000,000 fixed rate Bonds due 2020;
"Bondholder"	Any registered owner or beneficial owner of Bond units to be issued;
"Business Day"	Any day except Saturdays, Sundays and Public Holidays on which banks are open for business in Nigeria;
"CAC"	Corporate Affairs Commission;
"CAMA"	Companies and Allied Matters Act Cap C20, LFN, 2004;
"CBN"	Central Bank of Nigeria;
"Certificates"	means in relation to the Bonds, a certificate in or substantially in the form specified in the Schedule to the Trust Deed or in such other form as may be agreed from time to time by the Trustee;
"CITA"	Companies Income Tax Act Cap C21, LFN, 2004 (As amended by Act No. 11 of 2007);
"Completion Board Meeting" or "Signing Ceremony"	The meeting at which the Issue Documents in connection with the Issue shall be executed by the parties to the Issue;
"Conditions" or "Terms and Conditions"	Terms and conditions in accordance with which the Bonds will beissued, set out in the section headed "Terms and Conditions of the Bonds" and in the Second Schedule of the Trust Deed;
"Coupon PaymentDate"	The date on which coupons are to be paid to Bondholders as specified in the Prospectus;
"Coupon"	Interest rate payable to Bondholders as specified in the Prospectus;
"CSCS"	Central Securities Clearing System Plc;
"Debt Issuance"	The Debt Issuance described in this Prospectus pursuant to which C&I Leasing may issue debt securities from time to time, the aggregate value of which may not exceed ₦2 billion;

"Debt Securities"	Any securities, which include registered bonds, promissory notes, certificates, debentures and other obligations authorized to be issued under the Debt Issuance by C&I Leasing;
"Debt Service Obligation"	The funds (Principal and Interest) to be paid to the Bondholders at every Bond Repayment Interval
"EPS"	Earnings per Share;
"Exchange"	FMDQ or any other securities exchange that the Issuer chooses to list the Bonds;
"Face Value" or "Par Value"	The value the Bondholder would get per Bond once the Bond matures
"FBN Capital" or "Joint Issuing House"	FBN Capital Limited RC 446599;
"Federal Government" or "FGN"	Federal Government of Nigeria;
"Financial Market Dealers Quotation", "FMDQ" or "FMDQ OTC Plc"	"FMDQ OTC Plc" or "FMDQ" is a SEC licensed over-the-counter (OTC) market securities exchange. FMDQ is owned by the Central Bank of Nigeria (CBN), all of the Nigerian banks, discount houses and the Nigerian Stock Exchange;
"FIRS"	Federal Inland Revenue Service;
"Fixed Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis;
"FSDH" or "Lead Issuing House"	FSDH Merchant Bank Limited RC 199528;
"GDP"	Gross Domestic Product;
"Group"	The Issuer and its subsidiaries;
"Interest"	Money paid regularly at a particular rate for the use of money lent, or for delaying the repayment of a debt
"Interest Commencement Date"	The Issue Date from which interest on the Bonds begins to accrue;
"Interest Payment Dates" or "Bond Repayment Interval"	The dates on which interest on the Bonds will be paid as set forth in the Prospectus;
"ISA"	Investments and Securities Act No 29, 2007;
"Issue Date"	The date upon which the Bonds are issued, as specified in the Prospectus;
"Issue Price"	The price at which the Bonds are issued, as specified in the Prospectus;
"Issuer"	C&I Leasing Plc ("the Company") is the Issuer in the Bonds Issuance;
"Issuing Houses" or "Joint Issuing Houses"	FSDH Merchant Bank and FBN Capital

"LFN"	Laws of the Federal Republic of Nigeria;
"Listing Rule"	The Listing Rules of the Nigerian Stock Exchange or FMDQ;
"Maturity date"	The date which the bond expires as specified in the Prospectus;
"Naira" or "₦"	The Nigerian Naira, the lawful currency of the Federal Republic of Nigeria;
"NAV"	Net Asset Value;
"Nigeria"	The Federal Republic of Nigeria and the "Nigerian" shall be construed accordingly;
"Professional Parties"	Professionals engaged by the Issuer whose roles will ensure the success of the Bonds Issue;
"Pension Reform Act 2014"	Pension Reform Act Cap P4, LFN 2004;
"PFAs"	Pension Fund Administrators;
"Principal Amount" or "Principal"	The nominal amount of each Bond, as specified in the Prospectus;
"Receiving Agents"	Market operators authorized to receive Application forms/monies from investors;
"Receiving Banks:"	Banks appointed by the Issuer to receive the payments of bonds by the Bondholders and to remit these payments to the Issuer;
"Record Date"	The date on which the list of Bondholders is extracted from the register for the purpose of making coupon payments;
"Register"	The register kept at the specified office of Centurion Registrars Limited into which shall be entered the names and addresses of each Bondholder and the particulars, transfers and redemption of the Bonds held by each Bondholder;
"Registrar"	Centurion Registrar Limited;
"Related Parties"	Anybody corporate, which is the Company's subsidiary or holding Company or a subsidiary of that Company's holding Company;
"Rules" & "Regulations"	The Rules and Regulations of the Securities & Exchange Commission issued pursuant to the Investments and Securities Act No. 29 2007;
"SEC" or "the Commission"	Securities & Exchange Commission;
"Trust Deed"	The Trust Deed between the Issuer and the Trustee dated [•]
"Trustees"	Leadway Capital & Trusts Limited;
"Trustees Act"	Trustees Investments Act Cap T22, LFN 2004;
"USD" or "US$"	The United States Dollar, the lawful currency of the United States of America;
"WHT"	Withholding Tax as provided for in section 78(2) of CITA;

ABRIDGED TIMETABLE

Date	Activity	Responsibility
October 2, 2015	Receive SEC approval of Red Herring Prospectus	IHs/ BRs
October 12, 2015	Commence Book Building	IHs/ BRs
October 26, 2015	Conclude Book Building	IHs/ BRs
October 26, 2015	Determine coupon rate and aggregate amount of Bonds to be issued	IHs/ BRs
October 28, 2015	File Updated Offer Documents with SEC	IHs/ BRs
October 30, 2015	Receive SEC approval to hold Completion Board Meeting/Signing Ceremony	IHs/ BRs
November 3, 2015	Completion Board Meeting/Signing Ceremony – Execution of Offer Documents	All Parties
November 4, 2015	File Executed Offer Documents with SEC	IHs/ BRs
November 4, 2015	Remit net issue proceeds to the Issuer	RB/IHs
November 5, 2015	File Allotment Proposal and draft Newspaper Announcement with SEC	IHs/ BRs
November 13, 2015	Receive SEC clearance of Allotment Proposal	IHs/ BRs
November 17, 2015	Publish Allotment Announcement in at least two (2) national newspapers	IHs/ BRs
November 18, 2015	Distribute Certificates/Credit CSCS Accounts of Allottees	Registrars
November 19, 2015	Forward Declaration of Compliance to The Exchange	Stockbrokers
November 25, 2015	Listing of the Bonds	Stockbrokers
November 27, 2015	File Post Allotment Compliance Report with SEC	IHs/ BRs

Key: IHs - Issuing Houses
BRs - Book Runners
RB - Receiving Bank

The following parties have given and not withdrawn their written consents to the issue of this Prospectus.

C&I Leasing Plc	
Air Vice-Marshall Abdul Dominic Bello (Rtd.), GCON, CFR **Chairman** Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos	**Chief Henry Chukwuma Okolo** **Vice – Chairman** Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos
Mr. Chukwuemeka Emmanuel Ndu **Managing Director** Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos	**Mr. Andrew Otike-Odibi** **Executive Director** Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos
Mr. Omotunde Alao-Olaifa **Non-Executive Director** Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos	**Mr. Ikechukwu Duru** **Non-Executive Director** Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos
Mr. Larry Olugbenga Ademoso **Non-Executive Director** Leasing House Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos	**Mrs. Ngozi Unoma Ifeyinwa Uche** **Non-Executive Director** Leasing House Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos
Mr. Jacob Kwame Kholi **Non-Executive Director** Leasing House Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos	**Mr. Patrick Sule Ugboma** **Non-Executive Director** Leasing House Leasing House C&I Leasing Drive Off Bisola Durosimi-Etti Drive Lekki Phase 1 Lagos
Issuing Houses	
FSDH Merchant Bank Limited **Lead Issuing House** 5th Floor, UAC House 1/5, Odunlami Street Marina HAMSA AMBAH Lagos	**FBN Capital Limited** **Joint Issuing House** 16, Keffi Street, Off Awolowo Road Ikoyi, Lagos **Taiwo Okeowo**
Other Parties	
G. Elias & Co Solicitors	**Adroit Lex & Co. Solicitors**

Legal Counsel to the Transaction 6, Broad Street Lagos-Island Lagos	**Legal Counsel to the Issuer** 4th Floor Suites ,Church Ho 29 Marina Lagos-Island Lagos
Leadway Capital & Trusts Limited **Trustee** 3rd Floor, Leadway Assurance House 1 121/123, Funsho Williams Avenue Iponri Lagos	**Marriot Solicitors** **Legal Counsel to the Trustee** 3rd Floor, 91A, Lewis Street Lagos Island Lagos
PKF Professional Services **Auditor** Abdus-salaam A. Najeeb PKF House 205A Ikorodu Road Obanikoro Lagos	**SIAO Partners** **Reporting Accountants** 18B, Olu Holloway Road Ikoyi Lagos SIAO
Agusto & Co. Limited **Rating Agency** 5th Floor, UBA House 57 Marina Lagos-Island Lagos Vivien Shobo	**WSTC Financial Services Limited** **Stockbroker** 2, Maitama Sule Street Falomo South West Ikoyi Lagos
First Bank of Nigeria Limited **Receiving Bank** Samuel Asabia House 35 Marina Lagos-Island Lagos	**Centurion Registrars Limited** **Registrar** 33C, Cameron Road Ikoyi Lagos

The Issuer will also provide at no cost to each prospective investor upon request, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer at its registered office as set out in this Prospectus or the Financial Advisers at the address stated below:

Adedayo Adebowale
Investment Banking Division
FSDH Merchant Bank Limited
5th Floor, UAC House
1/5, Odunlami Street
Lagos
Tel: +234 (1) 2770275-9 Ext 5603
Email: Aadebowale@fsdhgroup.com

Oluseun Olatidoye
Head, Debt Capital Markets
FBN Capital Limited
16, Keffi Street
Ikoyi
Lagos
Tel: +234 (1) 2798300
Email:debtcapitalmarkets@fbncapital.com

SUMMARY OF THE ISSUE

The following information should be read in conjunction with the full text of this Prospectus, from which it is derived. The information provided below is a brief summary of the key features of the issue, a description of the Issuer and, to the extent applicable, the summary of the terms and conditions of the Bonds. This summary should be read as an introduction to this Prospectus. Prospective investors in the Debt Securities should see "Risk Factors" on pg.24 that should be considered in connection with an investment in the Debt Securities.

Terms	Description
Issuer:	C&I Leasing Plc
Description of the Bond:	The Bond is a 5 - year fixed rate 18.25% debt instrument due [•] 2020 to be issued at par. The bond will be denominated in Naira and shall be constituted under a Trust Deed.
Offer Size:	₦800 Million Naira Only
Par Value	₦1,000 (One Thousand Naira Only) per Unit
Issue Price:	100% of Par Value
Tenor:	5 years
Maturity Date:	[•] 2020, being the 5th Anniversary of the Bond
Payment Date:	November 3, 2015
Method of Issue:	Book Building
Currency:	The Bonds shall be denominated in Nigerian Naira (₦)
Coupon Rate:	18.25%
Coupon Frequency:	Semi-annual and payable in arrears, on November 3 and May 3 of each year up to and including the maturity date
Redemption	The repayment of the Principal Amount will be made in arrears in accordance with the following repayment schedule reflecting moratorium of one year on the Principal

Bond Obligation Repayment Interval	Months	Principal Component Paid %	Outstanding Obligation %
Bond Issuance Date	0	0%	100%
1	1 - 6	0%	100%
2	7 - 12	0%	100%
3	13 - 18	13%	88%
4	19 - 24	13%	75%
5	25 - 30	13%	63%
6	31 - 36	13%	50%
7	37 - 42	13%	38%
8	43 - 48	13%	25%
9	49 - 54	13%	13%

<table>
<tr><td></td><td><table><tr><td>10</td><td>55 - 60</td><td>13%</td><td>0%</td></tr><tr><td></td><td></td><td>100%</td><td></td></tr></table></td></tr>
<tr><td>Book Opens:</td><td>October 12, 2015</td></tr>
<tr><td>Book Closes:</td><td>October 26, 2015</td></tr>
<tr><td>Day Count Fraction:</td><td>Coupon will be calculated on the basis of actual number of days (365 or 366) in each year</td></tr>
<tr><td>Minimum Units of Sale:</td><td>Minimum of ₦10,000,000 (i.e. 10,000 units of ₦1,000/unit) and multiples of ₦1,000,000 (i.e. 1,000 units) thereafter.</td></tr>
<tr><td>Source of Repayment:</td><td>The repayment of all obligations (i.e. both Principal redemption and Coupon payments) under the bond issuance will be funded solely from the operating cash flow of the Company</td></tr>
<tr><td>Grossing Up:</td><td>All amounts payable under the Bonds will be paid in full without set-off or counterclaim or other restrictions and free and clear of and without any deductions or withholding for or on account of any taxes or any charges or otherwise</td></tr>
<tr><td>PENCOM Compliance:</td><td>The Bond qualifies as securities in which Pension Fund Assets can be invested under the Pensions Reform Act 2014 and also qualifies as securities in which Trustees may invest under the Trustees Investment Act, Cap T22, LFN.</td></tr>
<tr><td>Listing:</td><td>An application has been filed with the FMDQ for admission of the Bonds to its Daily Official List</td></tr>
<tr><td>Use of Proceeds:</td><td>After the deduction of the costs and expenses of the Issue, which are estimated at ₦26,463,000representing 3.31 % of the gross issue proceeds, the net proceeds amounting to ₦773,537,000 will be utilised as follows:
<table>
<tr><th>Purpose</th><th>Amount</th><th>% of Net Proceeds</th><th>Estimated Completion Period</th></tr>
<tr><td>Marine Expansion (Purchase of Tug boats, Crew Vessels and Platform Supply Vessels)</td><td>145,038,188</td><td>18.75</td><td>2017</td></tr>
<tr><td>Repayment of Credit Facilities</td><td>338,422,437</td><td>43.75</td><td>2017</td></tr>
<tr><td>Working Capital</td><td>290,076,375</td><td>37.50</td><td>2016</td></tr>
<tr><td>Total</td><td>773,537,000</td><td>100.00</td><td></td></tr>
</table>
An explanation on each item can be found in the "Use of Proceeds" section on page 52 of the prospectus</td></tr>
<tr><td>Interest Commencement Date:</td><td>Coupon shall accrue from the Completion Board Meeting / Signing Ceremony Date</td></tr>
<tr><td>Initial Coupon Payment:</td><td>Six (6) months from the Completion Board Meeting / Signing Ceremony Date</td></tr>
</table>

Principal Repayment:	Amortizing with a one year moratorium on Principal Repayment.
Issuer Rating:	Bbb- (Agusto & Co Ltd.)
Bond Rating:	Bbb- (Agusto & Co Ltd.)[1]
Credit Enhancement	Debt Service Reserve Account ("DSRA") – The debt issue would have the benefit of a debt service reserve account equivalent to the greater of 21.5% of initial issuance amount or largest semi-annual debt service (interest and principal) obligation.. The DSRA will be funded in full on the day of disbursement of net proceeds to the Issuer and would be utilised in reimbursing the issuing trust for losses up to the amount allocated for the reserve in the event the funds in the sinking fund are insufficient to satisfy the Debt Service Obligations of the Bond. The Issuer shall pay into the reserve account on a non-declining basis throughout the life of the issue
Indebtedness:	As at 31 December 2014, the company had term loans and borrowings in the ordinary course of business, amounting to ₦6,147,986,000
Form of Bonds/Transferability:	The Bonds will be issued in registered form and be freely transferable in accordance with the provision of the Trust Deed. Notwithstanding the foregoing for as long as any of the Bonds forming part of the Issuer's capital remains outstanding, the Issuer shall not exercise any right to redeem the Bond prior to the Maturity Date.
Status:	The Bonds are direct, unconditional and unsecured obligations of the Issuer and rank pari passu, without any preference among them, with all other outstanding unsecured and subordinated obligations of the Issuer, present and future but in the event of insolvency, only to the extent permitted by Applicable Laws.
Sinking Fund:	A sinking fund will be created in accordance with the Trust Deed. In addition, the Issuer shall, as appropriate, pay into the sinking fund, additional sums that may be required to meet necessary payment obligations.
Distribution:	The Bonds shall be distributed to eligible institutional investors and high net worth individuals as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission.
Delivery:	Investors CSCS accounts will be credited electronically upon allotment. Investors are required to provide their CSCS account number on the application form. All investors shall have their CSCS accounts credited simultaneously with no variation from what is approved by the SEC
Negative Pledge:	The Issuer hereby covenants that, as long as any Bonds remain outstanding the Issuer will not, without the consent of the Trustees, secure any other Indebtedness represented by bonds, notes or any other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities

[1] An Issue Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawals at any time by the assigned rating agency

	market without securing the Bonds equally and rateably with such Indebtedness.
Taxation:	All payments made to Bondholders shall be free and clear of Federal Income and Capital Gains Taxes with no deduction made whatsoever at source. This is by virtue of the provisions of Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order, 2011, the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 and the Personal Income Tax (Amendment) Act 2011.
Business Day Convention:	Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding business day falls in a different month in which case, payment shall be made on or by the immediately preceding Business Day
Claims and Litigations:	The Company has fourteen (14) suits pending before various courts in Nigeria in which the Company is involved. In the opinion of the Solicitors to the Issue, the total ascertainable contingent liability of the Company arising from these cases come to about ₦281,375,409.64 (Two Hundred and Eighty-One Million, Three Hundred and Seventy-Five Thousand, Four Hundred and Nine Naira, Sixty-Four Kobo) and USD637,561.73 (Six Hundred and Thirty-Seven Thousand, Five Hundred and Sixty-One United Stated Dollars, Seventy-Three Cents). The Solicitors to the Issue are of the opinion that the Company's liability in the event of an unfavourable resolution of the disputes against the Company by the courts is unlikely to exceed the aggregate sums stated above plus any interests on the judgment sums. In the professional opinion of the Solicitors to the Issue, only about 35.22% or ₦99,112,614.04 of the Naira claims would in all probability be substantiated. The remainder or 64.78% of the Naira Claims appear to be exaggerated and not substantial. The US Dollar claim may in all likelihood be upheld against the Company. The Board of the Company is of the opinion that the Company's liability in the event of an unfavourable resolution of the disputes against the Company is not likely to have any material adverse effect on the Company and/or the legality, timing or pricing of the Issue, and is not aware of any other pending and or threatened claims or litigation involving the Company.
Transaction Documents:	• Prospectus • Trust Deed • Vending Agreement • The Rating Report • Reporting Accountants' Report • Solicitors Report on Claims and Litigations • Consent of all parties and Directors/Company Secretary of C&I Leasing Plc • The resolution of the Board of Directors dated 26th February 2015 • Letter of 'No Objection' by the Central Bank of Nigeria • Letter of Approval from the SEC

Governing Law:	The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria.

SUMMARY OF C&I LEASING'S PREVIOUS BOND ISSUE (₦940 MILLION SERIES 1 BOND DUE 2017)

The information provided below is a brief summary of the ₦940 Million Series 1Bond Due 2017 issued under the ₦10 Billion Bond Issuance Programme undertaken by C&I Leasing Plc on 30 November 2012. C&I Leasing Plc accessed the domestic Bond Market on November 20, 2012 to raise funds for the Settlement of bank loans and other commercial debt; Acquisition of IT Infrastructure and Investment in Working Capital. The transaction represented the Series 1 under the ₦10Billion Debt Issuance Programme and was secured by a Sinking Fund. The bonds were offered via a book build further to which a total of ₦940Million (100% of the required amount) was raised at the conclusion of the book building exercise. Repayment of the bonds is amortising with six months moratorium on principal repayment and to date a total sum of ₦366.6Million has been disbursed in interest repayment while principal repayments have been made to the tune of ₦417.8Million. As such, outstanding principal value now stands at ₦522.2Million while the current balance in the Sinking Fund account is ₦21.4Million. Highlights of the offer are captured below:

Terms	Description
Issuer	C&I Leasing Plc
Issuing Houses	• FBN Capital Limited • FSDH Merchant Bank Limited • Lotus Capital
Issue Date	30 November 2012
Securities Offered	Fixed Rate Bonds due 2017
Indicative Issue Size	₦ 940,000,000.00 (Nine Hundred and Forty Million Naira Only)
Method of Issue	Book Build
Issuer Rating/Issue Rating	"BBB-" by GCR / "Bbb-" by Agusto & Co. Ltd
Tenor	5 Years
Maturity Date	30 November 2017
Coupon Rate	18% per Annum
Coupon Paid	₦366,600,000 (Three Hundred and Sixty-Six Million, Six Hundred Thousand Naira Only)
Principal Paid to Date	₦477,777,778 (Four Hundred and Seventy-Seven Million, Seven Hundred and Seventy-Seven Thousand, Seven Hundred and Seventy-Eight Naira Only)
Principal Outstanding	₦522,222,222 (Five Hundred and Twenty-Two Million, Two Hundred and Twenty-Two Thousand and Two Hundred and Twenty-Two Naira Only)
Balance in Sinking Fund	₦21,432,039.60 (Twenty One Million, Four Hundred and Thirty Two

	Thousand, Thirty Nine Naira and Sixty Kobo Only) as at 3rd September 2015.
Listing	Listed on the Nigerian Stock Exchange

C&I LEASING PLC
LEASING HOUSE, C & I Leasing Drive, Off Bisola Durosinmi Etti Drive, CBD, Lekki Phase 1, Lekki, Lagos
Tel: +234(0)9038869179 - 88; (0)9037761299 (MD's Office), E-mail: info@c-ileasing.com; www.c-ileasing.com

August 31, 2015.

DECLARATION BY THE COMPANY

This Prospectus has been prepared by the Issuing Houses on our behalf with a view of providing a description of the relevant aspects of the Company in connection with the Bond that are relevant for the purpose of making an informed assessment of the Financial position of the Issuer.

On behalf of C & I Leasing, we hereby make the following declarations:

1. We confirm that the information contained in this Prospectus, is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. There has been no significant change in the financial condition, or material adverse change in the prospects of the Company since the date of this document; and

3. Neither C & I Leasing nor any of its subsidiaries has during the twelve (12) calendar months immediately preceding the date of application to SEC for registration of this Prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an immediate recall of such borrowed monies.

Signed for and on behalf of
C & I LEASING PLC
By its duly authorised representatives:

BEFORE ME

Andrew Otike-Odibe	**Alex Mbakogu**	**Mbanugo Udenze**
Executive Director	Chief Finance Officer	Company Secretary

FRANCIS O. AGBEDO ESQ.
NOTARY PUBLIC FOR NIGERIA

THE ISSUE

This Prospectus is issued by the Joint Issuing Houses on behalf of C&I Leasing Plc in respect of its ₦800 Million 18.25% Fixed Rate Bonds.

A decision to invest in the Bonds should be based on consideration by the prospective investor, of this Prospectus in addition to any document incorporated by reference therein as a whole

This Prospectus is issued pursuant to the Rules and Regulations of the Commission and contains particulars in compliance with the requirements of SEC for the purpose of giving information to the public with regard to the ₦800 Million Debt Issuance established by the Company. This Prospectus for which this Bond is being delivered shall include the specific designation, aggregate principal amount, the currency or currency unit for which the Bonds may be purchased, maturity, interest provisions, authorised denominations, issue price, any terms of redemption and any other specific terms. An application will also be made to the FMDQ OTC for the admission of the Bonds to its Daily Official List.

fsdh MERCHANT BANK

RC 199528

FBNCapital

RC 446599

On behalf of

LEASING PLC

C&I LEASING PLC RC 161070

Offer for Subscription

And is authorised to receive application for

₦800,000,000

18.25% FIXED RATE BONDS Due 2020

Issued At Par

Application List Opens: October 12, 2015

Application List Closes: October 26, 2015

OVERVIEW OF PROVISIONS RELATING TO THE BONDS

The following are the terms and conditions on which the Bonds are issued pursuant to the Trust Deed. Certain provisions of these terms and conditions ("the conditions") are summaries of, and are subject to, the detailed provisions of the Trust Deed.

The following provisions apply to the Bonds. Terms defined in the Trust Deed have the same meaning in the paragraphs below.

1. Form, Denomination and Title

1.1. **Form and Denomination**: The Bonds are in registered form and shall be registered with a separate securities identification code with CSCS. Each Bondholder's holding of the Bonds will be credited into the Person's Securities Account. The Bonds shall be issued in denominations of ₦1, 000.00 (One Thousand Naira) with a minimum initial subscription of ₦10,000,000 (Ten Million Naira) and in multiples of ₦1,000,000.00 (One Million Naira) thereafter.

1.2. **Title**: Title to the Bonds will be evidenced by registration for the time being in the Bonds Register. Title to the Bonds will pass by transfer and registration in the Bonds Register. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing thereon by any Person or any notice of any previous theft or loss thereof; and no Person will be liable for so treating the holder. All payments made to the Bondholder shall be valid and, to the extent of sums so paid, effective to satisfy and discharge the liability for the moneys payable on the Bonds. "**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality, "**Bondholder**" means the Person in whose name a Bond is for the time being registered in the Register (as defined below) (or, in the case of joint Bondholders, the first named thereof) and "**holders**" shall be construed accordingly.

2. Issue of the Bond

2.1. Subject to sub-clause 5.1.2 below, the Issuer shall issue and offer the Bond in an amount up to and not exceeding an amount equal to ₦800,000,000 (Eight Hundred Million Naira) in accordance with the terms of this Deed.

2.2. The Bond shall be issued on the Closing Date in an amount equal to the ₦800,000,000 (Eight Hundred Million Naira) to such persons as the Issuer may determine.

3. Subscription to the Bond

3.1. The Bond will be subscribed to by the investors making an application for the full amount of the Bond to be issued in the sum of ₦800,000,000 (Eight Hundred Million Naira)

3.2. The Issuer may within the Bond Issuance Period issue the Bond, which subject to the terms of this Deed, the investors may subscribe to. Provided that upon the expiration of the Bond Issuance Period, the right to issue the Bond shall cease to be of effect.

3.3. The Bond shall be issued in the minimum authorized units of ₦1,000 (One Thousand Naira only), and shall be subscribed for in those multiples.

3.4. The minimum subscription for the Bond shall be equal in value to the sum of ₦10,000,000 (Ten Million Naira) and multiples of ₦1,000,000 (One Million Naira only) thereafter. Subscription for the Bond shall be made in Nigerian Naira.

3.5. Offers and sales of the Bonds are restricted outside the Federal Republic of Nigeria.

3.6. The Bond constitutes direct, unsecured and unconditional obligations of the Issuer and when issued shall rank pari passu without preference, with other outstanding unsecured and unsubordinated obligations of the Issuer, present and future but in the event of insolvency, only to the extent permitted by applicable laws.

3.7. No later than 2.00p.m. on the Closing Date, each person subscribing to the Bond shall disburse to the Issuer an amount equal to the face value of the Bond subscribed for. The amount so disbursed shall be credited to the Receiving Account held by the Receiving Bank or any such other account designated for this purpose as approved by the SEC, for the account of the Issuer.

3.8. The Receiving Bank will promptly inform the Issuer of the subscription to the Bond by any person or persons. The proceeds from the sale of Bond shall be available for utilization by the Issuer immediately upon receipt of cleared funds by the Issuer.

3.9. A Debt Service Reserve Account (DSRA") shall be opened with FSDH Merchant Bank by the Issuer and prefunded at the close of the issue.

3.10. The DSRA shall be in the form of either a cash balance or an acceptable Bank Guarantee.

3.11. The Balance in the DSRA will be non-declining.

3.12. The DSRA will be managed by the Trustee

3.13. The Issuer shall fund the DSRA and ensure that at all times, the account has the equivalent sum to cover the upcoming semi-annual debt service (principal and interest payment) obligation as indicated in the payment schedule of the Bond.

3.14. The funds placed in the DSRA will be applied towards debt servicing only if and when the funds in the sinking fund are insufficient to satisfy the debt service obligations of the Bond.

3.15. If the Issuer withdraws the whole or Part of the funds in the DSRA with the permission of the Trustee, the Issuer shall replenish the account within 60 days from when the account was so accessed.

4. Transfer

4.1. Transfer of the Bonds will be effected through book entries in securities accounts held by the transferor and transferee in the CSCS in accordance with the procedures of the CSCS or such alternative clearing system approved by the Issuer and the Trustee, and registration of the name of the transferee in the Bonds Register in respect of the Bonds then held by him. The transferor shall be deemed the holder of the Bonds until the transferee's name is entered in the Bond Register in respect thereof.

5. Redemption, Purchase and Cancellation

5.1. **Redemption at Maturity:** Unless previously redeemed, purchased and cancelled, the principal on the Bonds will be fully redeemable on a date no later than the Maturity Date, or such earlier date as the Trustee in accordance with the Trust Deed shall declare the Bonds to have become immediately repayable together with such interest and premium (if any) on such Bonds as may be payable under the Conditions.

5.2. **Early Redemption:**

5.2.1. Notwithstanding the foregoing for as long as any of the Bonds forming part of the Issuer's capital remains outstanding, the Issuer shall not exercise any right to redeem the Bond prior to the Maturity Date.

5.3. **Cancellation:** All the Bonds which are redeemed in accordance with the provisions of the Trust Deed will be cancelled and may not be reissued or resold. For so long as the Bond is admitted to listing and/or trading on a recognised Exchange and the rules of such exchange so require, the Registrar shall promptly inform the recognised Exchange of the cancellation of any Bonds.

6. Negative Pledge

So long as any Bonds remain outstanding the Issuer will not, without the consent of the Trustees, secure any other Indebtedness represented by bonds, notes or any other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without securing the Bonds equally and rateably with such Indebtedness.

7. Coupon and Calculation

7.1. **Accrual of Coupon:** The Bonds will bear interest from and including the Completion Board Meeting/Signing Ceremony Date at the Coupon Rate payable in arrears on its Principal Amount Outstanding. The Coupon shall be fixed for 5 years and shall be payable on each Coupon Payment Date. Each Bond will cease to bear interest from and including the due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Coupon Rate in the manner provided in the Conditions.

7.2. **Calculation of Coupon Amount:** The amount of interest payable in respect of any Bond for any period shall be calculated by multiplying the product of the Coupon Rate and the Principal Amount Outstanding of such Bond by the number of days in a month and/or actual number of days (as applicable) and rounding the resulting figure to the nearest unit of kobo.

8. Payments

8.1. All payments in respect of, under and in connection with the Bonds to the relevant Bondholders shall be made in the Nigerian Naira.

8.2. Any principal, interest or other moneys payable on or in respect of any Bonds may be paid by the Trustees through the Registrar by electronic payment transfer except where the Bondholders bank account is unavailable, in which case payment shall be made by cheque or warrant sent through recorded delivery post to the registered address of the Bondholder or Person entitled thereto, or in the case of joint Bondholders to the registered address of the joint

Bondholder who is first named on the Register in respect of such Bonds, or to such Person and to such address as the Bondholder or Bondholders may in writing direct.

8.3. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent or to such other Person or Persons as the Bondholder, or in the case of joint Bondholders, all such joint Bondholders may in writing direct and payment of the cheque or warrant shall be a satisfaction of the moneys represented thereby. Every such cheque or warrant shall be sent by registered post to the person entitled to the money.

8.4. Upon application or notification by the Bondholder to the Registrar or the Trustees, such payment may be made by transfer to an account (denominated in Naira) maintained by the payee with any Nigerian bank as notified to the Registrar.

8.5. Whenever any part of the Bond is redeemed a proportionate part of each holding of the Bond shall be repaid to the Bondholders.

8.6. Payments will be made to the Person shown in the Bonds Register at the close of business on the Record Date.

8.7. Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding business day falls in a different month in which case payment shall be made on or by the immediately preceding Business Day.

8.8. The Registrar shall give to the Bondholders not less than thirty (30) days' notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.

8.9. On a Redemption Date, the Registrar shall instruct the CSCS (or such other clearing system as applicable), to debit the Securities Account of the Bondholders whose Bonds are liable to be redeemed with the amount of Bonds which have matured or are liable to be redeemed and which were entered on their account, and to credit such Bonds into the Issuer's Securities Account, in order that the same may be cancelled. Upon such credit of the Bonds to the Issuer's Securities Account, the Trustee shall, acting through the Registrars pay to the Bondholders the amount payable to them in respect of such redemption together with any interest accrued and yet unpaid thereon.

8.10. The Bonds shall be deemed redeemed and the obligations of the Issuer discharged on payment to the Trustee, on behalf of the Bondholders, of the Principal Amount Outstanding on the Bonds to the Bondholders whose names appear on the Bond Register on the Record Date. Payment by the Issuer to the Trustee shall be a legal discharge of the liability of the Issuer towards the Bondholders from all obligations in connection with the Bonds.

8.11. If, on a Redemption Date, any Bonds which are liable to be redeemed are not delivered to the Issuer's Securities Account, the moneys payable to such Bondholder shall be paid to the Trustees and the Trustees shall hold such moneys in trust for such Bondholder and interest on such Bonds shall cease to accrue as from the date fixed for redemption thereof and the Issuer shall thereby be discharged from all obligations in connection with such Bonds. If the Trustees shall place the moneys so paid to them on deposit at a commercial bank or invest them in the purchase of securities for the time being authorised by law for the investment of trust funds the Trustees shall not be responsible for the safe custody of such moneys or for interest thereon except such interest (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Trustees.

9. Taxation

All payments of principal, interest and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any Taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria by virtue of the provisions of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) 2011 and the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011.

10. Notices

10.1. Any notice or other document may be given to or served on any Bondholder either personally or by sending it by post in a prepaid envelope or delivering it addressed to him at the Person's registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by the Bondholder.

10.2. In the case of joint registered Bondholders of any Bonds a notice given to the Bondholders whose name stands first in the Register in respect of such Bonds shall be sufficient notice to all the joint Bondholders.

10.3. Any notice or other document duly served on or delivered to any Bondholder shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint Bondholder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document that the Person's name has been removed from the Register as the Bondholder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.

10.4. Any notice, or other communication may be given to the Trustees hereunder by sending the same through the post in a prepaid letter addressed to:

The Managing Director, **Leadway Capital & Trusts Limited**
3rd Floor, Leadway Assurance House 1, 121/123 Funsho Williams Avenue, Iponri, Lagos

10.5. Any notice, or other communication may be given to the Issuer by sending the same through the post in a prepaid letter addressed to:

The Managing Director, **C&I Leasing Plc**
Leasing House, C&I Leasing Drive, Lekki Phase 1, Lagos

11. Events of Default in respect of the Bonds

On the occurrence or continuance of an Events of Default, the Trustees may at their discretion and shall, upon the request in writing of the registered Bondholders of at least one-fifth of the nominal amount of the Bonds for the time being outstanding or upon being so directed by a Special Resolution by notice in writing to the Issuer declare the Bonds to have become immediately repayable.

12. Default of Payment

In any case where payment of the whole or any part of the interest and principal due in respect of any Bond is improperly withheld or refused on the Redemption Date, interest shall accrue on the whole or such part of such interest and principal amount, from the date of such withholding or refusal until the date either on which such interest or principal amount due is paid to the relevant Bondholders or, if earlier, the fifth day after which notice is given to the relevant Bondholders in accordance with the Conditions that the full amount payable in respect of the said interest and principal amount is available for collection by the relevant Bondholders.

13. Enforcement

Only the Trustee may enforce the provisions of the Trust Deed. No Bondholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of this Trust Deed unless where Bondholders holding 75% of the principal amount of the bonds outstanding have requested the Trustee in writing to exercise the powers granted and, the Trustee having become bound as aforesaid to take proceedings fails or refuses to proceed within 90 days and such failure is continuing

14. Meetings of Bondholders

14.1. **Convening Meeting of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the modification by Special Resolution of the Conditions or the provisions of the Trust Deed. Such a meeting may be convened by the Trustee on its own motion or on the requisition of the Issuer; and shall be convened by the Trustee at any time upon request in writing of Bondholders of at least ten (10) percent of the aggregate principal amount of the outstanding Bonds.

14.2. **Quorum:** The quorum at any meeting of the Bondholders convened for passing a Special Resolution will be two or more Persons holding or representing by proxy not less than seventy five percent (75%) of the nominal amount of the Bonds for the time being outstanding; or, at any adjourned such meeting, two or more Persons being or representing Bondholders, whatever the amount of the Bonds held by them shall be a quorum for all purposes including the passing of Special Resolutions and to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. A Special Resolution passed at any meeting of the Bondholders will be binding on all Bondholders, whether or not they were present at such meeting.

14.3. **Resolution in Writing:** A resolution in writing duly signed by all the Bondholders of the Bonds for the time being outstanding, shall be as effective for all purposes as a Resolution duly passed at a meeting of the Bondholders. Provided that the resolution was received by all the Bondholders entitled to receive notice of a meeting of Bondholders. Such Resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders.

15. Modifications and Waiver

Subject to the prior review and approval of the Commission, in addition and without prejudice to the powers of the Bondholders exercisable by Extraordinary Resolution, the Trustee may at any time without the sanction of an Extraordinary Resolution concur with the Issuer in making any modification to this Deed as may be agreed between the Issuer and the Trustee where the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders or that the modification is intended to correct a manifest error or omission.

16. Rights against Predecessors-in-Title

Except as required by law the Issuer will recognise the registered holder of any Bonds as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bonds maybe subject, and the receipt by such registered Bondholder, or in the case of joint registered Bondholders the receipt by any of them, of the interest from time to time accruing due for any other moneys available in respect thereof shall be a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other Person to or in such Bonds interest or moneys. Notice of any trust express or constructive shall not be entered on the Register in respect of any Bonds.

17. Freedom from Equities

The Bondholder will be recognized by the Issuer as entitled to the Bonds free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate Bondholder of the Bonds.

18. Declaration of Trust

18.1. **The Trustee:** The Trustee hereby declares itself trustee for the Bondholders with effect from the date of this Trust Deed to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained on trust for the Bondholders subject to the terms of this Trust Deed.

18.2. **Duration of Trust:** For the avoidance of doubt, the parties to this Trust Deed agree that the common law rule against perpetuities will apply to the trusts constituted under this Trust Deed and that the Deed shall not endure beyond 21 years from the date of its creation. The trusts created by this Trust Deed shall remain in full force and effect until the earliest of:

18.2.1. The date on which the Trustee unconditionally confirms in writing to the Issuer that there is no longer any outstanding Indebtedness which is secured by this Trust Deed; or the date on which the Trustee receives unconditional confirmation in writing from the Registrar that the Bondholders have been paid all outstanding obligations; or

18.2.2. The unconditional release of the Issuer by the Trustee from all of its obligations under this Trust Deed, such release to be given promptly upon request by the Issuer and the Trustee is satisfied that there is no longer any outstanding Indebtedness secured by this Trust Deed.

18.3. Utilisation of Proceeds: The Issuer shall use the net proceeds from the issue of the Bonds (after deduction of the costs and expenses incurred in connection with the issuance of the Bonds) in accordance with the provisions of the Prospectus.

19. Indemnity:

The Issuer shall indemnify the Trustee in so far as may be lawful in respect of all costs and expenses incurred by it in relation to or arising out of any application made to any court (either in Nigeria or any other country whereby any assets of the Issuer are situated) by the Trustee or any of the Bondholders for an order that the trust of this Deed may be carried out under the direction of the court or for an order of declaration relating to the administration of the trust of this Deed or the enforcement of the rights under Clause 30 (Indemnity Relating to Applications to the Court) of the Trust Deed

20. Further Issues

The Issuer may from time to time, without the consent of the Bondholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to be consolidated and form a single series with the Bonds. The Issuer may from time to time, with the consent of the Trustee, create and issue other bonds having the benefit of the Trust Deed.

21. Establishment and Funding of Payment Account

21.1. **Establishment of Payment Account:** The Issuer shall open the Payment Account on or before the Issue Date in the name and under the control of the Trustee

21.2. **Funding of Payment Account:** The Issuer hereby covenants, at least five (5) Business Days before each Payment Date, to pay into the Payment Account from the income from its operations, all monies due under the Bonds at the relevant time to the relevant Bondholders.

22. Sinking Fund Provision

22.1. Pursuant to the provisions of this Deed, the Issuer shall no later than the date of execution of this Deed establish a Sinking Fund Account to be designated as the "**C & I Leasing Plc. / Leadway Capital & Trusts Limited Sinking Fund Account**" which shall be held and exclusively controlled by the Paying Bank, as agreed by the Trustee and the Issuer.

22.2. The Issuer hereby covenants to pay into the Sinking Fund Account from the income from its operations, 100% of debt service obligations due to cover coupon and principal payments to Bondholders under the Bond.

22.3. The Trustee is hereby appointed to manage the Sinking Fund Account in accordance with Applicable Law and this Deed and the Trustee hereby agrees to manage the Sinking Fund Account accordingly.

22.4. The Trustee shall stand possessed of the Sinking Fund Account upon trust, subject to the provisions of this Deed, and shall not deal with the Sinking Fund Account except in accordance with this Deed and Applicable Law.

22.5. The Trustee shall prepare and deliver to the Issuer appropriate quarterly reports and financial statements, in respect of the management of the Sinking Fund Account.

22.6. If at any time, the Trustee is satisfied that amounts in the Sinking Fund Account will be sufficient with further accumulations of interest, but without further payments of contributions, to enable the Issuer to redeem the Bonds at the time fixed for their redemption, it shall inform the Issuer accordingly and the Issuer shall be authorised to suspend further payments of contributions to the Sinking Fund Account.

22.7. The contributions to the Sinking Fund Account shall be recommenced if the Trustee at any time thereafter informs the Issuer that they are no longer satisfied that the Sinking Fund Account without further accumulations of interest will be sufficient for the redemption of the Bond.

22.8. The Sinking Fund Account shall be set aside for creating on a continuous basis, funds to secure the debt repayment of the Issuer under the Bonds issued; and investing any sums not immediately required to meet these obligations in such securities as are specified in the Trustees Investments Act Cap T22 Laws of the Federation 2004.

22.9. The proceeds of the Sinking Fund Account shall be invested by the Trustee in the following Permitted Investments:

(a) Direct obligations of the Federal Government of Nigeria and securities fully and unconditionally guaranteed as to the timely payment of principal and coupon by the Federal Government of Nigeria ("FGN Securities");

(b) Direct obligations of federal agencies which are fully guaranteed by the Federal Government of Nigeria;

(c) Direct obligations of any State of the Federal Republic of Nigeria or any local government or agency thereof, each of which has a minimum credit rating of Aa or its equivalent from a rating agency registered by the SEC at the time of purchase; and

(d) Deposit accounts, commercial papers or bankers' acceptances, or instruments (in each case having maturities of not more than three hundred and sixty five (365) days following the date of purchase) of any bank duly licensed by the CBN to operate in Nigeria, provided that such bank is assigned an investment grade rating by a SEC-registered rating agency and a minimum of a BB- or a comparable rating by an internationally recognized rating agency;

23. Status of the Bond / Issue of Unsubordinated Bond

23.1. The Bond constitutes direct, unsecured and unconditional obligations of the Issuer and when issued shall rank pari passu without preference, with other outstanding unsecured and unsubordinated obligations of the Issuer, present and future but in the event of insolvency, only to the extent permitted by applicable laws.

23.2. The Bond issued shall rank pari passu in the event of Winding-Up of the Issuer to the claims of Senior Creditors of the Issuer in prior Bond issues.

RISK FACTORS

An investment in Bonds, as with any other investment, involves a certain degree of risk. Accordingly, prospective investors should carefully consider the following risk factors together with all of the other information included in this Prospectus, prior to purchasing the Bonds.

The risks below are not the only risks facing investment in the Bond. Additional risks and uncertainties not currently known to the Issuer or that it currently considers immaterial may also materially and adversely affect the Company. Any of the following risks could result in a material adverse effect on the Company's financial condition, results of operations and ability to service debt, including the Bonds. Investors should reach their own views or obtain such professional advice as they deem appropriate, before making an investment decision in respect of the Bonds.

1. COUNTRY RISK

1.1. POLITICAL RISK

The recent presidential election victory on March 28, 2015 by General Muhammadu Buhari against President Goodluck Ebele Jonathan marked the first successful replacement, at the federal level, of a sitting government by an opposition party in Nigeria. The transition from one administration to the other and the statesmanship shown by the then incumbent Goodluck Jonathan has also been hailed by the global community as these helped to prevent major post-election violence in parts of the country. Despite the peaceful elections and transition, there have been other issues threatening Nigeria's polity. For instance, despite President Buhari's promise to crack down on corruption and eliminate the threat of the militant Islamist group Boko Haram in the Northern part of Nigeria ("Boko Haram"), and the relocation of Nigeria's military command from Abuja to Maiduguri, suicide bombings and Boko Harm attacks in the Northern parts of Nigeria continue to be a reality. In addition, some states of the federation continue to default on salary payment to their civil servants, even in light of the recent federal government bail-out. Thus, the threats of industrial action in these states are significant.

1.2. ECONOMIC RISK

The Nigerian economy is largely dependent on oil production and is directly affected by fluctuations in the global prices of crude oil. According to the World Bank, crude oil accounts for circa 17.0% of Nigeria's Gross Domestic Product ("GDP"), over 95.5% of export earnings and approximately 81.0% of budgetary earnings. The fall in crude oil prices as a result of the activities of shale oil producers and the Organisation of Petroleum Exporting Countries (OPEC)'s stance on retaining volume output has negatively impacted on Nigeria's revenue and in turn the economy. This has led to a reduction in Nigeria's foreign exchange earnings. The excessive use of United States Dollars for political campaigning during the 2015 general elections and the depletion of the Nigeria's foreign reserves arising from its attempts at defending the Naira against the United States Dollars have also resulted in a rapid depreciation of the Naira. Furthermore, the country's national oil corporation, the Nigerian National Petroleum Corporation (NNPC) has been accused of a lack of transparency and corrupt pilfering of federal funds which should have been ploughed back into the economy.

1.3. RISK OF CIVIL UNREST, SECTARIAN VIOLENCE AND ARMED CONFLICT.

Nigeria is increasingly experiencing pockets of violence. Boko Haram, a terrorist sect operating mainly in Northern Nigeria have in recent years been responsible for bomb blasts, the targeted killings of government officials, the capturing of towns and the kidnapping of women and children, with the highest profile case being the abduction of more than 200 girls from Chibok town in Borno State, Nigeria. In addition, there continue to be sporadic cases of kidnappings of expatriates, government officials and wealthy individuals by armed groups in the Niger Delta and South-Eastern parts of the nation. Unless resolved by the Government, these conflicts have the potential to destabilise the country.

2. BOND SPECIFIC RISKS

2.1. THE BONDS MAY NOT BE SUITABLE FOR ALL INVESTORS

Each potential investor in the Bonds must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should:

- Have sufficient knowledge and experience to make a meaningful evaluation of the bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus;
- Have knowledge, and access to appropriate analytical tools to evaluate, in the context of its particular financial situation an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- Have sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including Bonds with principal and interest payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's home currency;
- Understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- Be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.2. THE MARKET PRICE OF THE BONDS MAY BE VOLATILE

The market price of the Bonds in the secondary market could be subject to significant fluctuations in response to actual or anticipated variations in key economic indices (e.g. inflation, benchmark rate etc.), changes in the regulatory environment and the actual or expected sale of a large number of Bonds. Each investor needs to assess the market at the right time to trade its Bonds.

2.3. CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF THE BONDS

Where securities such as Bonds are offered with a fixed rate of interest, such securities are subject to price risk; as such prices may vary inversely with changes in prevailing interest rates. That is, where interest rates rise, prices of fixed rate securities fall and when interest rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Bonds.

3. ENVIRONMENTAL RISK

C&I Leasing Plc operates in compliance with all applicable environmental standards and has adequate protection and indemnity (P&I) policies in place to protect the Company from these risks. This is further emphasised by C&I Leasing's receipt of the NIS ISO 9001 re-certification in 2014, highlighting the company's commitment to environmentally friendly business practices. However, by nature of the marine business, some of C&I Leasing's marine vessels still face a risk of polluting the environment (pollution risk).

4. OPERATIONAL RISK

C&I Leasing Plc operates in compliance with all applicable environmental standards and has adequate protection and indemnity policies in place to protect the Company from these risks. Notwithstanding the nature of the marine business means some of C&I Leasing's marine vessels still face a risk of polluting the environment (pollution risk).

5. 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 Company is exposed to foreign currency risk as a result of its foreign subsidiary as well as foreign borrowings (usually denominated in US Dollars).

The Company'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. The exposure to foreign exchange risk as a result of these subsidiaries is minimal and reasonable as a result of the stable market.

The Company also has foreign currency risk exposure due to its 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.

6. SECTORAL RISK

The high cost of capital is a risk facing companies in the Nigerian Leasing Industry.

TAX CONSIDERATION

Please note that this information about the tax exempt status of bonds and income accruing there from is meant to serve only as a guide and should not be considered as or deemed to be tax advice which can be acted upon by an investor.

The following, which applies only to persons who are the beneficial owners of the Bonds, is a summary of the Issuer's understanding of current law and practice in Nigeria as at the date of this Prospectus relating to certain aspects of the taxation of the Bonds in Nigeria. Prospective Bondholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than Nigeria are advised to seek specific tax advice regarding investment in the Bonds from their professional tax adviser.

Federal Government Waiver of Taxes on all Categories of Bonds

By the Company Income Tax Exemption Order 2011 (Exemption of Bonds and Short Term Government Securities, the Federal Government of Nigeria approved tax waivers for all categories of Bonds..

The range of taxes covered by the approval, are those prescribed under the Value Added Tax Act, the Capital Gains Tax Act, the Companies Income Tax Act, the Personal Income tax Act, and Withholding Tax. These tax exemptions are for an initial period of ten years. With these approvals, all bonds issued by corporate bodies are tax exempt.

Corporate Bonds

The Bonds qualify as a corporate bond under Section 20 (1) (g) of the Personal Income Tax Act, 1993 as well as Section (19) (2) of the Companies Income Tax Act, 1993.

Exemption from Stamp Duties

Pursuant to Section 266 of ISA 2007, all documents or instruments made or used in connection with the Bonds in such form prescribed by the Commission shall be exempted from stamp duty payable to the Federal or a State Government.

NIGERIA – AN OVERVIEW

The information in this section has been extracted from publicly available documents and publications which have previously been released by various public and private organizations including the Central Bank of Nigeria ("CBN"), the Economic Intelligence Unit, the World Bank, the International Monetary Fund, the CIA World Fact Book, the Nigerian Bureau of Statistics; as well as other financial and economic publications. Neither the Issuer nor its advisers are able to ascertain the omission of any facts, and whether such omission would render any extracted information inaccurate or misleading

OVERVIEW

General

The Federal Republic of Nigeria ("Nigeria") occupies 923,768 square kilometres of West Africa, bordering the Republic of Benin to the west, Chad and Cameroon to the east, Niger to the north and the Gulf of Guinea to the south. Nigeria consists of 36 states and the Federal Capital Territory ("FCT") of Abuja, which is located in central Nigeria. Lagos is the most populous city in Nigeria with a population of approximately 17 million. Nigeria is also Africa's most populous country with a population of approximately 177 million people.

Nigeria achieved full independence from the United Kingdom on October 1, 1960 and became a federal republic in 1963. In 1999, following many years of military rule, a new constitution was adopted, and a peaceful transition to civilian government was completed under the leadership of President Olusegun Obasanjo, the first democratically elected civilian since the end of the last democratic rule from 1979 to 1983. Since 1999, the Federal Government of Nigeria ("FGN") has attempted to reconstruct Nigeria's political institutions, improve its international image, reform the economy, manage its oil wealth in a more sustainable way and diversify the economy beyond the oil industry.

Presidential elections were held in 2007 and resulted in the election of President Umaru Musa Yar'Adua. Following the death of President Umaru Musa Yar'Adua, the then incumbent Goodluck Ebele Jonathan was sworn in as President, in accordance with the Constitution, on May 6, 2010. General elections in Nigeria were held in April 2011. It was generally reported that the elections were free, fair, peaceful and credible. Despite this, before the results were formally announced, post-election violence and riots erupted in certain cities of some of the northern states of Nigeria including Kaduna, Kano and some parts of the Federal Capital Territory. Regardless, the Independent National Electoral Commission ("INEC") and international observers upheld the elections as being well conducted and INEC formally announced the incumbent President Goodluck Ebele Jonathan as the winner of Nigeria's presidential election.

In 2015, five years into the presidency of Goodluck Ebele Jonathan, the 2015 presidential elections were held and for the first time in the country's history, the incumbent President was defeated by the presidential candidate of the opposition party. The new President, Muhammadu Buhari – a retired army general who was Head of State of Nigeria from 31 December 1983 to 27 August 1985, secured victory as the latest president of Nigeria taking 53.6% of the total votes cast and securing more than 25% of the votes cast in over two thirds of the states. In contrast to 2011, post-election violence was minimal and few major events were recorded.

The current Constitution, adopted in May 1999 has undergone some amendments. It provides for separation of powers among three tiers of government: The Executive, Legislature and Judiciary. The executive branch is responsible for the daily administration of the state and the leader, President, is both the Head of State and Head of Government. The Legislative i.e. National Assembly has two chambers, comprising of a Senate and a House of Representatives. The Senate, the upper chamber, is made up of 109 members (three from each state and one from the FCT) elected for a four-year term, while The House of Representatives, the lower chamber has 360 members who are elected in single member constituencies for four-year terms

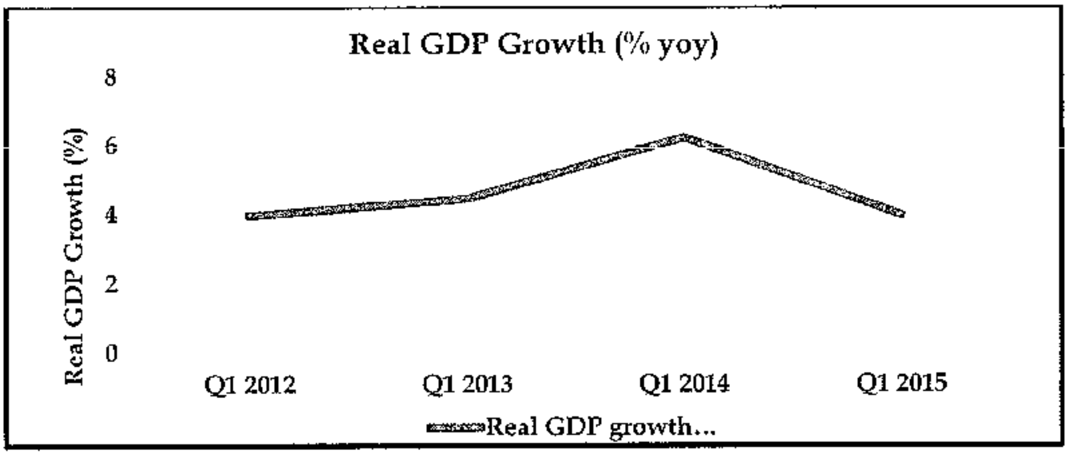
THE NIGERIAN ECONOMY

The rebasing of Nigeria's Gross Domestic Product (GDP) in 2014, positioned the Nigerian economy as the largest in Africa, displacing South Africa. Notwithstanding the negative effects of the global financial crisis of 2008, local security challenges and the perceived mismanagement of the economy, Nigeria's economy has continued to experience sustained GDP growth over the last decade.

GDP

Data released by the National Bureau of Statistics (NBS)[2] estimated that in the opening quarter of 2015 (Q1) the Nigerian economy grew by 3.96% in real terms, year-on-year, which indicated a slowdown in the country's economic growth, compared to 6.21% and 4.45% in the corresponding period in 2014 and 2013 respectively. This observed slow-down in the economy activities in the country in Q1 2015 was linked to the uncertainties that surrounded the general elections. With a successful handover on May 29, 2015, it is expected that economic activities will pick-up in Q3 and Q4 2015.

The nominal GDP stood at ₦21.04trn in Q1 2015, representing an increase of 4.32% from ₦20.17trn recorded in Q1 2014 but lower by 13.07% from ₦24.21trn recorded in Q4 2014. In Q1 2015, the Services sector contributed 54.56% to the country GDP as its major driver, followed by Industries at 25.65% and Agriculture at 19.79%.



Source: CBN; NBS; FSDH Research

OIL PRICES AND PRODUCTION

The Nigerian economy is highly impacted by oil and gas production, accounting for 8.97% of GDP in 2014 and approximately 66% of total gross federally collectible revenue. According to data from the CBN[3], Crude oil prices declined from an average of US$113.47 per barrel in 2012 to US$110.63 in 2013. The highest price traded in 2013 was U.S$118.81 per barrel in February. In 2014, there has been a steady

[2] National Bureau of Statistics (2015) *GDP Report Q1 2015*. [Online]. Available from: http://www.nigerianstat.gov.ng/nbslibrary/economic-statistics/gross-domestic-product. [Last Accessed 18th May 2015]
[3] Central Bank of Nigeria (2015) *Export Crude Oil Price*. [Online]. Available from: http://www.statistics.cbn.gov.ng/rates/crudeoil.asp?year=2014&month=6. [Last Accessed 18th May 2015]

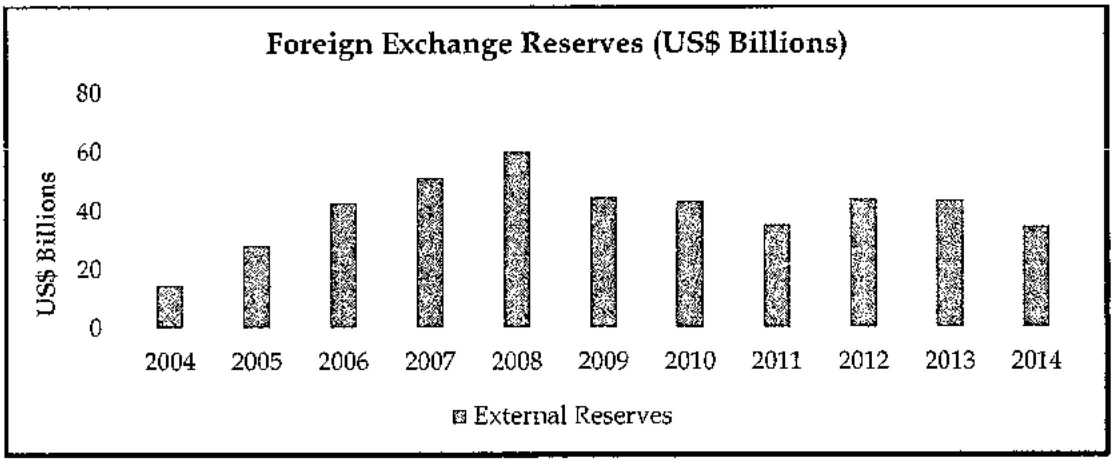
decline in oil prices with the current price of circa US$63 as at June 23, 2015. Nigerian oil production averaged 2.39 million barrels per day (mbpd) for 2013 and rose to an average of 2.42 mbpd for 2014. However, according to the Organization of the Petroleum Exporting Countries (OPEC), the daily crude oil production in Nigeria dropped to 1.86 mbpd as at March 2015.

The oil and gas sector is a major driver of Foreign Direct Investment ("FDI") into Nigeria but this has slowed down in recent years owing to the uncertainties in the sector particularly in relation to the non-passage of the Petroleum Industry Bill (PIB). Non-oil investments are increasing as global investors strive to take strategic positions in various sectors of the economy such as finance, agriculture, hospitality, construction, food, consumer goods, telecommunications and recently power.

The drop in the oil prices is also discouraging investments in oil and gas activities in the upstream sector of the industry. Although the contribution of oil to GDP is small, compared to the non-oil sector; a persistent decline in the oil prices would further reduce the contribution of the oil sector to GDP and negatively impact the GDP in the medium-to-long term. Foreign Direct Investment in 2014 was estimated at US$10.3 billion.

EXTERNAL SECTOR

Nigeria's external sector, like most economies was under pressure during the global financial crisis and this was reflected in the decline in external reserves, capital withdrawals by portfolio investors and a lower trade balance. The external reserves position increased from U.S$28.3 billion in 2005 to U.S$53billion in 2008, before dropping to U.S$32.3billion as of 31 December 2010. By the end of 2011, foreign exchange reserves amounted to US$32.64billion and firmed up to US$44billion to close 2012.



Source: CIA Factbook, FSDH Research

The country's external reserve came under renewed pressure in 2013 due to the prevalence of crude oil theft and vandalism and under further pressure in 2014 from the increased demand for foreign exchange by foreign investors that wanted to exit the market. In HY1 2014, the external reserves declined by 14.06% from US$43.61bn at end-December 2013 to US$37.48bn as at end-June 2014, and further declined by 8.04% from the end- June figure to US$34.47bn as at end-December 2014[4]. Year-on-year, the external reserves declined by 20.96%[5].The major reasons for the increased demand for foreign

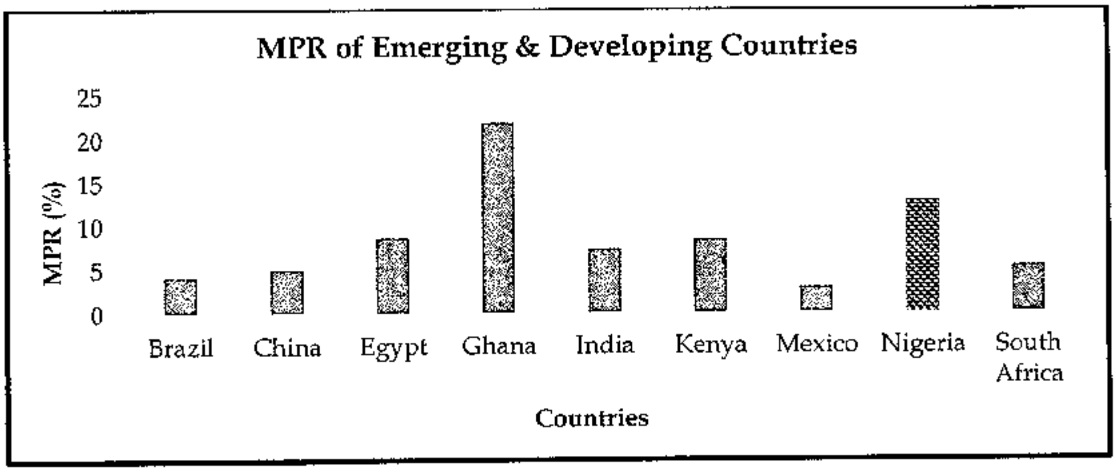
[4] FSDH Research (2015) Monthly Economic & Financial Market Outlook: March 2015. [Online]. Available at http://www.fsdhsecurities.com/Documents/Reports/Monthly_Strategic_Report-March_2015.aspx. [Last Accessed 18th May 2015]
[5] *Ibid*

exchange were the eventual end of the asset purchase programme of the United States Federal Reserve (The Fed) asset purchase programme, and the foreign investors perceived negative impact on Nigeria's internal and external balance from the continuous decline in the price of crude oil on the international market.

MONETARY POLICY RATE ("MPR")

The Monetary Policy Rate was raised by 100 basis points from 12% to 13% in November 2014, and has been maintained at this level ever since. Prior to this, the CBN had retained the MPR at 12% since October 2010 and the rationale in the MPR increase was to protect the Nigerian economy against a build-up of vulnerabilities in the domestic economy and the moderate yet uneven growth of the global economy.

Similarly, the CRR on private sector deposits was increased by 500 basis points, from 15% to 20%, while the CRR on public sector deposits was retained at 75%[6].



Sources: Central Banks; FSDH Research

INFLATION

The annual inflation rate was 6.6% as at 31st December 2007 and rose to 15.1% as at 31st December 2008. Inflationary pressure moderated slightly in 2009 and was 17% as at 31st December 2009, reflecting an increase in demand pressure due to fuel shortages linked to the speculation that petroleum product prices would be deregulated. The year-on-year headline inflation, which was 11.8% in December 2010 moderated to 10.39% by December 2011 and further declined to 8.0% in December 2013, down from 8.7% in July 2013.

Single digit inflation was sustained in the CBN preferred region of 6-9% in 2014. The maintenance of the tight monetary policy stance by the CBN assisted in moderating inflationary expectations from the shortage in food supply due to the security challenges in some of the major food producing areas in the country. The incessant attacks by the Boko Haram created supply bottlenecks, leading to inadequate farming activities, output and disruption in the transportation of food products to the high demand areas in the country. As at December 2014, the inflation rate stood at 8.0%. The lowest, highest and

[6] *Ibid*

average inflation rates recorded between January 2014 and December 2014 are 7.7%, 8.5% and 8.1% respectively and the inflation rate for June 2015 was recorded at 9.2%[7].

NIGERIA ECONOMIC OUTLOOK

Going forward, it is expected that the following factors will drive Nigeria's GDP performance in the short and medium terms (2015 - 2018):

- **Declined Crude Oil Prices:** The recent drop in the oil prices has discouraged investments in oil and gas activities in the upstream sector of the industry. Although the contribution of oil to GDP is small, compared to the non-oil sector; a continuation of the current oil prices would further reduce the contribution of the oil sector to GDP and negatively impact the GDP in the medium-to-long term.

- **Power Sector Reform:** The growth in the non-oil and the gas industries would be driven by the level of investment activities in the recently privatised power sector and stable power supply. Long term investments are required for gas infrastructures and upgrade of power generating plants to ensure stable supply from the power generating companies. Stable power supply will be achieved in the medium-to-long term and should lead to the development of Small and Medium Enterprise (SMEs) in the country.

- **The Change of Government in 2015:** The outcome and acceptance of the results of the general election in 2015 is considered a major factor that could impact the direction of economic activities in 2015 and beyond. The jury is however still out on the administration of the incumbent president Rtd Gen. Muhammadu Buhari and much hinges on whether any policies set would help to calm the nerves of both domestic and foreign investors and lead to a possible massive return of investments (portfolio and direct investments) into the Nigerian economy, with a positive impact on the GDP.

- **Resolution of the Security Challenges in Northern Nigeria:** The disruption in economic activities in the country, brought about by the unabated attacks by the Boko Haram in some Northern States has reduced the contribution of some critical sectors to the GDP. Agriculture, manufacturing, as well as wholesale and retail activities have recorded significant slowdowns due to the loss of life and property, and the disruption of economic activities. The resolution of the security challenges in Nigeria would significantly boost economic activities in the country.

- **The Monetary and Fiscal Policy Environment:** The contractionary monetary and fiscal policy stance of the Central Bank of Nigeria (CBN) and the Federal Government of Nigeria (FGN) could slow down economic activities and reduce the GDP in the short-term, but with a possible positive impact on the economy in the medium-to-long term due to the stabilization and growth impact of the tight policies by the CBN and FGN. The current CBN monetary policy borne out of demand pressure at the foreign exchange market could stifle lending activities of the banking sector, as well as worsen the asset quality of the banks if not properly monitored. The austerity measures of the FGN could also reduce economic activities, as it reduces the disposable income of the citizens which weakens the GDP.

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[7] Reuters (2015) Nigeria inflation rises to 9.2 pct. year/year in June. *Reuters* [Online] 14th July 2015. Accessed from http://www.reuters.com/article/2015/07/14/idUSL9N0WK02K20150714. [Last Accessed 23rd July 2015]

- **Global Economic Outcomes:** The weak recovery in the global economy could negatively impact the GDP via the trade channel.

- **Improvement in Infrastructure:** There has to be a continued improvement in the supply of durable, effective and efficient infrastructure in order to improve and encourage economic activities during the forecast period. It is an agreed assertion that the Nigerian economy has the capacity to grow at double digit growth rate if the infrastructure is improved. The Nigerian economy has huge potentials that could be unleashed with the availability of functional infrastructure, particularly the power and transportation network.

In summary, it is expected that the Nigerian economy will require significant policy changes and austerity measures. This will impact negatively on the economy in the short term with huge positive impacts in the medium-to-long term.

RECENT DEVELOPMENTS IN THE NIGERIAN LEASING INDUSTRY

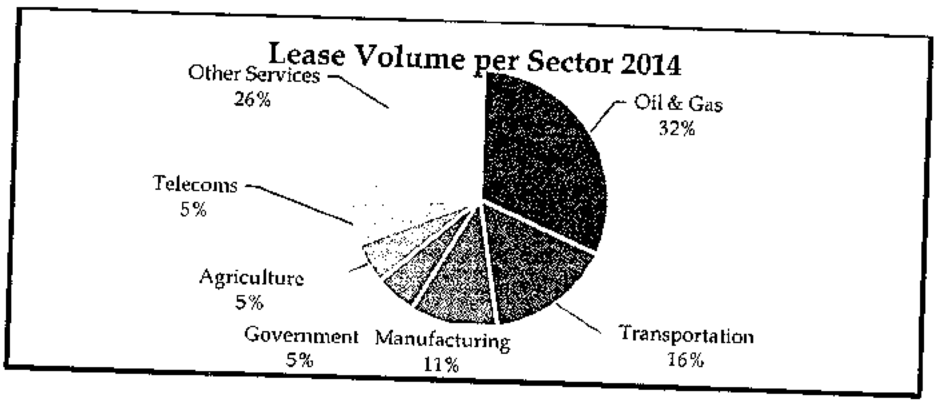
The Nigerian leasing industry has continued to make remarkable progress, posting a substantial lease volume of ₦869 billion for the year 2014[8], representing a growth rate of 11.3% from the 2013 figure of ₦780 billion.

The 2014 Lease Volume Statistics released by the Equipment Leasing Association of Nigeria (ELAN)[9] showed the cumulative volume of lease transactions executed by members of the Association in the preceding year and revealed that the lease volume had been increasing in the past six years, rising from ₦445 billion in 2009, ₦538 billion in 2010, and ₦623 billion in 2011, to record high figures of ₦671 billion in 2012, ₦780 billion in 2013 and ₦869 billion in 2014, respectively, thus contributing over ₦3.9 trillion to the Nigeria economy within the past six years.

Furthermore, performance analysis of the various sectors in the Nigeria economy revealed that leases to the oil and gas accounted for a majority 31.6% (₦274.6 billion)[10] of lease volume. The other major sectors that contributed to the activity in the leasing include the transportation sector (15.8%), manufacturing sector (11%), and the government, agriculture and telecommunication sectors at just above 5% of Nigeria's lease volume.

The events which started in the last quarter of 2014, which include dwindling oil prices leading to the devaluation of the Naira and the tensed political atmosphere may have considerable negative impact on the volume of leases in 2015. The industry is however expected to rebound subsequently especially as the stability in the polity improves. The fact that leasing facilitates convenient and easy access to capital equipment goes to show the unique role of leasing in building and supporting productive ventures. This will be very relevant to achieving the developmental initiatives of Government and supporting private sector investment.

However, the desired performance and continuous growth of the leasing industry in Nigeria, is predicated on the capacity of the industry to overcome the various challenges affecting its growth and development. Appropriate funding for instance, is critical to the success of the leasing industry. The available sources which are primarily banks appear inadequate to provide the right kind of funding for the leasing industry to meet the huge demand for capital assets in the economy. According to ELAN, there is therefore need for a funding mechanism that would provide cheap long term funding. For instance, some of the intervention funds for development in specific sectors of the economy can be channelled through leasing. All these will broaden the funding sources and strengthen the capacity of the industry to expand the scope of its leasing activities



[8] Equipment Leasing Association of Nigeria (ELAN); *Nigerian Leasing Industry Hits N869 Billion in 2014*. Available from www.elannigeria.org/news1.html [Last Accessed on 18th May 2015]

[9] *Ibid*

[10] *Ibid*

HISTORY & NATURE OF BUSINESS

C&I Leasing Plc, a finance company licensed by the Central Bank of Nigeria, was incorporated on 28th December, 1990 as a private limited liability company to provide both operating and finance leases and other ancillary services. The principal activities of the Company are the extension of structured operating and finance Leases to the productive and other sectors of the economy. In recent years, this activity has been expanded to include logistic support services and outsourcing. The company is a key player in the strategic oil and gas service industry where it provides leases and ancillary services to both local affiliates of international companies such as Cadbury, Heineken, Shell, Chevron, ExxonMobil, ENI-Agip, and MTN.

The activities of C&I Leasing are co-ordinated from its corporate Head Office located in Lagos, Nigeria. The company also has operational branches located in the oil producing centres of Port Harcourt, Warri and non-oil producing areas like Enugu and Abuja. From inception, C&I Leasing has continued to enjoy exceptional market acceptance and growth which has enabled the company to establish a profitable niche market based on its superior service and delivery styles.

In 1997, C&I Leasing concluded a major share-holding restructuring and diversification exercise that saw the conversion of the company into a public company and the listing of its shares on the Official List of the Nigerian Stock Exchange. The Company, which primarily started out as a finance leasing company has over the years grown to become the foremost name for support services in Nigeria. The company now has over five divisions and subsidiaries under its auspices, making up the C&I Leasing group with interests in Marine, Oil and Gas, Equipment Rentals, Manpower Outsourcing and Transportation and has grown its total asset base to over ₦15 billion (approximately $75 million).

C&I Leasing places a high premium on customer satisfaction and quality service. This is attested to by the certification of its Quality Management Systems to ISO 9001:2000 by the Standards Organisation of Nigeria in August 2007.

As part of its efforts to become the leading leasing services provider in the West African sub-region, C&I Leasing Plc, over the years, has acquired 85.3% of the issued share capital of the largest leasing company in Ghana, Leasafric Limited. The balance of the equity is held by West Africa Emerging Markets Growth Fund and local Ghanaian investors.

PRODUCTS & SERVICES

Consumer Leasing

Consumer lease is a lease involving an individual lessee, who leases equipment for consumption purpose. The leased equipment in this case is for consumption only and not for the purpose of generating further income. A consumer lease can be accessed through a bank, finance company or any individual lessor that lease out products. An agreement is entered into through the completion of an application form by the customer with the provision of certain important information about him and the asset to be leased. The rentals may be deducted at source (from the Lessee's salary) or paid through post-dated cheques drawn by the lessee.

Various items could be leased under consumer leasing and these are mostly household equipment like generators, television sets, washing machines, gas cookers, cars etc. The concept was borrowed from the developed countries where the economy thrives on credit. To their economies, credit is an avenue for wealth creation and it brings about higher capital utilization as a result of higher purchasing power gives an individual

Consumer leasing has the ability to reduce financial stress and it could be very effective in a country where a lot of the population are low/medium income earners and are unable to afford items or equipment via outright purchase. With consumer leasing however, life can be made easier and more meaningful as acquisition of assets becomes relatively affordable through structured payment. Employers of labour can partner with a leasing firm for the consumer needs of its employees thus impacting on the morale of the work force which will improve their productivity. It will also take away the burden of providing loans to the employees thus leaving it to concentrate on its core competences and maintaining adequate cash reserves.

Rental Services

This product provides financing of high value equipment for corporate organisations. Financing for this category is for a maximum of 36 months and the total value of the facility must not exceed 15% of the total company's net worth. The additional products to the Company's services were developed over the years and at different times when Management noticed the need to meet the needs of the respective market segments.

Equipment Rentals

Equipment Rentals is no doubt a creative financing alternative as more and more of the world's equipment needs are met through this unique approach. It is an imposing special field in terms of scope, size and potential. As a foremost leasing firm in Nigeria and regardless of client's equipment need or requirement, the Company guarantee a wide range and specialized functional equipment that cuts across Marine, Lifting, earthmoving and heavy duty equipment.

The size of clients operations notwithstanding, a choice for Equipment Rentals guarantees amongst others:

- A natural hedge against obsolescence
- Flexible Financial Reporting
- Improved reported earnings
- Ability to circumvent Capital budget Constraints
- Focus on Core business as maintenance and crewing becomes our responsibility in addition to providing first class functional equipment.

The Company provides a broad range of equipment and which include: Utility Vessels, Line Handling Vessels, Supply vessels, Push/Pull vessels, House Boats, Tanker Vessels, Fuel Barge, Airboats, Cranes, Forklifts, Pay Loaders, work barges, Crew Boats, Self-Loaders, Trucks, Trailers, etc.

C&I Outsourcing

This is a strategic business unit of C&I Leasing Plc of which C&I Leasing has over the years carved a niche for itself as a leading provider of credible, professional, efficient and effective human capital to corporate organizations in various sectors of the economy as it focuses on the imperative that its clients must get their money's worth in every transaction.

To this end, C&I Outsourcing has a Customer Service Desk for the sole purpose of prompt resolution of issues relating to both its Internal and external operations, giving its customers the pride of place in the scheme of things. In a bid to promote exceptional service delivery to its clients, the company has acquired two dedicated lines, an e-mail address and well trained staff dedicated to coordinating and maintaining a workable relationship between the trio of the outsourcer, the outsource and the outsourced personnel.

With the recent global awareness on Outsourcing, there is the need to close ranks on quality service delivery, ensuring that all parties involved work within the legislative confines of the provision of outsourcing service as stipulated in the Nigeria Labour Law Act. This enables outsourcers to focus on their core businesses thereby improving the efficiency and capability of their companies. With the recent regulatory role of the federal ministry of labour in the development of outsourcing business in Nigeria, C&I Outsourcing was recently issued a recruiters license. C&I Outsourcing provides personnel outsourcing, HR consultancy, security patrol supervision and chauffer training.

Currently, its clientele base is broadly divided into the following categories; Oil & Gas, Fast Moving Consumer Goods and Financial sector (Banks, Insurance and Pension Fund Administrators' etc.) with the outsourcing of skilled, semi-skilled and unskilled staff.

C&I Outsourcing is a division of C&I Leasing Plc which provides excellent support to businesses in the following areas:

- Human Resources Outsourcing
- Recruitment Process Outsourcing
- HR Consultancy
- Security Patrol supervision

Hertz Car Rental Services

More than fifteen years ago, Hertz set the standard of excellence in the rental car business in Nigeria and even today, Hertz remain the Number 1 choice for travellers around the globe. Whether travelling on business or pleasure, for a quick trip, a long road tour, even a get-away weekend, Hertz Nigeria provides exactly the standard services required, by pioneering this rare standard of excellence in helpful, efficient and reliable services.

C&I Fleet Management

C&I Fleet Management offers well-structured fleet management solutions to meet our client's needs. Our fleet management solutions include:

- Light fleet management
- Medium and heavy fleet management,
- Operate and maintain services
- Maintain only services

Key clients include Alcatel Lucent, ExxonMobil, Shell, Schlumberger, Huawei, PZ Cussons, and Nigerian Breweries etc.

Suzuki Driving School.

The Suzuki driving school is a FRSC licensed training school that is equipped with modern driving simulators and seasoned instructors. The Suzuki Driving School's courses are carefully planned to cover all aspects of driving, and includes a driver education curriculum that trains employees, who although are not employed as chauffeurs, drives the company vehicles due to the nature of their jobs.

C&I Petrotech Marine

C & I Petrotech Marine is a division of the C & I Leasing Group. The division manages and operates all the offshore support vessels and related marine services contract with oil majors in the Nigerian offshore sector.

The core services of C & I Petrotech Marine are the provision of marine services to both onshore and offshore terminals including the following:

- Berthing and Escort
- Mooring support
- Line and Hose Handling
- Pollution Control

Key clients include Shell, Nigeria LNG, Afren, Nigeria Petroleum Development Co etc.

RESEARCH AND DEVELOPMENT

Most company associates their research and development (R&D) functions with the invention of new products. Whilst this is very important, the development of existing products is of equal significance because consumer preferences are continually changing. The task of product & service research and development is to come up with the goods and services that meet the needs of tomorrow's customers.

In C & I Leasing, research and development have strictly commercial functions – to further the company's business objectives by creating better products, to improve operational processes, to provide expert advice to the rest of the company and to customers, to grow its product lines, to continually satisfy its customer, to improve its corporate social responsibilities and to contribute to the growth of the gross domestic product ("GDP").

Considering the importance of R&D, the management of C&I Leasing is looking out for the appropriate timing to further commit itself. In the last three years, C&I Leasing has not expended any amount on R&D.

THE SUBSIDIARIES

C&I Motors

C&I Motors Limited is a subsidiary of C & I Leasing Plc. and franchisee for Suzuki vehicles in Nigeria. With direct technical support from Suzuki, Japan, C&I motors provides sales of Suzuki vehicle models and after sales support for its clients all over the country.

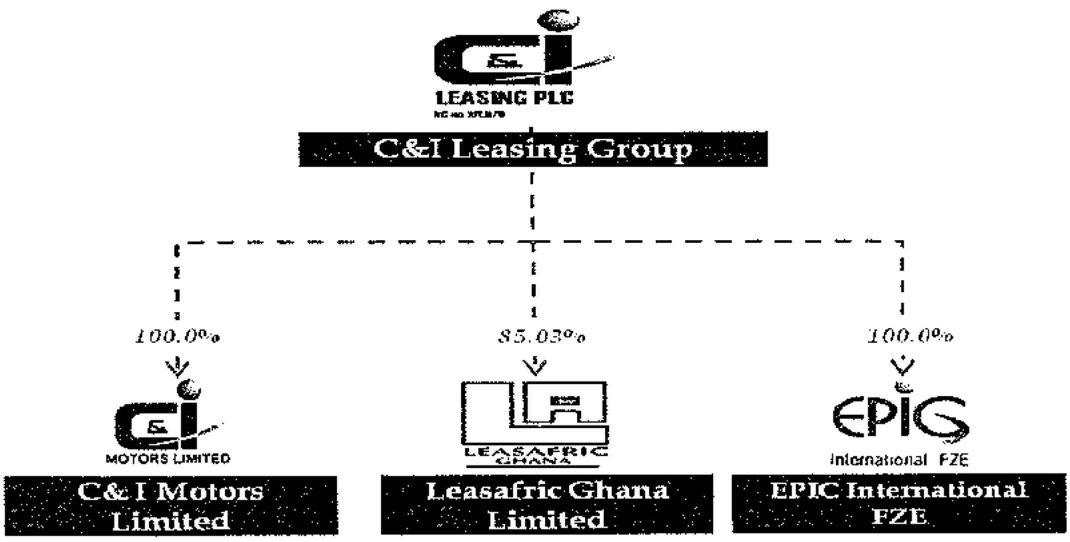
Leasafric Ghana

Leasafric is a subsidiary of C&I Leasing Plc, based in Ghana. It is the largest leasing company in Ghana and provides professional lease options for individuals and corporate bodies.

EPIC International FZE

EPIC International FZE, a subsidiary of C&I Leasing Plc, was incorporated on 15th June 2011, as a free Trade zone establishment in United Arab Emirates and licensed to trade in ships, ship parts, components and automobiles.

C&I LEASING GROUP STRUCTURE



C&I LEASING'S CORPORATE GOVERNANCE

C & I Leasing Plc adopts a responsible attitude towards corporate governance. The Board of Directors recognizes the importance of best corporate governance principles and its contribution to the growth and value creation to the various stakeholders. The Board of Directors takes cognizance of the relevant corporate governance guides and adopts these principles in the governance of the company.

The Board of Directors also strives to ensure compliance and disclosures, effective internal control, risk identification, evaluation and monitoring, adoption of appropriate accounting systems, providing leadership to ensure that C&I Leasing Plc continues to exist as a going concern.

The Company is committed to high standards of corporate governance and continually ensures full compliance with the provisions of the Code of Corporate Governance issued by Securities & Exchange Commission, as well as its Corporate Governance Charter and Policies.

The Board of Directors

The Board is made up of the chairman, seven non-executive directors and two executive directors. The Board is sufficiently diversified to provide necessary balance required for effectiveness. They possess the requisite academic qualifications and experience in Board affairs and are well abreast of their responsibilities and are conversant with the company's business. They are therefore able to exercise sound judgment on matters relating to the company's business in order to make valuable contribution to the company's progress. The Chairman is a separate individual from the Managing Director, who implements the management strategies and policies adopted by the Board. The Non - Executive

Directors are independent of the management and are free from constraints which may materially affect their judgment as directors of the Company. They are responsible for providing good leadership and steering the company to achieving its long term goals. The Managing Director/Chief Executive is responsible for the day-to-day running of the Company, assisted by the Executive Director

The affairs of C&I Leasing Plc are run by a 10-member Board while there are independent boards for all the other subsidiaries.

The Board is responsible for the following:

1. Setting the company's strategic direction.
2. Leading and controlling of the company.
3. Monitoring the activities of the executives management
4. Establishing adequate internal controls to safeguard the Company's assets and to prevent and detect fraud and other irregularities
5. Ensuring best practices and the promotion of corporate governance in the company.

The Board holds its meetings on a quarterly basis, but when urgent issues are to be discussed, an extraordinary meeting will be held.

The composition of the Board is as follows:

Chairman - Air Vice-Marshall Abdul Dominic Bello (Rtd.), GCON, CFR

AVM A. D. Bello (Rtd). attended St. Gregory's College, Lagos (HSC) (1961-1962). He joined the Nigerian Air Force in 1963 and retired in 1983 as Chief of Air Staff. He is also a graduate of the USAF War College (Air University, Alabama, U.S.A (1977)) and the Royal Air Force, Bracknell, United Kingdom (1978). He was the Chairman of NAL Merchant Bank Limited (now part of Sterling Bank Plc) from 1986 to 1991 and a Director of DHL International Nigeria Limited from 1995 - 2003. AVM A. D. Bello (Rtd.) is currently a Non-Executive Director in several companies including the Nigerian subsidiary of Dornier AEIP.

Vice Chairman - Chief Henry Chukwuma Okolo

Chief Henry Chukwuma Okolo holds a B.Sc. in Accounting from the University of Nigeria, Nsukka (1978). He is a fellow of the Association of Chartered Certified Accountants (1980) and is currently the Chief Executive Officer of Dorman Long Engineering Limited. He had audit and consulting experience in the Lagos and Toronto offices of PriceWaterhouseCoopers ('PWC') for a 7 year period from 1979 – 1986 and was the immediate past coordinator of the West African Enterprise Network (Nigerian Chapter) from 1995 – 1997 and the Vice Chairman of the Nigerian Economic Summit Group (1996 to date). He was previously the Group Finance Director of the Inlaks Group Nigeria (affiliate of Gerad S.A, Geneva) from 1988 – 1995 and Chief Executive of UTC Plc (2000 – April 2005).

Managing Director / CEO - Mr. Chukwuemeka Emmanuel Ndu

Mr. Chukwuemeka Emmanuel Ndu obtained his Bachelor degree in Accountancy from the University of Nigeria, Nsukka in 1982. He acquired auditing and consulting experience with PriceWaterhouseCoopers from 1983 – 1987 and qualified as a member of the Institute of Chartered Accountants of Nigeria in 1986. He was the Chairman of the Equipment Leasing Association of Nigeria (ELAN) (1996 – 2000). Prior to establishing C&I with a group of investors, Mr. Ndu worked for the Ibru Group, as Group Finance Manager of the Fishing Group and Ventures & Trusts Ltd., a venture capital company, as an investment executive. Mr. Ndu has served as the Chairman of the Shipping and Marine

Services Sub-Committee of the National Content Consultative Forum set up by the Nigerian National Petroleum Corporation (National Content Division) to promote indigenous content in the Nigerian oil & gas industry. He has also served as Chairman on a similar committee set up by the Nigeria Maritime and Safety Administration (NIMASA).

Executive Director - Mr. Andrew Otike-Odibi

Mr. Andrew Otike-Odibi graduated in 1988 with a B.Sc. in Accountancy from the University of Benin and obtained an M.Sc. from the same University in 1990. He also holds an MBA from the University of Benin (1991) and has attended several local and overseas courses joined the service of C&I in December 1998 as a Senior Manager in the company's Port Harcourt Office. He rose to the post of General Manager (Business Development) and was appointed to the Board in November 2007. Prior to joining C&I, Mr. Otike-Odibi was a Branch Manager with Diamond Bank Plc.

Director - Mr. Omotunde Alao-Olaifa (Representing: Leadway Assurance Company Limited)

Mr. Omotunde Alao-Olaifa holds a Bachelor's degree in Political Science from University of Ibadan (2001) and a Master of Business Administration degree from the Lagos Business School, Pan African University (2005). He is a Senior Manager at Leadway Assurance Company Limited, one of the largest privately owned insurance companies in Nigeria. He is part of the Investment and Asset Managers of the firm whose focus is on Principal Investment, Real Estate and Private Equity. In addition to leading the team on these investment and finance related duties, he is also responsible for overseeing the firm's corporate finance which includes maintaining an optimal capital level and structure to support the firm's growth plan and activities as well as corporate strategy for the firm. He commenced his career at Lionstone Company Limited in 2005 and then proceeded to Fidelity Bank Plc in 2008, prior to joining Leadway Assurance Company Limited in 2008.

Director - Mr. Larry Olugbenga Ademeso (Representing; Crusader Insurance Plc)

Mr. Ademeso graduated with a BSc (Hons) in Insurance from the University of Lagos in 1992. He commenced his career with Perpetual Assurance Company Limited in 1993 and is an Associate of the Chartered Insurance Institute of Nigeria (1999). He obtained an MSc in Marketing from the University of Lagos in 2001, worked at Custodian and Allied Insurance Limited, then joined Phoenix of Nigeria Assurance PLC in 2005 from where he moved to Royal Exchange Plc in 2007. He joined Royal Exchange Prudential Life PLC in 2009 as the Managing Director/CEO until he joined Crusader Life Insurance Limited in 2011.

Director - Mr. Ikechukwu Duru (Representing; Credit Alliance Financial Services Limited)

Mr. Ikechukwu Duru is presently the Managing Director of FSDH Securities Limited. He has an Ordinary National Diploma (OND) in Accounting (1986) from the College of Technology, Nekede and a Higher National Diploma (HND) in Accounting from the Institute of Management & Technology, Enugu in 1989. Mr Duru holds an MBA from the University of Lagos (1998) and is a member of both the Nigerian Institute of Taxation (2001) and the Chartered Institute of Stockbrokers (2003).

Director - Mrs. Ngozi Unoma Ifeyinwa Uche (Representing; Out Consortium Finance Limited)

Mrs. Ngozi Unoma Ifeyinwa Uche is a graduate of Accounting of the University of Lagos (1982), an associate member of Chartered Institute of Taxation of Nigeria (1996), a Fellow of the Institute of Chartered Accountants of Nigeria (2000) and also a Certified Information Systems Auditor (2006). She was trained in Akintola Williams Deloitte where she rose from Graduate Trainee in March 1984, through Senior, Supervising Senior, Assistant Manager, Manager, to Senior Manager. She left Akintola Williams Deloitte in August 2000 to join OUT Consulting Limited as a Financial and Management Consultant (2000 – date)

Director - Mr. Jacob Kwame Kholi (Representing; Aureos West Africa Fund LLC)

Mr. Jacob Kwame Kholi is a graduate of Accounting from the University of Ghana (1989). He is a member of Institute of Chartered Accountants of Ghana (1995). He was a Trainee Accountant with KPMG between 1990 and 1991 before moving to Shell Ghana Limited as a Capital Expenditure Accountant (1991 – 1995), he later worked as their Financial Accountant and subsequently became the Management Accountant. In 1995, He joined Venture Fund Management Company (Now Aureos Ghana Advisers Limited.) and is currently a Managing Partner (West Africa). He is also a Director in several companies in Nigeria.

Director - Mr. Patrick Sule Ugboma

Mr. Patrick Sule Ugboma is a graduate of Management Studies, Imo State University (1984). He also has a Diploma in Management from Nottingham University, England (1990). He was a Branch Coordinator with Wesco Engineering Services, Port Harcourt (1985 – 1989). He worked in Star Warehousing Services, Port Harcourt from (1989 – 1992) as Operations Manager. He moved to Central Line Agencies as a General Manger from 1992 - 1994. He is currently the MD of DEC Oil and Gas Limited. He is also a Director in several companies in Nigeria.

Responsibilities of the Board

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

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

Record of Directors attendance at Meeting

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

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

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

S/N	Members of Board Operations Committee	No. Of Meetings Held	No. Of Meetings Attended
1.	AVM A. D. Bello (Rtd.), GCON ,CFR (Chairman)	6	6
2.	Chief Henry Chukwuma Okolo - (Vice Chairman)	6	5
3.	Mr. Chukwuemeka Emmanuel Ndu - (Managing Director	6	6
4.	Mr. Omotunde Alao-Olaifa	6	6
5.	Mr. Larry Olugbenga Ademeso	6	5
6.	Mr Ikechukwu Duru	6	6
7.	Mrs Princess N.U.I Uche	6	5
8.	Mr. Jacob Kwame Kholi (Alternate: Mr. Ravi Sharma)	6	5
9.	Mr. Patrick Sule Ugboma	6	5
10.	Mr. Andrew Otike-Odibi (Executive Director)	6	6

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

Board Changes

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

Committees

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

a. Board Operations Committee:

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

S/N	Members of Board Operations Committee	No. Of Meetings Held	No. Of Meetings Attended
1.	Chief Henry Chukwuma Okolo	3	3
2.	Mr. Chukwuemeka Emmanuel Ndu	3	3
3.	Mr. Larry Olugbenga Ademeso	3	3
4.	Mr. Jacob Kwame Kholi (Alternate: Mr. Ravi Sharma)	3	2
5.	Mr. Andrew Otike-Odibi	3	2

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

b. Risk Management Committee:

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

Review and approval of the company's risk management policy including risk appetite and risk strategy;

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

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

S/N	Members of Board Operations Committee	No. Of Meetings Held	No. Of Meetings Attended
1.	Mrs Princess N. U. I. Uche	2	2
2.	Mr. Chukwuemeka Emmanuel Ndu	2	2
3.	Mr. Omotunde Alao-Olaifa	2	2
4.	Mr. Jacob Kwame Kholi (Alternate: Mr. Ravi Sharma)	2	1

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

PROFILE OF MANAGEMENT AND KEY STAFF

Managing Director / CEO - Mr. Chukwuemeka Emmanuel Ndu

Mr. Chukwuemeka Emmanuel Ndu obtained his Bachelor degree in Accountancy from the University of Nigeria, Nsukka in 1982. He acquired auditing and consulting experience with PriceWaterhouseCoopers from 1983 - 1987 and qualified as a member of the Institute of Chartered Accountants of Nigeria in 1986. He was the Chairman of the Equipment Leasing Association of Nigeria (ELAN) (1996 – 2000). Prior to establishing C&I with a group of investors, Mr. Ndu worked for the Ibru Group, as Group Finance Manager of the Fishing Group and Ventures & Trusts Ltd., a venture capital company, as an investment executive. Mr. Ndu has served as the Chairman of the Shipping and Marine Services Sub-Committee of the National Content Consultative Forum set up by the Nigerian National Petroleum Corporation (National Content Division) to promote indigenous content in the Nigerian oil & gas industry. He has also served as Chairman on a similar committee set up by the Nigeria Maritime and Safety Administration (NIMASA).

Executive Director - Mr. Andrew Otike-Odibi

Mr. Andrew Otike-Odibi graduated in 1988 with a B.Sc. in Accountancy from the University of Benin and obtained an M.Sc. from the same University in 1990. He also holds an MBA from the University of Benin (1991) and has attended several local and overseas courses joined the service of C&I Leasing in December 1998 as a Senior Manager in the company's Port Harcourt Office. He rose to the post of General Manager (Business Development) and was appointed to the Board in November 2007. Prior to joining C&I, Mr. Otike-Odibi was a Branch Manager with Diamond Bank Plc.

Chief Financial Officer - Mr. Mbakogu Alexander

Mr. Mbakogu Alexander graduated from the University of Nigeria, Nsukka with a B.Sc in Accounting in 1996 and an MBA in Finance from the University of Lagos in 2008. He has held several positions since joining C&I Leasing Plc, including Management Accountant, Head Treasury, Manager, Finance and Accounts and until recently the Managing Director, Leasafric Ghana. He is an associate member of the Institute of Chartered Accountants of Nigeria, the Institute of Credit and Risk Administration of Nigeria and the institute of Chartered Management Accountants of Nigeria.

Head, Finance - Mr Aiyeola Sunday Adesoji

Mr. Aiyeola Sunday Adesoji graduated from Lagos State University with a Bsc. in Economics and joined the services of C&I Leasing Plc in August 2008 as an Accountant. Prior to joining the company, he worked with Dangote Flour Mills Plc as the Head of Accounts. A Chartered Accountant by profession, he also holds over 15 years of professional experience.

Head, Treasury - Mr. Babatunde Oguntunrin

Babatunde Oguntunrin joined C&I Leasing in October 2008. His current working experience spans over 15 years in banking, consulting, leasing and fleet management. A Trained Accountant and Chartered banker, he holds a Higher National Diploma in Finance from the Ibadan Polytechnic received in 1998 and a Masters of Business Administration received from Ladoke Akintola University of Technology in 2010. Mr. Oguntunrin has attended courses both in the country and overseas in treasury management, leasing, budgeting and budgetary control, international fleet management programme, category management and senior management application programmes in LBS.

Head, Internal Control & Quality Assurance Unit - Mr. Adetayo Abiodun Olugbenga

Adetayo Abiodun Olugbenga joined C&I Leasing Plc., in 2007, as an Internal Control Officer. He holds an HND in Accountancy from the Lagos City Polytechnic Ikeja, Lagos in 2006. Prior to joining the company, he had worked as an Internal Auditor for Sweet Sensation Confectionary. Mr. Adetayo is a member of the Institute of Chartered Accountants of Nigeria, 2009; and a Certified Internal Control Professional, 2012.

Head, Human Resources - Mr Emmanuel Udoh Timothy

Mr. Emmanuel Udoh Timothy joined the company in March 2011 as Human Resources Manager. Prior to joining the company, he worked with Dorman Long Engineering Ltd as Human Resources and Admin Manager. He currently possesses a Bachelor's degree in Business Administration from the University of Benin, which he received in 1988. He is a Full Member of the Nigerian Institute of Management (NIM), September 2003, and Member of the Chartered Institute of Personnel (CIPM), October, 2004.

Head, Northern Region - Ms. Ruth Nosamu

Ms. Ruth Nosamu holds a Higher National Diploma in Town Planning from The Polytechnic Ibadan (1992). In addition to this, she is a member of the Institute of Business Development and is also a certified management consultant and member of the Institute of Management Consultants of Nigeria. Ms. Nosamu joined C&I Leasing in 2003 in the Human Resources function after which she headed the Administration unit for three years.

Head, Hertz / Fleet Management - Mr. Ayodele Johnson Babatunde

Mr. Ayodele Johnson Babatunde joined the service of the company in December, 2007 as a Management Accountant. Prior to joining the company, he worked with Truevineglobal Asset Management as the Head of Financial Control. Mr. Babatunde holds a Bachelor of Science in Accounting, which he received in 1994 from the University of Lagos. He is an associate member of the Institute of chartered Accountants of Nigeria, the Chartered Institute of Taxation of Nigeria and a member of the Chartered Institute of Stockbrokers.

Head, Outsourcing - Mr. Chiobi Ikechukwu Edwin

Mr. Chiobi Ikechukwu Edwin joined C&I Leasing in January 2007 as an Assistant Manager, Operations, in C&I Outsourcing, a division of C&I Leasing Plc. Mr. Chiobi has a Bachelor of Science in Accountancy he received from the Nnamdi Azikiwe University in 1988 and is an associate member of the Institute of Chartered Accountants of Nigeria. He has worked in several financial advisory positions prior to joining C&I Leasing, Including, Elmack Nigeria Limited as the Head of Financial Control & Logistics.

USE OF PROCEEDS

After the deduction of the costs and expenses of the Issue, which are estimated at ₦26,463,000 representing 3.31% of the gross issue proceeds, the net proceeds amounting to ₦773,537,000 will be utilised as follows:

PURPOSE	AMOUNT (₦)	% OF PROCEEDS	ESTIMATED COMPLETION PERIOD
Marine Expansion (Purchase of Tug boats, Crew Vessels and Platform Supply Vessels)	145,038,188	18.75	2017
Repayment of Credit Facilities	338,422,437	43.75	2017
Working Capital	290,076,375	37.50	2016
Total	**773,537,000**	**100.00**	

The Use of Proceeds is explained as follows:

Marine Expansion (Tug boats, Crew Vessels, Platform Supply Vessels)

The largest portion of the Use of Proceeds of the Issue will be allocated to the expansion of the Issuer's Marine Business through the acquisition of marine vessels to be deployed to the Shell Nigeria Exploration and Petroleum Company Limited ("SNEPCO") and the Nigeria Liquefied Natural Gas Company ("NLNG") upon their construction and commission. The 18.75% of the net proceeds stipulated above will be combined with vendor financing to acquire the marine vessels.

Repayment of Credit Facilities

The Issuer intends to reduce its cost of funds by refinancing some of its existing Credit Facilities and optimising its capital structure. The Breakdown of the C&I Leasing's credit facilities to be refinanced through the net proceeds of the Issue are as follows:

Repayment of Existing Loan	Facility Type	Facility Amount (₦)	Amount Outstanding (₦)	Amount to Repay (₦)
Access Bank	Lease Facility	420,000,000	284,117,647	67,684,487
Diamond Bank	Overdraft	300,000,000	280,464,460	67,684,487
FCMB	Invoice Discounting	500,000,000	446,784,652	67,684,488
Investors	Commercial Paper	-	-	135,368,975
Total		**1,220,000,000**	**1,011,366,759**	**338,422,437**

Working Capital

37.50% of the net proceeds of the Issue will be allocated towards the Issuer's Working Capital to aid in the day to day running of the Business. This will also aid in solidifying the Issuer's liquidity position and addressing any of the Issuer's short-term credit obligations.

Agusto&Co.

C&I Leasing Plc.'s ₦2 Billion Bond

Rating Assigned:

Bbb-

The Bond is adjudged to offer sufficient safety of timely payment of interest and principal for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for bonds in higher rated categories.

Outlook: Stable

Issue Date: July 2015

Expiry Date:
The rating is valid throughout the life of the instrument but will be subject to periodic monitoring and review.

Previous Rating: None

Bond tenor: 5 years

Industry: Finance & Leasing

Analysts:

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RATING RATIONALE

C&I Leasing Plc ('C&I Leasing', 'the Issuer' or 'the Company') intends to issue a Five year ₦2 Billion Fixed Rate Unsecured Bond ('the Issue' or 'the Bond'). The Bond proceeds will be used for the expansion of the fleet management and marine business units, to finance working capital and to refinance some existing bank loans. The Bond which is scheduled to be issued in the third quarter of 2015 ranks *pari passu* with other outstanding unsecured and unsubordinated obligations of the Issuer. The Issuer's operating cash flow will be the source of repayment of the Bond and the Issue's coupon rate which will not exceed 18% will be repaid in semi-annual instalments after one year moratorium. A sinking fund will be established and managed by the Trustees to the Issue – Leadway Capital and Trusts Limited for the repayment of principal and coupon.

In addition, C&I Leasing intends to create a debt service reserve account (DSRA) which will be managed by the Trustees. The Issuer plans to fund the DSRA at the closing of the bond offer with cash equivalent to six months of debt service or with an acceptable bank guarantee. Management believes that this will provide additional security to bondholders in the event that the cash in the sinking fund is insufficient to fulfil debt service obligations. However, the DSRA can only be accessed with the permission of the Trustees. If the DSRA is used in whole or part to repay debt service, the Issuer has agreed to replenish the DSRA to its stipulated limit.

C&I Leasing covenants that while any portion of the Bond remains outstanding, it shall not without the prior written consent of the Trustee

LETTER FROM THE REPORTING ACCOUNTANT ON THE FINANCIAL FORECAST

SIAO

Lagos: 18b Olu Holloway Road, Ikoyi, Lagos.
Tel: 01 463 0871-2 Fax: 01-463 0870

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
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Website: www.siao-ng.com

SIAO/AU/EO/7768/15

17 June 2015

The Directors
C & I Leasing Plc
5, C&I Leasing Drive
Lekki Phase 1
Lagos.

The Directors
FSDH Securities Limited
5th Floor
UAC House
1/5 Odunlami Street
Lagos.

The Directors
FBN Capital Limited
16, Keffi Street,
South West Ikoyi,
Lagos.

Gentlemen,

RE: C & I LEASING PLC ISSUANCE OF 2,000,000 UNITS OF REDEEMABLE BOND AT N1,000 PER UNIT

We have reviewed the accounting bases and assumptions for the Financial Forecast (profit and financial position) of C&I Leasing Plc (for which the Directors are solely responsible) for the years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020.

In our opinion, the Financial Forecast so far as the accounting bases and calculations are concerned, have been properly compiled on the footings of the assumptions made by the Directors and are presented on the bases consistent with the significant accounting policies normally adopted by the Company. We planned and performed the review to obtain moderate assurance as to whether the forecast is free of material misstatement and have made the necessary adjustments to the forecast where needed. These have been adopted and do not materially affect the projected performance of the Company.

However, there will usually be differences between forecasts and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

Yours faithfully,

Abiodun Afiyibi
FRC/2013/ICAN/00000001548
For: SIAO (Chartered Accountants)

SIAO - Accomplish More
Audit & Accounting | Financial Advisory | Taxation | Human Resources

C & I LEASING PLC FIVE YEAR FINANCIAL FORECAST

PROFIT FORECAST

The Directors are of the opinion that subject to unforeseen circumstances and based on the assumptions, the profit before tax for the years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020 is expected to be in the order of ₦1.3bn, ₦2.0bn, ₦2.4bn, ₦2.9bn, ₦3.8bn and ₦4.5bn respectively as detailed below:

	Dec - 15	Dec - 16	Dec - 17	Dec - 18	Dec - 19	Dec - 20
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross Earnings	14,431,383	17,483,786	19,862,180	22,290,964	24,954,354	27,883,300
Cost of Sales	(8,668,999)	(10,059,053)	(11,653,370)	(13,283,508)	(15,136,594)	(17,252,500)
Gross Profit	**5,762,384**	**7,424,733**	**8,208,810**	**9,007,456**	**9,817,759**	**10,630,801**
Operating Expenses	(1,854,599)	(2,072,810)	(2,308,836)	(2,537,601)	(2,779,265)	(3,033,983)
EBITDA	**3,907,785**	**5,351,923**	**5,899,974**	**6,469,855**	**7,038,495**	**7,596,817**
Depreciation for Marine Vessels (New)	(62,500)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Depreciation of Purchased Fleet	(16,865)	(67,460)	(67,460)	(67,460)	(50,595)	-
Depreciation - Other Fixed Assets	(781,755)	(812,963)	(845,730)	(880,136)	(420,955)	(360,990)
EBIT	**3,046,665**	**4,221,500**	**4,736,784**	**5,272,259**	**6,316,945**	**6,985,827**
Interest Expense on proposed Bond (2.0bln 2020)	(180,000)	(360,000)	(292,500)	(202,500)	(112,500)	(22,500)
Interest Expense on Vendor Financing (Marine Vessel)	(101,746)	(193,271)	(151,358)	(107,323)	(61,059)	(12,453)
Other Interest Expense	(1,438,604)	(1,646,506)	(1,884,804)	(2,107,162)	(2,355,822)	(2,472,427)
Profit Before Tax	**1,326,315**	**2,021,724**	**2,408,122**	**2,855,274**	**3,787,563**	**4,478,447**
Tax	(397,894)	(606,517)	(722,437)	(856,582)	(1,136,269)	(1,343,534)
Profit After Tax	**928,420**	**1,415,207**	**1,685,685**	**1,998,692**	**2,651,294**	**3,134,913**
Appropriations:						
Dividend Paid	92,842	141,521	168,569	199,869	265,129	313,491
Statutory Reserves	278,526	424,562	505,706	599,608	795,388	940,474
Retained Earnings	557,052	849,124	1,011,411	1,199,215	1,590,777	1,880,948
Total Appropriations	**928,420**	**1,415,207**	**1,685,685**	**1,998,692**	**2,651,294**	**3,134,913**
Forecast Ratios:						
Earnings Per Share *(kobo)*	57	88	104	124	164	194

Dividend Per Share *(kobo)*	6	9	10	12	16	19
Market Price Per Share *(kobo)*	55	55	55	55	55	55
Price Earnings Ratio *(%)*	96	63	53	44	34	28
Dividend Yield *(%)*	10	16	19	22	30	35
19% Interest on Bond	180,000	360,000	292,500	202,500	112,500	22,500
Interest Cover on Bond *(times)*	16.93	11.73	16.19	26.04	56.15	310.48

Forecast earnings and dividend per share for the years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020 are based on 1,617,010,000 issued and fully-paid ordinary shares of 50k each as at 31 December 2014.

FINANCIAL POSITION FORECAST

The Directors are of the opinion that subject to unforeseen circumstances and based on the assumptions, the shareholders' fund/net assets for the years ending 2015, 2016, 2017, 2018, 2019 and 2020 is expected to be in the order of ₦7.2bn, ₦8.5bn, ₦10bn, ₦11.8bn, ₦14.2bn and ₦17bn respectively as detailed bellow:

	Dec - 15	Dec - 16	Dec - 17	Dec - 18	Dec - 19	Dec - 20
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS						
Cash & Bank	1,110,546	116,428	419,876	612,997	1,108,731	1,686,493
Debt Service Reserve Account	430,000	430,000	430,000	430,000	430,000	430,000
Loans & Receivables	1,186,141	1,437,024	1,632,508	1,832,134	2,051,043	2,291,778
Trade Receivables	1,779,212	2,155,535	2,448,762	2,748,201	3,076,564	3,437,667
Finance Lease Receivables	793,917	913,005	1,037,418	1,176,200	1,333,495	1,508,688
Available for Sale Assets	15,795	15,861	15,927	15,994	16,061	16,128
Investment in Subsidiaries	1,531,915	1,608,511	1,688,937	1,773,384	1,862,053	1,955,155
Purchased Fleet (Vehicles and Trucks)	252,973	185,514	118,054	50,595	-	-
Vessels Purchased on Behalf of EPIC International	4,937,500	4,687,500	4,437,500	4,187,500	3,937,500	3,687,500
Other Assets	4,372,056	5,117,338	5,705,465	6,305,501	6,961,637	7,681,162
Inventories	249,279	286,671	327,818	369,269	415,970	467,828

Operating Lease Assets	5,175,646	4,624,088	4,055,389	3,468,690	3,266,434	3,064,502
Property, Plant & Equipment	943,871	818,813	684,946	541,831	480,970	487,643
Intangible Assets	145,365	145,365	145,365	145,365	145,365	145,365
Deferred Tax Assets	550,174	489,044	427,913	366,783	305,652	244,522
TOTAL ASSETS	**23,474,390**	**23,030,697**	**23,575,879**	**24,024,444**	**25,391,476**	**27,104,432**
LIABILITIES						
Bond Borrowing	2,000,000	2,000,000	1,500,000	1,000,000	500,000	-
Net Borrowing After Refinancing	7,214,466	5,291,220	5,150,650	4,662,193	4,429,474	4,138,334
Lease Payable (Vendor Financing)	4,069,838	3,660,995	2,812,389	1,920,823	984,122	-
Trade Payables	967,992	1,122,038	1,297,938	1,477,498	1,681,424	1,913,656
Other Liabilities	2,002,082	2,459,702	2,797,753	3,144,408	3,586,934	4,017,358
Retirement Benefits Obligation	38,057	41,102	44,390	47,941	51,777	55,919
TOTAL LIABILITIES	**16,292,436**	**14,575,057**	**13,603,121**	**12,252,864**	**11,233,731**	**10,125,266**
EQUITY						
Ordinary Share Capital	808,505	808,505	808,505	808,505	808,505	808,505
Preference Share Capital	-	-	-	-	-	-
Deposit for Shares	2,091,430	2,091,430	2,091,430	2,091,430	2,091,430	2,091,430
Share Premium	679,526	679,526	679,526	679,526	679,526	679,526
Statutory Reserves	886,820	1,311,382	1,817,088	2,416,695	3,212,084	4,152,557
Statutory Credit Reserves	246,151	246,151	246,151	246,151	246,151	246,151
Retained Earnings	2,151,612	3,000,736	4,012,147	5,211,362	6,802,139	8,683,087
Exchange Translation Reserve	(161,830)	(161,830)	(161,830)	(161,830)	(161,830)	(161,830)
AFS Fair Value Reserve	(5,163)	(5,163)	(5,163)	(5,163)	(5,163)	(5,163)
Revaluation Reserve	484,903	484,903	484,903	484,903	484,903	484,903
TOTAL EQUITY	**7,181,955**	**8,455,640**	**9,972,757**	**11,771,580**	**14,157,745**	**16,979,166**

TOTAL EQUITY AND LIABILITIES	**23,474,390**	**23,030,697**	**23,575,879**	**24,024,444**	**25,391,476**	**27,104,432**
Forecast Ratios:						
Current Ratio	9.82	8.95	8.93	8.84	8.90	8.93
Quick Ratio	9.56	8.69	8.68	8.59	8.65	8.69
Cash Ratio	1.15	0.10	0.32	0.41	0.66	0.88
Debt to Equity	1.28	0.86	0.67	0.48	0.35	0.24
Debt to Assets	0.39	0.32	0.28	0.24	0.19	0.15
Equity Multiplier	3.27	2.72	2.36	2.04	1.79	1.60

BASES AND ASSUMPTIONS UNDERLYING THE PROFIT FORECAST

The forecast has been arrived at on the following bases and assumptions:

Bases

(i) Previous years' actual performances have been reviewed as the basis for measuring the reasonableness of the forecasts for the financial years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020.

(ii) The forecast for the years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020 have been prepared on the basis consistent with the accounting policies normally adopted by the Company.

Assumptions

a. **Political Factors**
We have assumed that there will be no major changes in Government policies that will adversely affect the operations of the Company during the forecast period.

b. **Gross Income**
Gross Income is assumed to be net of taxes and value of all the existing contracts plus new business prospects expected during the forecast period and is expected to grow in the region of 16%, 21%, 14%, 12%, 12% and 12% for the years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020 respectively.

c. **Cost of Sales**
This is estimated to be approximately 60%, 58%, 59%, 60%, 61% and 62% of gross income during the period ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020 respectively.

d. **Operating Expenses**
Operating expenses inclusive of depreciation, is anticipated to be 13%, 12%, 12%, 11%, 11% and 11% of gross income for the year ending 31 December 2015, 2016, 2017, 2018, 2019, and 2020 respectively.

e. **Interest Expense**

Interest expense is anticipated to average 11% of gross income for the forecast period.

f. Taxation

Company income tax, education tax, and national information technology development levy will remain at 30%, 2% and 1% respectively for the forecast period. However, the Company assumes an effective tax rate of 30% for the forecast period.

g. Dividend

The Company has consistently paid dividend over the last twenty years as it is the policy of the Company to reward its shareholders from distributable profit at the end of the year. As such, the Company assumes a dividend payout ratio of 10% after profit after tax during the forecast period.

h. Statutory Reserve

Statutory reserve is computed at 30% of profit after tax in line with CBN Prudential Guideline.

i. National Information Technology Development Levy

National information technology development levy will remain at 1% of pre-tax profit over the forecast period in accordance with national information technology development act (NITDA) of 2004.

j. Customer

The Company will continue to enjoy the patronage of both present and potential customers.

k. Use of Proceeds

Proceeds from the bond will be utilized to:

- Finance business expansion in marine and fleet management; and
- Enhancement of working capital requirements of the Company.

l. Contingent Liabilities

There will be no litigation or other contingent liabilities that will adversely affect the operations of the Company.

m. Inflation

Inflation is expected to grow annually at 10% during the forecast period.

n. Exchange Rate

The naira is expected to exchange for the US Dollar at the rate of 230:1

o. Bond Issuance

Bond issue of C&I Leasing Plc is expected to be fully subscribed.

p. Management

The quality of the Company's Management will be sustained during the forecast period.

LETTER FROM THE REPORTING ACCOUNTANT ON THE HISTORICAL FINANCIAL INFORMATION

SIAO

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Website: www.siao-ng.com

SIAO/AU/EO/7767/15

17 June, 2015

The Directors
C & I Leasing Plc
5, C&I Leasing Drive
Lekki Phase 1
Lagos.

The Directors
FSDH Securities Limited
5th Floor
UAC House
1/5 Odunlami Street
Lagos.

The Directors
FBN Capital Limited,
16, Keffi Street,
South West Ikoyi,
Lagos.

Gentlemen,

RE: PROPOSED BOND ISSUE BY C&I LEASING PLC (THE "ISSUER").

The financial information is based on the Company's audited IFRS financial statements for three years ended 31 December 2014, 2013 and 2012 and NGAAP financial statements for three years ended 31 January 2012, 2011 and 2010. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 – 25 and pages 57 - 63 for IFRS and NGAAP respectively. The financial statements on which the financial information is based are the responsibilities of the Directors of the Company who approved their issue. The Directors of the Company are responsible for the contents of the Prospectus in which this report is included.

Our review of the financial statements has been limited primarily to the working papers of the External Auditors (PKF for years ended 31 December 2014 to 2012 and Akintola Williams Deloitte for years ended 31 January 2011 and 2010) of the Company and enquiries of the Company's personnel and analytical procedures applied to the financial data. We have not performed an audit and thus our assignment provides less assurance than an audit: as such we are not expressing an audit opinion.

Our review was conducted in accordance with International Auditing Standards applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. As stated earlier, we have not performed an audit and, accordingly we do not express an audit opinion.

In our opinion, the financial statements prepared on the basis of accounting policies normally adopted by the Company give a true and fair view of the state of affairs of **C&I Leasing Plc** for each of the years ended 31 December 2014, 2013, eleven months period ended 31 December 2012 and years ended 31 January 2012, 2011 and 2010.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,

Abiodun Ariyibi
FRC/2013/ICAN/00000001548
For: SIAO (Chartered Accountants)

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HISTORICAL INFORMATION – INTERNATIONAL FINANCIAL REPORTING STANDARDS (2012 (11 Months) - 2014)

INCOME STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2012 – 2014

	Notes	2014 N'000	2013 N'000	2012 (11 Months) N'000
Continued operations				
Gross earnings		**12,458,699**	10,239,813	10,092,696
Lease rental income	38	**6,720,500**	5,136,066	4,831,991
Lease interest expenses	39	**(1,381,742)**	(1,417,062)	(1,299,906)
Net lease rental income		**5,338,758**	3,719,004	3,532,085
Outsourcing income	40	**4,987,412**	4,553,800	4,823,995
Outsourcing expenses	40	**(4,353,276)**	(3,568,317)	(3,777,963)
Net outsourcing income		**634,136**	985,483	1,046,032
Vehicle sales	41	-	-	-
Vehicle operating expenses	42	-	-	-
Net income from vehicle sales		-	-	-
Tracking income	43	**50,389**	-	-
Tracking expenses	43	**(16,724)**	-	-
Net tracking income		**33,665**	-	-
Interest income	44	**346,472**	199,193	1,372
Other operating income	45	**353,926**	350,754	435,338
Direct leasing expenses	46	**(3,436,726)**	(2,324,744)	(1,975,229)
Net operating income		**3,270,231**	2,929,690	3,039,598
Impairment (charge)/credit	37	**(10,640)**	35,652	(241,705)
Depreciation expense	47	**(1,102,822)**	(1,070,107)	(950,627)
Personnel expenses	48	**(595,731)**	(584,942)	(644,949)
Distribution expenses	49	-	-	
Other operating expenses	50	**(1,052,070)**	(951,989)	(966,338)
Loss on disposal of subsidiary	54	**(1,667)**	-	
Profit on continuing operations before taxation		507,301	358,304	235,979
Income tax	24.1	**(182,830)**	(72,990)	74,749
Profit for the year from continuing operations		**324,471**	285,314	310,728
Discontinued operations				
Profit for the year from discontinued operations	54	-	-	-
Profit for the year		**324,471**	285,314	310,728
Appropriation of profit attributable to owners of the parent:				
Transfer to statutory reserve	29	**97,342**	85,593	93,218
Transfer to statutory credit reserve	30	**214,352**	31,799	-
Transfer to retained earnings	31	**12,779**	167,922	217,510
		324,473	285,314	310,728
Earnings per Share				
Basic earnings per share (kobo)	55	**20.07**	17.64	19.00

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2012 – 2014

	Notes	2014 N'000	2013 N'000	2012 N'000
Profit for the year		324,471	285,314	310,728
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Exchange difference on translation of foreign operations/currency	32	(161,830)	-	
Net gain on available for financial assets	33	(9,557)	884	5,032
Items that will not be reclassified to profit or loss				
Surplus on revaluation of property, plant and equipment	34	89,021	152,042	243,840
Other comprehensive income (net of tax)		(82,366)	152,926	248,872
Total comprehensive income (net of tax)		242,105	438,240	559,600

STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED 31 DECEMBER 2012 - 2014

	Notes	2014 N'000	2013 N'000	2012 (11 Months) N'000
Assets				
Cash and balances with banks	10	392,446	820,466	200,591
Loans and receivables	11	4,204,514	2,530,000	1,271,711
Trade receivables	12	-	-	-
Finance lease receivables	13	2,099,601	2,069,810	2,534,683
Available for sale assets	14	15,729	25,282	24,401
Investment in subsidiaries	15	1,458,967	1,605,155	1,605,155.00
Other assets	16	3,951,439	2,773,719	2,299,973
Inventories	17	30,466	-	-
Operating lease assets	18	5,710,875	6,148,729	6,877,565
Property, plant and equipment	19	1,060,541	1,011,388	900,019
Intangible assets	20	145,365	33,187	-
Current income tax assets	24.3	-	-	-
Deferred income tax assets	24.4	813,120	813,120	813,120
Total assets		19,883,063	17,830,856	16,527,218
Liabilities				
Balances due to banks	21	579,839	590,121	670,003
Commercial notes	22	4,914,135	2,967,907	2,127,996
Other liabilities	23	1,657,673	1,237,508	1,010,128
Current income tax liability	24.2	201,815	191,822	118,832
Borrowings	25	6,147,986	6,801,489	6,810,269
Retirement benefit obligations	26	35,238	24,288	164,669
Deferred income tax liability	24.4	-	-	-
Total liabilities		13,536,686	11,813,135	10,901,897
Equity				
Share capital	27	808,505	808,505	808,505
Deposit for shares	28	2,091,430	1,937,850	1,951,350
Share premium		679,526	679,526	679,526
Statutory reserve	29	608,294	510,952	425,359
Statutory credit reserve	30	246,151	31,799	-
Retained earnings	31	1,594,561	1,648,813	1,513,231
Foreign currency translation reserve	32	(161,830)	-	-
AFS fair value reserve	33	(5,163)	4,394	3,510
Revaluation reserve	34	484,903	395,882	243,840
		6,346,377	6,017,721	5,625,321
Non-controlling interest	35	-	-	-
Total equity		6,346,377	6,017,721	5,625,321
Total liabilities and equity		19,883,063	17,830,856	16,527,218

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 – 2014

	Share Capital N'000	Share Premium N'000	Deposit for shares N'000	Statutory Reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation reserve N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Total equity N'000
At 1 January 2014	808,505	679,526	1,937,850	510,952	31,799	1,648,813	-	4,394	395,882	6,017,721
Changes in equity for the year ended 31 December 2014										
Profit for the year	-	-	-	-	-	324,471	-	-	-	324,471
Other comprehensive income										
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	(9,557)	-	(9,557)
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	89,021	89,021
Loss on foreign currency translation	-	-	-	-	-	-	(161,830)	-	-	(161,830)
Total comprehensive income for the year ended 31 December 2013	-	-	-	-	-	324,471	(161,830)	(9,557)	89,021	342,105
Transactions with owners										
Transfer between reserves	-	-	-	97,342	214,352	(311,694)	-	-	-	-
Exchange difference on conversion of deposit for shares	-	-	153,580	-	-	-	-	-	-	153,580
Dividends paid during the year	-	-	-	-	-	(67,028)	-	-	-	(67,028)
Total transactions with owners	-	-	153,580	97,342	214,352	(378,722)	-	-	-	86,552
At 31 December 2014	808,505	679,526	2,091,430	608,294	246,151	1,594,561	(161,830)	(5,163)	484,903	6,346,377
At 1 January 2013	808,505	679,526	1,951,350	425,359	-	1,513,251	-	3,510	243,840	5,625,321
Changes in equity for the year ended 31 December 2013										
Profit for the year	-	-		-	-	285,311	-	-	-	285,311
Other comprehensive income										
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	884	-	884
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	152,042	152,042
Total comprehensive income for the year ended 31 December 2013	-	-	-	-	-	285,311	-	884	152,042	438,240
Transactions with owners										
Transfer between reserves	-	-	-	85,593	31,799	(117,392)	-	-	-	-
Exchange difference on conversion of deposit for shares	-	-	(13,500)	-	-	-	-	-	-	(13,500)
Dividends paid during the year	-	-	-	-	-	(32,340)	-	-	-	(32,340)
Total transactions with owners	-	-	(13,500)	85,593	31,799	(149,732)	-	-	-	(45,840)
At 31 December 2013	808,505	679,526	1,937,850	510,952	31,799	1,648,813	-	4,394	395,882	6,017,721

STATEMENT OF CASH FLOW
FOR THE YEARS ENDED 31 DECEMBER 2012 - 2014

	Notes	2014 N'000	2013 N'000	2012 (11 Months) N'000
Cash flows from operating activities				
Cash flows generated from operating activities	51	(252,316)	395,833	2,361,754
Lease rental income		6,720,500	5,136,066	4,831,991
Outsourcing income		4,987,412	4,553,800	4,823,995
Interest income received		346,472	199,193	1,372
Vehicle sales income		-	-	-
Tracking and tagging income		50,389	-	-
Other income received		46,805	144,460	435,338
Investment income received		11,658	-	-
Retirement benefit obligations paid		(199,570)	(560,427)	-
Cash payment to employees and suppliers		(9,427,185)	(7,429,992)	(10,092,696)
Income tax paid		(16,977)	-	-
Net cash from operating activities		2,267,188	2,438,933	2,361,754
Cash flows from investing activities				
Additional investments in subsidiaries		(45,479)	-	(492,503)
Proceeds from disposal of investment in subsdiary		190,000	-	37,038
Proceeds from sale of operating lease assets		105,940	66,477	206,639
Proceeds from sale of property, plant and equipment		140,815	3,020	
Purchase of operating lease assets	18	(618,119)	(418,977)	(1,252,153)
Purchase of property, plant and equipment	19	(26,659)	(26,000)	(153,309)
Operating lease assets transferred		-	127,674	
Net cash flow from discontinued operations		-	-	
Acquisition of intangible assets	20	(122,795)	(33,187)	
Net cash used in investing activities		(376,297)	(280,993)	(1,654,288)
Cash flows from financing activities				
Dividend paid		(67,028)	(32,340)	
Interest paid on finance lease facilities and loans		(1,381,742)	(1,417,062)	(1,299,906)
Non controlling interest in increase in share capital		-	-	
Proceeds from borrowings		182,284	1,503,451	2,097,916
Repayment of borrowings		(1,042,143)	(1,512,230)	(1,363,185)
Deposit for shares				416,958
Net cash from/(used in) financing activities		(2,308,629)	(1,458,181)	(148,217)
Increase/(decrease) in cash and cash equivalents		(417,738)	699,759	559,249
Cash and cash equivalents at the beginning of the year		230,345	(469,414)	(1,028,661)
Cash and cash equivalents at the end of the year	36	(187,393)	230,345	(469,412)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2012 - 2014

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:

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

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

The principal activities of the Company 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.

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

2. Basis of preparation

2.1. Statement of compliance with IFRSs

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

2.2. Basis of measurement

The 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 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 Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Company's financial statements present the financial position and results fairly.

2.3. Going concern assessment

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

2.4. Functional and presentation currency

These financial statements are presented in Naira, which is the Company's presentational currency. The 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 financial statements, the results and financial position are expressed in Naira, which is the functional currency of the Company, and the presentational currency for the financial statements.

2.5. Basis of consolidation

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

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using the same accounting policies.

All inter-group balances, transactions, dividends, unrealised gains on 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. Summary of new and amended standards issued and effective during the year

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

2.6.1. Amendments to IFRS 10, 'Consolidation Financial Statements'

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

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

2.6.2. Amendments to IAS 27 "Separate Financial Statements"

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

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

2.6.3. Amendments to IAS 32 "Financial instruments: presentation"

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

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

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

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

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

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

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

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

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

2.6.6. IFRIC 21 "Levies"

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

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

2.6.7. Amendments to IAS 19 "Employee Benefits"

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

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

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

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective: This includes:

2.7.1. IFRS 9, 'Financial instruments'

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

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

2.7.2. IFRS 14 "Regulatory deferral accounts"

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

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

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

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

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

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

The amendments to IFRS 7 clarified that additional disclosure of maximum exposure to credit risk is only required where the exposure is not reflected in the carrying amount. It requires disclosure of the financial effect of collateral held as security for financial assets, and removed the requirement to specifically disclose financial assets, where the terms have been renegotiated.

2.7.5. Amendments to IFRS 11 "Joint Arrangements"

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

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

3. Summary of significant accounting policies

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

3.1. Investments in subsidiaries

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 Company's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Company's share of losses of an associate exceeds its interest in the associate, the Company 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 Company'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 Company'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 Company and the SPE's risk and reward, the Company concludes that it controls the SPE.

3.5. Intangible assets

3.5.1. Intangible assets acquired separately

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

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

Amortization years and methods are reviewed annually and adjusted if appropriate

3.5.2. Intangible assets generated internally

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

- It is technically feasible to complete the asset for use by the company
- The company has the intention of completing the asset for either use or resale
- The company has the ability to either use or sell the asset
- It is possible to estimate how the asset will generate income

- The company has adequate financial, technical and other resources to develop and use the asset
- The expenditure incurred to develop the asset is measurable.

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

3.6. Property, plant and equipment

3.6.1. Initial recognition

All items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any, except for land and buildings to be reported at their revalued amount net of accumulated depreciation and/or accumulated impairment losses. Acquisition costs includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the company 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 are recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criterion 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

3.6.3. Depreciation

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

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

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

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

3.6.4. Derecognition

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

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

3.6.5. Reclassifications

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

3.7. Investment properties

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

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

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

3.8. Discontinued operations and non-current assets held for sale

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

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

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

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

3.9. Inventories

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

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

3.10. Impairment of non-financial assets

The Company 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 Company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

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

3.11. Financial instruments

3.11.1. Financial assets

(i) Classification

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

3.11.1.1 Financial assets at fair value through profit or loss

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

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

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

3.11.1.2 Loans and receivables

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

3.11.1.3 Held-to-maturity financial assets

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

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

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

3.11.1.4 Available-for-sale financial assets

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

(ii) Recognition and measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Reclassifications

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

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

(iv) Derecognition

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

3.11.2. Financial liabilities

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

3.11.2.1 Interest bearing borrowings

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

3.11.3. Impairment of financial assets

3.11.3.1 Financial assets carried at amortised cost

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

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the

estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of issuers or debtors ; or
- national or local economic conditions that correlate with defaults on the assets in the Group.

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

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

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

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

3.11.3.2 Assets classified as available for sale

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

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

3.11.4. Offsetting financial instruments

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

3.12. Trade and other receivables

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

3.13. Cash and cash equivalents

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

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

3.14. Leases

Leases are divided into finance leases and operating leases.

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

3.14.1. The Company is the lessor

3.14.1.1 Operating leases

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

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

3.14.1.2 Finance leases

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The 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 yearic rate of return.

3.14.2. The Company is the lessee

3.14.2.1 Finance leases

Assets held under finance leases are recognised as assets of the Company at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation.

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

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

3.14.2.2 Operating leases

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

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

3.15. Trade and other payables

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

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

3.16. Borrowing costs

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

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

3.17. Retirement benefits

3.17.1. Defined contribution plan

The Company runs a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company 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 Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The

Company 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 contribute of 7.5% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes the remainder to make a total contribution of 15% of the total emoluments as required by the Pension Reform Act 2004. The Company's contribution to the pension's scheme is charged to the profit or loss account.

3.17.2. Defined benefit plan

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

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

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

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

3.17.3. Terminal benefits

Terminal benefits are recognized as an expense when the Company 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 Company has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.17.4. Short term employee benefits

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

3.18. Taxation

3.18.1. Current income tax

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

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

3.18.2. Deferred income tax

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Company 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 income statement together with the deferred gain or loss on disposal.

3.19. Provisions

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

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

3.19.1. Warranty

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

3.19.2. Restructuring

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

3.19.3. Onerous contract

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

3.20. Equity instrument

Equity instruments issued by the Company 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 company purchases the Company'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 Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

3.21. Compound instruments

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

3.22. Share based payments

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

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

3.23. Revenue recognition

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

3.23.1. Income from operating leases

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

3.23.2. Income from finance leases

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

3.23.3. Personnel outsourcing income

The Company is involved with outsourcing contracts in which human capital of varying skills are outsourced to various organisations. The Company 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.

3.23.4. Service charge income

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

i. The amount of revenue can be measured reliably;
ii. It is probable that the economic benefits associated with the transaction will flow to the group;
iii. The stage of completion of the transaction at the end of the reporting year can be measured reliably; and
iv. The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

3.23.5. Interest income

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

3.23.6. Rental income

Rental income is recognized on an accrued basis.

3.23.7. Realised gains and losses

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

3.24. Foreign currency translation

3.24.1. Foreign currency transactions and balances

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

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

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs; where those interest costs qualify for capitalization to assets under construction;
- Exchange differences on transactions entered into to hedge foreign currency risks;
- Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.24.2. Foreign operations

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

Exchange differences are recognised in other comprehensive income and accumulated in a separate category of equity.

4. Segment reporting

The Company'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 Company. Due to the nature of the Company, C&I Leasing's Executive Committee regularly reviews operating activity on a number of bases, including by geographical region, customer Company and business activity by geographical region.

A segment is a distinguishable component of the Company 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 Company'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 intersegment revenue and costs being eliminated in Head office. Income and expenses directly associated with each segment are included in determining business segment performance.

5. Critical accounting estimates and judgment

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

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the year of the change, if the change affects that year only, or in the year of change and future year, if the change affects both.

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

5.1. Impairment of available-for-sale equity financial assets

The Company determines that available-for-sale equity financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

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

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

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

5.2. Determination of impairment of non-financial assets

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

5.3. Depreciable life of property, plant and equipment

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

6. Financial instruments and fair values

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

6.1. Classes of Financial Instruments

	Financial assets				Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	Total carrying amount N'000
At 31 December 2014							
Assets							
Cash and balances with banks	392,446	-	-	-	-	-	392,446
Loans and receivables	-	4,204,514	-	-	-	-	4,204,514
Finance lease receivable	-	2,099,601	-	-	-	-	2,099,601
Available for sale assets	-	-	15,729	-	-	-	15,729
Other assets	-	3,893,655	-	-	-	-	3,893,655
	392,446	10,197,770	15,729	-	-	-	10,605,945
Liabilities							
Balances due to banks	-	-	-	-	579,839	-	579,839
Borrowings	-	-	-	-	-	6,147,986	6,147,986
Other liabilities	-	-	-	-	-	1,587,642	1,587,642
	-	-	-	-	579,839	7,735,628	8,315,467
At 31 December 2013							
Assets							
Cash and balances with banks	820,466	-	-	-	-	-	820,466
Loans and receivables	-	2,530,000	-	-	-	-	2,530,000
Finance lease receivable	-	2,069,810	-	-	-	-	2,069,810
Available for sale assets	-	-	25,282	-	-	-	25,282
Other assets	-	2,700,137	-	-	-	-	2,700,137
	820,466	7,299,947	25,282	-	-	-	8,145,695
Liabilities							
Balances due to banks	-	-	-	-	590,121	-	590,121
Borrowings	-	-	-	-	-	6,801,489	6,801,489
Trade payables	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	1,141,534	1,141,534
	-	-	-	-	590,121	7,943,023	8,533,144
At 31 December 2012							
Assets							
Cash and balances with banks	200,591	-	-	-	-	-	200,591
Loans and receivables	-	1,271,711	-	-	-	-	1,271,711
Finance lease receivable	-	5,999,936	-	-	-	-	5,999,936
Available for sale assets	-	-	24,401	-	-	-	24,401
Other assets	-	2,293,864	-	-	-	-	2,293,864
	200,591	9,565,511	24,401	-	-	-	9,790,503
Liabilities							
Balances due to banks	-	-	-	-	670,003	-	670,003
Borrowings	-	-	-	-	-	6,810,269	6,810,269
Trade payables	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	1,010,128	1,010,128
	-	-	-	-	670,003	7,820,397	8,490,400

6.2. Fair valuation methods and assumptions

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

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

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

6.3. Fair value measurements recognised in the statement of financial position

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

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

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

The Company maintains quoted investments in the companies listed in Note 14 and were valued at N15,729,000 (31 December 2013 : N25,282,000) which are categorised as level 1, because the securities are listed, however, there are no financial instruments in the level 2 and 3 categories for the year.

7. Capital management

In management of the Company capital, the Company'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 Company'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 Company 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 Company'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 Company'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 reflect only credit and counterparty risk.

The Company achieved capital adequacy ratio 27% at the end of the year, compared to 29% recorded for the year ended 31 December 2013 respectively.

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

8. Risk management framework

The primary objective of C & I Leasing's risk management framework is to protect the Company'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 Company 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 arises from a Company'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 Company, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

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

8.1. **Strategic risks**

Capital management policies, objectives and approach.

The following capital management objectives, policies and approach to managing the risks which affect the capital position are adopted by C&I Leasing Plc.

- To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements of its capital providers and shareholders.
- To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

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

8.2. Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company'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 Company's operations.

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

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

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

8.3. Financial risks

The Company's operations expose it to a number of financial risks. Adequate risk management procedures have been established to protect the Company 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 Company 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 Company has policies in place to mitigate its credit risks.

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

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

Exposure to risk

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

	2014 N'000	2013 N'000	2012 (11 Months) N'000
Financial assets			
Cash and balances with banks	392,446	820,466	200,591
Loans and receivables	4,204,514	2,530,000	1,271,711
Finance lease receivables	2,099,601	2,069,810	2,534,683
Available for sale assets	15,729	25,282	24,401
Other assets	3,951,439	2,773,719	2,293,864
	10,663,729	8,219,277	6,325,250

8.3.2. Liquidity risks

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

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

The Company maintains sufficient amount of cash for its operations. Management reviews cashflow forecasts on a regular basis to determine whether the Company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. The Board Operations Committee has primary responsibility for compliance with regulations and company policy and maintaining a liquidity crisis contingency plan.

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

The Company employs policies and procedures to mitigate its exposure to liquidity risk. The Company complies with minimum regulatory requirements.

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

	Current N'000	Non-current N'000	Total N'000
31 December 2014			
Balance due to banks	579,838	-	579,838
Borrowings	2,801,933	3,346,053	6,147,986
Other liabilities	1,657,673	-	1,657,673
	5,039,444	3,346,053	8,385,497
31 December 2013			
Balance due to banks	590,121	-	590,121
Borrowings	3,543,718	3,257,771	6,801,489
Other liabilities	1,237,508	-	1,237,508
	5,371,347	3,257,771	8,629,118
31 December 2012			
Balance due to banks	670,003	-	670,003
Borrowings	4,697,240	4,241,024	8,938,264
Other liabilities	1,010,128	-	1,010,128
	6,377,371	4,241,024	10,618,395

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

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

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

8.3.3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is monitored by the Company's management to ensure that the company is not openly exposed to changes in the interest rates on interest bearing liabilities. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

8.3.4. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk as a result of its foreign subsidiary as well as foreign borrowings (usually denominated in US Dollars).

The Company'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. The exposure to foreign exchange risk as a result of these subsidiaries in this year as a result of translation has been recognised in the other comprehensive income statement.

The Company 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 Company. Interest bearing assets comprise cash and cash equivalents and loans to subsidiaries which are considered short term liquid assets. The Company's interest rate liability risk arises primarily from borrowings issued at variable interest rates which expose the Company to cash flow interest rate risk. It is the Company'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 Company 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 Company in available for sale financial assets expose the Company 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 year - equity shares in Guaranty Trust Bank (Gross Domestic Receipt), however all other gains due to increase in market prices were recorded in the fair value reserve through the other comprehensive income.

9. Statement of prudential adjustment

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for financial institutions in Nigeria stipulates that financial institutions would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted.

However, Other Financial Institutions would be required to comply with the following

- 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 are less than IFRS provisions; IFRS determined provision is charged to the income statement. The cumulative balance in the statutory credit reserve is thereafter reversed to the retained earnings account.

b) The non-distributable reserve should be classified under equity as part of the core capital.
During the year ended 31 December 2014, the Company has transferred N214,352,332 (31 December 2013: N31,798,921) to the statutory credit reserve. This is because the provisions for credit and other known losses as determined under the prudential guidelines issued by the Central Bank of Nigeria (CBN), is higher than the impairment allowance as determined in line with IAS 39 as at the year then ended.
In line with the same directive of the CBN, the Company has reconciled the statutory credit reserve as at 31 December 2014, by comparing the provision and impairment as determined under both bases. A reconciliation of this amount is provided below:

	2014 N'000	2013 N'000	2012 (11 Months) N'000
Company			
Total IFRS impairment losses	729,229	796,318	832,593
Prudential provisions	(943,583)	(828,117)	(544,688)
Transfer to statutory credit reserve	**(214,354)**	**(31,799)**	**287,905**
Analysis of the IFRS impairment losses			
Finance lease receivables (Note 38.1)	21,208	49,474	60,624
Lease rental due (Note 38.1)	169,674	97,559	158,445
Loans and receivables (Note 38.1)	17,937	16,190	14,733
Other assets (Note 38.1)	520,410	633,095	598,791
Total IFRS impairment losses	729,229	796,318	832,593
Analysis of the provision for loan losses per prudential guidelines			
Finance lease receivables	21,209	49,474	60,624
Lease rental due	196,371	91,798	123,944
Loans and advances	16,962	43,259	20,919
Other assets	709,041	643,586	339,202
Total Prudential provision for losses	943,583	828,117	544,689

		2014 N'000	2013 N'000	2012 (11 Months) N'000
10.	**Cash and balances with banks**			
	Cash in hand	-	31	-
	Current balances with banks	392,446	820,435	200,591
	Placement with bank	-	-	-
		392,446	820,466	200,591
11.	**Loans and receivables**			
	Lease rental due	875,892	801,737	810,924
	Loans and advances	55,705	57,692	32,295
	Intercompany loans (Note 11.1)	3,460,529	1,784,320	601,670
		4,392,126	2,643,749	1,444,889
	Impairment allowance (Note 11.4)	(187,612)	(113,749)	(173,178)
		4,204,514	2,530,000	1,271,711

11.1	**Intercompany loans**			
	C&I Motors Limited	753,998	-	305,093
	Citrans Global Limited	-	313,576	296,577
	Leasafric Ghana Limited	-	9,958	
	EPIC International FZE, United Arab Emirates	2,706,531	1,460,786	
		3,460,529	1,784,320	601,670
11.2	**Analysis of loans and receivables by security:**			
	Secured	-	-	-
	Otherwise secured	4,392,126	2,643,747	1,444,889
		4,392,126	2,643,747	1,444,889
11.3	**Loans and receivables are further analysed as follows:**			
	Less than one year	3978673	1,987,703	1,324,020
	More than one year and less than five years	413,453	656,044	117,606
	More than five years	-	-	3,263
		4,392,126	2,643,747	1,444,889
11.4	**Impairment allowance on loans and receivables**			
	Lease rental due (Note 11.5)	169,674	97,559	158,445
	Loans and advances (Note 11.6)	17,938	16,190	14,733
		187,612	113,749	173,178
11.5	**Analysis of impairment allowance - Lease rental due**			
	Specific impairment	159,416	89,483	157,175
	Collective impairment	10,258	8,076	1,270
		169,674	97,559	158,445
11.5.1	**Movement in impairment allowance - Lease rental due**			
	At the beginning of the year	97,559	158,446	156,846
	Discontinued operations	-	-	-
	Charge for the year	72,115	6,805	18,794
	Provision no longer required	-	(67,692)	-
	Written off in the year			(17,195)
	At the end of the year	169,674	97,559	158,445

		2014	2013	2012 (11 Months)
		N'000	N'000	N'000
11.6	**Analysis of impairment allowance - Loans and**			
	Specific impairment	14,987	13,803	14,733
	Collective impairment	2,951	2,387	-
		17,938	16,190	14,733
11.6.1	**Movement in impairment allowance - Loans and**			
	At the beginning of the year	16,190	14,733	82,716
	Discontinued operations	-	-	-
	Charge for the year	1,748	2,387	-
	Provision no longer required	-	(930)	(32,649)
	Written off in the year	-	-	(35,334)
	At the end of the year	17,938	16,190	14,733

12.	**Trade receivables**			
	Gross trade receivables	-	-	-
	Impairment allowance	-	-	-
		-	-	-
13.	**Finance lease receivables**			
	Gross finance lease receivable	5,373,173	5,212,776	6,380,222
	Unearned lease interest/maintenance (Note 13	(3,252,364)	(3,093,492)	(3,784,915)
	Net investment in finance lease	2,120,809	2,119,284	2,595,307
	Impairment allowance (Note 13.5)	(21,208)	(49,474)	(60,624)
		2,099,601	2,069,810	2,534,683

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

		2014 N'000	2013 N'000	2012 (11 Months) N'000
13.3	**The net investment in finance lease may be analysed as**			
	Less than one year	1,949,642	987,341	1,209,506
	More than one year and less than five years	171,167	1,131,943	4,851,054
		2,120,809	2,119,284	6,060,560
13.4	**Analysis into current portion and non-current portion**			
	Current portion	1,949,642	987,341	
	Non-current portion	171,167	1,131,943	
		2,120,809	2,119,284	-

		2014 N'000	2013 N'000	2012 (11 Months) N'000
13.5	**Analysis of impairment allowance - Finance lease**			
	Specific impairment	-	-	-
	Collective impairment	21,208	49,474	60,624
		21,208	49,474	60,624
13.5.1	**Movement in impairment allowance - Finance lease**			
	At the beginning of the year	49,474	60,624	59,442
	Discontinued operations	-	-	-
	Charge for the year	(28,266)	-	1,182
	Provision no longer required	-	(11,150)	-
	Written off in the year	-	-	-
	At the end of the year	21,208	49,474	60,624

14. Available for sale assets

14.1 Listed equities - at fair value

Diamond Bank Plc (GDR)	**9,402**	8,711	8,782
First Bank of Nigeria Plc	**4,400**	13,371	12,895
Fidelity Bank Plc	**1,927**	3,200	2,724
	15,729	25,282	24,401

15. Investment in subsidiaries

Leasafric Ghana Limited	**754,736**	709,257	709,257
C&I Motors Limited	**700,000**	700,000	700,000
EPIC International FZE, United Arab Emirates	**4,231**	4,231	4,231
Citrans Global Services Limited	-	191,667	191,667
	1,458,967	1,605,155	1,605,155

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

15.1.1. Leasafric Ghana Limited

Leasafric Ghana Limited is a company incorporated in Ghana under the Companies Code, 1963 (Act 179) of Ghana as a 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. C&I Motors Limited

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

15.1.3. EPIC International FZE, U.A.E.

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

15.1.4. Citrans Global Limited

Citrans Global Limited was incorporated under the Companies and Allied Matters Act CAP C20 LFN 2004, as a limited liability company on 12 August, 2008 and commenced operations on 26 May 2009. Its principal activities is provision of transportation and logistics to individuals and corporate organisations. The company is the operator of Red Cab taxi brand in Nigeria. This subsidiary was disposed of during the year; in line with shareholders resolution at the Annual General Meeting held on 14 August 2014.

15.2. Condensed results of consolidated entities

The consolidated results of the consolidated entities of C&I Leasing Plc are shown in Note 15.2.1.

The C&I Leasing Group in the condensed results includes the results of the underlisted entities:

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

	2014 N'000	2013 N'000	2012 (11 Months) N'000
16. Other assets			
Financial assets:			
Operating lease service receivables	1,407,984	903,502	1,279,373
Finance lease in process	528,271	727,105	-
Account receivables	296,529	743,509	944,782
Advance payment for services	96,457	-	74,378
Other debit balances	150,149	151,135	211,045
Consumables	14,828	15,938	-
Insurance receivables	96,588	86,045	97,028
Deposit for investments	851,129	-	-
Withholding tax receivables	972,129	705,998	286,049
	4,414,064	3,333,232	2,892,655
Impairment allowance (Note 16.1)	(520,409)	(633,095)	(598,791)
	3,893,655	2,700,137	2,293,864
Non-financial assets:			
Prepayments	57,784	73,582	6,109
Net other assets balance	3,951,439	2,773,719	2,299,973
16.1 Analysis of impairment allowance - Other assets			
Specific impairment	373,744	549,171	493,278
Collective impairment	146,665	83,924	105,513
	520,409	633,095	598,791
16.2.1 Movement in impairment allowance - Other assets			
At the beginning of the year	633,095	598,791	344,413
Discontinued operations	-	-	-
Charge for the year	(112,686)	55,893	254,378
Provision no longer required	-	(21,589)	-
At the end of the year	520,409	633,095	633,095

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

	2014 N'000	2013 N'000	2012 (11 Months) N'000
17. Inventories			
Motor vehicles	-	-	-
Tracking devices	30,466	-	-
Vehicle spare parts	-	-	-
Goods in transit	-	-	-
	30,466	-	-
Impairment allowance (Note 17.1)	-	-	-
	30,466	-	-

	2014 N'000	2013 N'000	2012 (11 Months) N'000
16.2.1 Movement in impairment allowance			
- Inventories			
At the beginning of the year	-	-	-
Discontinued operations	-	-	-
At the end of the year	-	-	-

18. Operating Lease Assets

	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 2014	3,842,424	21,516	5,398,142	-	391,759	9,653,841
Additions	519,353	353	98,413	-	-	618,119
Disposals in the year	(363,332)	-	(66,144)	-	(51,373)	(480,849)
At 31 December 2014	3,998,445	21,869	5,430,411	-	340,386	9,791,111
Accumulated depreciation						
At 1 January 2014	2,198,661	21,509	1,041,561	-	243,381	3,505,112
Charge for the year	738,447	6	280,656	-	18,081	1,037,190
Disposals in the year	(344,549)	-	(66,144)	-	(51,373)	(462,066)
At 31 December 2014	2,592,559	21,515	1,256,073	-	210,089	4,080,236
Carrying amount						
At 31 December 2014	**1,405,886**	354	**4,174,338**	-	130,297	5,710,875
Cost						
At 1 January 2013	3,752,135	21,516	5,342,405	127,674	391,759	9,635,489
Additions	363,240	-	55,737	-	-	418,977
Transfer to own assets	-	-	-	(127,674)	-	(127,674)
Disposals in the year	(272,951)	-	-	-	-	(272,951)
At 31 December 2013	3,842,424	21,516	5,398,142	-	391,759	9,653,841
Accumulated depreciation						
At 1 January 2013	1,717,586	21,505	799,312	-	219,521	2,757,924
Charge for the year	739,976	4	242,249	-	23,860	1,006,089
Disposals in the year	(258,901)	-	-	-	-	(258,901)
At 31 December 2013	2,198,661	21,509	1,041,561	-	243,381	3,505,112
Carrying amount						
At 31 December 2013	**1,643,763**	7	**4,356,581**	-	148,378	6,148,729
Cost						
At 1 February 2012	2,886,613	21,516	5,441,672	-	391,759	8,741,560
Additions	1,107,050	-	17,429	-	-	1,124,479
Transfer to own assets	(1,100)	-	-	127,674	-	126,574
Disposals in the year	(240,428)	-	(116,696)	-	-	(357,124)
At 31 December 2013	3,752,135	21,516	5,342,405	127,674	391,759	9,635,489

	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
Accumulated depreciation						
At 1 February 2012	1,274,025	21,490	604,026	-	183,624	2,083,165
Charge for the year	649,629	15	226,828	-	35,897	912,369
Transfer to own assets	(52)					(52)
Disposals in the year	(206,016)	-	(31,542)	-	-	(237,558)
At 31 December 2012	1,717,586	21,505	799,312	-	219,521	2,757,924
Carrying amount						
At 31 December 2012	2,034,549	11	4,543,093	127,674	172,238	6,877,565

19. Property Plant and Equipment

	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	Constructio n in progress N'000	Total N'000
Valuation/Cost								
At 1 January 2014	227,400	37,250	175,064	39,545	290,186	522,981	21,239	1,313,665
Additions	1,650	4,895	16,991	1,292	1,831	-	-	26,659
Revaluation surplus	-	-	-	-	20,162	68,858	-	89,020
Disposal in the year	(6,975)	-	-	(5,000)	-	-	-	(11,975)
At 31 December, 2014	222,075	42,145	192,055	35,837	312,179	591,839	21,239	1,417,369
Accumulated depreciation								
At 1 January 2014	95,974	25,717	132,566	27,024	20,996	-	-	302,277
Charge for the year	35,020	4,048	16,809	3,932	5,825	-	-	65,634
Disposal in the year	(6,083)	-	-	(5,000)	-	-	-	(11,083)
At 31 December, 2014	124,911	29,765	149,375	25,956	26,821	-	-	356,828
Carrying amount								
At 31 December, 2014	**97,164**	**12,380**	**42,680**	**9,881**	**285,358**	**591,839**	**21,239**	**1,060,541**

	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	Constructio n in progress N'000	Total N'000
Valuation/Cost								
At 1 January 2013	237,830	35,388	163,974	28,997	255,158	405,966	21,239	
Additions	2,500	1,862	11,090	10,548	-	-	-	
Revaluation surplus	-	-	-	-	35,028	117,015	-	
Disposals	(12,930)	-	-	-	-	-	-	
At 31 December, 2013	227,400	37,250	175,064	39,545	290,186	522,981	21,239	
Accumulated depreciation								
At 1 January 2013	68,503	22,260	118,327	23,551	15,893	-	-	248,534
Charge for the year	37,745	3,457	14,239	3,473	5,103	-	-	64,017
Disposal in the year	(10,274)	-	-	-	-	-	-	(10,274)
At 31 December, 2013	95,974	25,717	132,566	27,024	20,996	-	-	302,277
Carrying amount								
At 31 December, 2013	**131,426**	**11,533**	**42,498**	**12,521**	**269,190**	**522,981**	**21,239**	**1,011,388**

	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	Constructio n in progress N'000	Total N'000
Valuation/Cost								
At 1 February 2012	113,196	30,000	148,605	28,089	117,965	236,309	77,239	751,403
Additions	124,634	5,388	15,369	908	-	7,010	-	153,309
Revaluation surplus	-	-	-	-	81,193	162,647	-	243,840
Disposals	-	-	-	-	56,000	-	(56,000)	-
At 31 December, 2012	237,830	35,388	163,974	28,997	255,158	405,966	21,239	1,148,552
Accumulated depreciation								
At 1 February 2012	53,841	19,012	103,796	21,016	12,613	-	-	210,278
Charge for the year	14,661	3,248	14,531	2,535	3,280	-	-	38,255
Disposal in the year	-	-	-	-	-	-	-	-
At 31 December, 2013	68,502	22,260	118,327	23,551	15,893	-	-	248,533
Carrying amount								
At 31 December, 2012	**169,328**	**13,128**	**45,647**	**5,446**	**239,265**	**405,966**	**21,239**	**900,019**

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

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

		2014	2013	2012 (11 Months)
		N'000	N'000	N'000
20.	**Intangible assets**			
	Computer software			
	Cost b/f	33,187	-	-
	Additions	122,795	33,187	-
		155,982	33,187	-
	Amortisation			
	Amortisation charge	10,617	-	-
		10,617	-	-
	Net carrying amount			
	At 31 December	145,365	33,187	-

Amortisation charged for the year. The software is not internally generated

		2014	2013	2012 (11 Months)
		N'000	N'000	N'000
21.	**Balance due to banks**			
	Access Bank Plc	15,501	-	5,241
	Diamond Bank Plc	499,334	333,865	333,743
	Guaranty Trust Bank Plc	265	-	-
	Standard Chartered Bank	3,115	-	-
	Stanbic IBTC Bank Plc	49	-	-
	Fidelity Bank Plc	49,535	47,772	34,234
	Zenith Bank Plc	3,700	13,789	114,974
	First Bank of Nigeria Limited	3,282	194,695	181,811
	Union Bank of Nigeria Plc	1,715	-	-
	First City Monument Bank Plc	3,343	-	-
		579,839	590,121	670,003
22.	**Commercial notes**			
	Institutional clients	942,308	664,449	553,279
	Individual clients	3,971,827	2,303,458	1,574,717
		4,914,135	2,967,907	2,127,996
22.1	**Analysis of commercial notes**			
	Current	4,914,135	2,967,907	2,127,996
	Non-current	-	-	-
		4,914,135	2,967,907	2,127,996

23. Other liabilities

Financial liabilities:			
Security deposits	**32,457**	22,196	35,841
Statutory deductions (WHT, PAYE)	**240,618**	147,076	60,196
Intercompany balances	**4,758**	68,729	7,984
Accounts payable	**494,635**	404,689	779,116
Payments received on account	**791,141**	487,219	-
Deferred rental income	**24,033**	11,625	30,375
	1,587,642	1,141,534	913,512
Non-financial liabilities:			
Provision and accruals	**70,031**	95,974	96,616
Total other liabilities	**1,657,673**	1,237,508	1,010,128

24. Taxation

	2014	**2013**	**2012 (11 Months)**
	N'000	**N'000**	**N'000**
24.1 Income tax charge			
Income tax	**149,777**	58,290	53,562
Education tax	**27,980**	11,117	7,293
Technology tax	5,073	3,583	2,360
Current income tax	182,830	72,990	63,215
Current income tax credit	-	-	-
Deferred tax credit	-	-	(137,964)
Deferred tax charge	-	-	-
Income tax	182,830	72,990	(74,749)
Reconciliation of effective tax rate			
Profit before tax	507,301	358,304	235,979
Tax calculated using the domestic corporation tax rate of 30% (31 December 2013 : 30%)	152,191	107,490	70,793
Effect of tax rates in foreign jurisdictions	-	-	-
Tax income exempt	(71,211)	(232,561)	(217,093)
Non-deductible expenses	338,722	327,836	249,842
Effect of education tax levy	27,980	11,117	7,293
Effect of technology tax levy	5,073	3,583	2,360
Effect of minimum tax	-	-	2,360
Effect of disposal of items of PPE	32,667	(15,837)	(29,494)
Tax reliefs	(302,592)	(128,638)	(160,810)
Total income tax	182,830	72,990	(74,749)

24.2 Current income tax liability			
At the beginning of the year	191,822	118,832	55,617
Discontinued operations	-	-	-
Charge for the year (Note 24.1)	182,830	72,990	63,215
Withholding tax credit notes utilised	(155,860)	-	-
Payments during the year	(16,977)	-	-
At the end of the year	201,815	191,822	118,832

24.3	**Current income tax assets**			
	At the beginning of the year	-	-	-
	Charge for the year (Note 24.1)	-	-	-
	Payments during the year	-	-	-
	Exchange difference	-	-	-
	At the end of the year	-	-	-
24.4	**Deferred income tax assets**			
	At the beginning of the year	**(813,120)**	(813,120)	(675,156)
	Discontinued operations	-	-	(137,964)
	Charge in the year (Note 24.1)	-	-	-
	Prior year adjustment	-	-	-
	At the end of the year	**(813,120)**	(813,120)	(813,120)

		2014	2013	2012 (11 Months)
		N'000	N'000	N'000
24.4.1	**Analysis of deferred income tax assets**			
	Property, plant and equipment	**(813,120)**	(813,120)	(813,120)
	Allowance for loan and other assets losses	-	-	-
		(813,120)	(813,120)	(813,120)
24.5	**Deferred income tax liability**			
	At the beginning of the year	-	-	-
	Charge during the year	-	-	-
	At the end of the year	-	-	-
24.5.1	**Analysis of deferred income tax liability**			
	Property, plant and equipment	-	-	-
	Tax losses carried forward	-	-	-
		-	-	-
25.	**Borrowings**			
	Term loans (Note 25.1)	**3,674,622**	4,090,647	3,206,683
	Finance lease facilities (Note 25.2)	**1,837,296**	1,862,753	2,649,486
	Redeemable bonds (Note 25.3)	**636,068**	848,089	954,100
		6,147,986	6,801,489	6,810,269

The Company has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year (December 2013,2012 : Nil).

25.1	**Term loans**			
	First City Monument Bank Plc (Note 25.1.3)	**2,059,342**	2,122,240	2,495,640
	Fidelity Bank (Note 25.1.4)	**345,580**	560,720	711,043
	ABSA Bank Limited, South Africa (Note 25.1.5)	**606,762**	651,083	-
	Diamond Bank Plc (Note 25.1.6)	**662,938**	756,604	-
	B.V. Scheepswerf			
	Damen Gorinchem,	-	-	-
		3,674,622	4,090,647	3,206,683

25.1.1 **Analysis of term loans**

Current	**1,039,132**	1,854,691	798,736
Non-current	**2,635,490**	2,235,956	2,407,947
	3,674,622	4,090,647	3,206,683

25.1.2 **Movement in borrowings**

At the beginning of the year	**6,801,489**	6,810,268	4,939,875
Obtained in the year	**182,284**	1,503,451	2,097,916
Effective interest charge			143,053
Repayment during the year	**(1,042,143)**	(1,512,230)	(370,575)
Exchange loss	**44,530**	-	-
Foreign currency translation	**161,826**	-	-
At the end of the year	**6,147,986**	6,801,489	6,810,269

25.1.3. **First City Monument Bank Plc**

Facility represents US $15,725,000 term loan secured from First City Monument Bank Plc on 2 December 2011 for a year of 66 months with a moratorium of 9 months on principal, to finance acquisition of crew and tug boats. The interest on the loan is 9% per annum Dollar interest rate. The loan is secured by mortgage on the boats being financed.

25.1.4. **Fidelity Bank Plc**

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

25.1.5. **ABSA Bank Limited, South Africa**

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

25.1.6. **Diamond Bank Plc**

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

25.1.7. **B.V. Scheepswerf Damen Gorinchem, The Netherlands**

Facility represents US$7,590,245 term loan secured from B.V. Scheepswerf Damen Gorinchem, The Netherlands, under a loan agreement dated 22 September 2014 for a period of five years effective 22 September 2014. The interest on the loan is 4.8% per annum. The facility is required to enable the Company meets its financial obligations on new boat acquisition. The facility was obtained by EPIC International.

		2014 N'000	2013 N'000	2012 (11 Months) N'000
25.2	**Finance lease facilities**			
	Diamond Bank Plc (Note 25.2.2)	**532,544**	873,950	1,349,982
	Stanbic IBTC Bank (Note 25.2.3)	**168,513**	207,360	285,229
	First Bank Nigeria Ltd (Note 25.2.4)	**618,651**	407,034	386,996
	Access Bank Plc (Note 25.2.5)	**339,201**	32,969	68,228
	Leadway Assurance Company Ltd	-	-	-
	Lotus Capital Limited (Note 25.2.6)	**4,067**	72,439	132,841
	United Bank for Africa (Note 25.2.7)	**6,028**	46,035	98,280
	Golden Cedar, Ghana (Note 25.2.8)	-	-	-
	Barclays Bank Ghana (Note 25.2.9)	-	-	-
	FSDH Merchant Bank Ltd (Note 25.2.10)	**168,292**	222,966	310,390
	Oiko Ghana (Note 25.2.11)	-	-	-
	Intercontinental Bank, Ghana	-	-	-
	Others			17,540
		1,837,296	1,862,753	2,649,486
25.2.1	**Analysis of finance lease facility**			
	Current	**1,459,912**	1,480,138	1,497,164
	Non-current	**377,384**	382,613	1,152,321
		1,837,296	1,862,751	2,649,485

25.2.2. Diamond Bank Plc

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

25.2.3. Stanbic IBTC Bank Plc

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

25.2.4. First Bank Nigeria Limited

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

25.2.5. Access Bank Plc

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

25.2.6. Lotus Capital Limited

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

25.2.7. United Bank for Africa Plc

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

25.2.8. Golden Cedar, Ghana

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

25.2.9. Barclays Bank of Ghana

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. The facility was obtained by Leasafric Ghana Limited

25.2.10. FSDH Merchant Bank Limited

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

25.2.11. Oikocredit EDCS Ghana

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

		2014 N'000	2013 N'000	2012 (11 Months) N'000
25.3	Redeemable bonds			
	First Pension Custodian Ltd	230,067	306,756	345,100
	First Securities Discount House Ltd	338,334	451,111	507,500
	UBA Pension Custodian Ltd	67,667	90,222	101,500
	Convertible bond (Note 25.3.3)	-	-	-
		636,068	848,089	954,100
25.3.1	Analysis of redeemable bonds			
	Current	302,889	208,889	273,344
	Non-current	333,179	639,200	680,756
		636,068	848,089	954,100

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

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

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

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25.3.3. Convertible bond

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

		2014	2013	2012 (11 Months)
		N'000	N'000	N'000
26.	**Retirement benefit obligations**			
	Defined contribution pension plan (Note 26.1)	35,238	24,288	164,669
		35,238	24,288	164,669
26.1	**Defined contribution pension plan**			
	At the beginning of the year	24,288	164,669	205,688
	Contribution during the year	210,520	420,046	350,511
	Remittance during the year	(199,570)	(560,427)	(391,530)
	At the end of the year	35,238	24,288	164,669

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

27. Share Capital

		2014	2013	2012 (11 Months)
		N'000	N'000	N'000
27.1	**Authorised share capital**			
	3,000,000,000 ordinary shares of 50k each	1,500,000	1,500,000	1,500,000
27.2	**Issued and fully paid**			
	1,617,010,000 ordinary shares of 50k each	808,505	808,505	808,505
28.	**Deposit for shares**			
	At the beginning of the year	1,937,850	1,951,350	1,565,500
	Addition during the year			416,958
	Exchange difference	153,580	(13,500)	(31,108)
	At the end of the year	2,091,430	1,937,850	1,951,350

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

		2014 N'000	2013 N'000	2012 (11 Months) N'000
29.	**Statutory reserve**			
	At the beginning of the year	**510,952**	425,359	332,141
	Transfer from income statement	97,342	85,593	93,218
	At the end of the year	608,294	510,952	425,359

Nigerian banking regulations requires the Company 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.

		2014 N'000	2013 N'000	2012 (11 Months) N'000
30.	**Statutory credit reserve**			
	At the beginning of the year	31,799	-	-
	Transfer from retained earnings	214,352	31,799	-
	At the end of the year	246,151	31,799	-

The Company 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.

		2014 N'000	2013 N'000	2012 (11 Months) N'000
31.	**Retained earnings**			
	At the beginning of the year	1,648,812	1,513,231	1,295,721
	Dividend declared and paid	(67,028)	(32,340)	-
	Transfer from income statement	324,471	285,314	217,510
	Transfer to statutory reserve	(97,342)	(85,593)	-
	Transfer to statutory credit reserve	(214,352)	(31,799)	-
	At the end of the year	1,594,561	1,648,813	1,513,231
32.	**Foreign currency translation reserve**			
	At the beginning of the year	-	-	-
	Arising in the year	(161,830)	-	-
	At the end of the year	(161,830)	-	-

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

		2014 N'000	2013 N'000	2012 (11 Months) N'000
33.	**AFS fair value reserve**			
	At the beginning of the year	4,394	3,510	(1,522)
	(Loss)/gain arising in the year	(9,557)	884	5,032
	At the end of the year	(5,163)	4,394	3,510

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

		2014 N'000	2013 N'000	2012 (11 Months) N'000
34.	**Revaluation reserve**			
	At the beginning of the year	395,882	243,840	-
	Arising during the year	89,021	152,042	243,840
	At the end of the year	484,903	395,882	243,840

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

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

		2014 N'000	2013 N'000	2012 (11 Months) N'000
35.	**Non controlling interest**			
	At the beginning of the year	-	-	-
	Discontinued operations	-	-	-
	Share of increase in share capital of Leasafric Ghana	-	-	-
	Share of dividend paid by Leasafric Ghana	-	-	-
	Share of profit from Leasafric Ghana	-	-	-
	Share of profit/(loss) from Citrans Global	-	-	-
	At the end of the year	-	-	-

36.	**Cash and cash equivalents**			
	Cash and balances with banks (Note 10)	392,446	820,466	200,591
	Balance due to banks (Note 21)	(579,839)	(590,121)	(670,003)
		(187,393)	230,345	(469,412)

	2014 N'000	2013 N'000	2012 (11 Months) N'000
37. Impairment charge			
Debit balances written off	77,728	624	1,182
Finance lease receivables	(28,265)	(11,150)	18,794
Lease rental due	72,116	(60,887)	(32,649)
Loans and advances	1,747	1,457	254,378
Other assets	(112,686)	34,304	-
Per income statement	10,640	(35,652)	241,705

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

Company

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

	Loans and advances N'000	Lease rental due N'000	Finance lease receivables N'000	Other assets N'000	Total N'000
At 1 February 2012					
Specific impairment	82,716	152,711	-	264,987	500,414
Collective impairment	-	4,136	59,442	79,426	143,004
	82,716	156,847	59,442	344,413	643,418
Additional impairment					
Specific impairment	-	17,523	-	228,291	245,814
Collective impairment	-	1,271	1,182	26,087	28,540
No longer required	(32,649)	-	-	-	(32,649)
Income statement	(32,649)	18,794	1,182	254,378	241,705

	Loans and advances N'000	Lease rental due N'000	Finance lease receivables N'000	Other assets N'000	Total N'000
Written off	(35,334)	(17,195)			(52,529)
At 31 December 2012					
Specific impairment	14,733	157,175	-	493,278	665,186
Collective impairment	-	1,271	60,624	105,513	167,408
	14,733	158,446	60,624	598,791	832,594

		2014 N'000	2013 N'000	2012 N'000
38.	**Lease rental income**			
	Finance lease	**2,965,269**	2,606,438	2,956,865
	Operating lease	**3,755,231**	2,529,628	1,875,126
		6,720,500	5,136,066	4,831,991
39.	**Lease interest expense**			
	Finance lease interest	**495,421**	462,295	653,196
	Commercial notes interest	**471,078**	442,375	410,212
	Term loans interest	**415,243**	512,392	236,498
		1,381,742	1,417,062	1,299,906
40.	**Outsourcing income**			
	Outsourcing rental	**4,987,412**	4,553,800	4,823,995
	Outsourcing service expense	**(4,353,276)**	(3,568,317)	(3,777,963)
		634,136	985,483	1,046,032
41.	**Vehicle sales**			
	Vehicles	-	-	-
	Accessories	-	-	-
	Others	-	-	-
		-	-	-
42.	**Vehicles operating expenses**			
	Vehicles	-	-	-
	Accessories	-	-	-
	Others	-	-	-
		-	-	-
43.	**Tracking income**			
	Tracking income	**50,389**	-	-
	Tracking expenses	**(16,724)**	-	-
		33,665	-	-
44.	**Interest income**			
	Interest on loans and advances	337,456	191,224	260
	Interest on bank deposits	9,016	7,969	**1,112**
		346,472	199,193	**1,372**

45.	**Other operating income**			
	Gain on sale of operating lease assets (Note 45.1)	87,156	52,426	87,072
	Gain on sale of property, plant and	139,923	364	-
	Foreign exchange gain/(loss)	68,384	-	80,219
	Gain on disposal of finance lease assets (Note 45.3)	-	131,294	11,242
	Insurance claims received	4,640	56,052	81,341
	Insurance income on finance leases	10,088	13,528	16,187
	Investment income	1,367	22,210	10,343
	Advertisement income	-	-	-
	Franked Investment Income	10,291		-
	Franchise	-	-	-
	Rent received	14,073	20,250	437
	Others	18,004	54,630	148,497
		353,926	350,754	435,338

		2014	2013	2012
		N'000	N'000	N'000
45.1	**Gain on sale of operating lease assets**			
	Proceeds from sale	105,940	66,475	206,639
	Gross value	480,850	272,951	357,124
	Accumulated depreciation	(462,066)	(258,901)	(237,557)
	Carrying amount	18,784	14,050	119,567
	Profit on disposal	87,156	52,425	87,072
45.2	**Gain on sale of property, plant and equipment**			
	Proceeds from sale	140,815	3,020	-
	Gross value	11,975	12,930	-
	Accumulated depreciation	(11,083)	(10,274)	-
	Carrying amount	892	2,656	-
	Profit on disposal	139,923	364	-
46.	**Direct leasing expenses**			
	Operating lease rental expenses	3,026,663	1,966,093	1,498,150
	Finance lease assets maintenance	269,711	174,149	193,253
	Finance lease assets insurance	140,352	184,502	283,826
		3,436,726	2,324,744	1,975,229
47.	**Depreciation expense**			
	Operating lease assets	1,037,189	1,006,089	912,368
	Property, plant and equipment	65,633	64,018	38,259
		1,102,822	1,070,107	950,627
48.	**Personnel expense**			
	Salaries and allowances	507,335	520,167	527,237
	Pension contribution expense	19,655	19,753	26,703
	Training and medical	68,741	45,022	91,009
		595,731	584,942	644,949

49. Distribution expenses

Marketing	-	-	-
Advertising	-	-	-
	-	-	-

	2014 N'000	2013 N'000	2012 N'000
50. Other operating expenses			
Directors' emoluments	18,522	10,524	14,000
Auditors' remuneration	15,400	15,400	11,932
Foreign exchange loss	-	18,966	-
Bank charges	123,842	113,058	142,018
Fuel, repairs and maintenance	416,131	466,795	375,920
Insurance	49,513	40,442	43,974
Advertisement and external relations	20,400	11,939	27,809
Travel and entertainment	99,968	48,328	57,667
Legal and professional	111,292	81,985	58,269
Communications	45,742	40,625	38,718
Subscriptions	52,544	41,239	20,019
Levies and penalties	8,846	8,757	58,739
Printing and stationaries	11,463	11,203	49,952
Rent and rates	12,921	9,850	-
Diesel and electricity	18,570	4,980	-
Security and office supplies	36,299	27,898	-
Amortisation of intangible assets	10,617	-	-
Other administrative expenses	-	-	-
Other administrative expenses	-	-	67,321
	1,052,070	951,989	966,338

	2014 N'000	2013 N'000	2012 N'000
51. Cash flows generated from operating			
Profit after taxation	324,471	285,314	310,728
Adjustment to reconcile profit after tax to net cash from operating			
Depreciation of property, plant and equipment	65,634	64,017	38,255
Depreciation of operating lease assets	1,037,190	1,006,089	912,369
Amortisation of intangible assets	10,617	-	-
Impairment charge	10,639	(35,652)	241,705
Interest on finance lease facilities and loans	1,381,742	1,417,062	1,299,906
Loss on disposal of investment in subsidiary	1,667	-	-
Exchange (gain)/loss	198,104	(13,500)	(31,108)
Increase/(decrease) in current income tax liability	182,830	72,990	60,855
Increase/(decrease) in current income tax assets	-	-	-
(Decrease)/increase in deferred income tax assets	-	-	137,964
(Decrease)/increase in deferred income ta	-	-	-
Profit on disposal of operating lease assets	(87,156)	(52,425)	(87,072)
Profit on disposal of property, plant and equipment	(139,923)	(364)	-
Profit on disposal of investment			11,242
Exchangeloss on foreign currency translation	-	-	-
Operating profit before changes in	2,661,344	2,458,217	2,584,116
Net (increase in operating assets (Note 52)	(7,452,227)	(5,371,969)	55,005
Net increase in operating liabilities (Noi	4,214,096	3,024,271	(588,095)
Total adjustments	(576,787)	110,519	2,051,026
Cash flows generated from operating activities	(252,316)	395,833	2,361,754

		2014	2013	2012
		N'000	N'000	N'000
52.	**Increase in operating assets**			
	Loans and receivables	(10,047,530)	(8,558,290)	(31,730)
	Finance lease receivables	(1,525)	476,023	(116,352)
	Other assets	2,627,294	2,710,298	203,087
	Inventories	(30,466)	-	-
	Trade receivables	-	-	-
		(7,452,227)	(5,371,969)	55,005
53.	**Increase in operating liabilities**			
	Commercial notes	1,946,228	839,911	(937,489)
	Trade payables	-	-	-
	Other liabilities	2,057,348	1,764,314	144,657
	Deferred maintenance charge	-	-	245,756
	Retirement benefit obligations	210,520	420,046	(41,019)
		4,214,096	3,024,271	(588,095)

54. Disposal of Citrans Global Limited

On 30 September 2014, C&I Leasing Plc disposed of its 76.67% of the share capital of its subsidiary - Citrans Global Limited. The company contributed profit of N5.6 million to the Group from 1 January 2014 to 30 September 2014 (year ended 31 December 2013: Loss of N111.1 million) in Citrans Global Limited.

Discontinued operations contributed profit of N5.6 million to the Group (year ended 31 December 2013: (Loss of N111.1 million). The result of the discontinued operations up till point of disposal is included within "Discontinued operations" in the current year and their full year result for prior year is also shown. The results of discontinued operations as shown below, includes the following:

	12 months to 31 December 2014	12 months to 31 December 2013	11 months to 31 December 2012
	N'000	N'000	N'000
Gross earnings	259,077	246,774	-
Lease rental income	48,393	58,778	-
Lease interest expenses	(19,692)	(24,531)	-
Net lease rental income	28,701	34,247	-
Tracking and tagging income	93,200	92,158	-
Tracking and tagging expenses	(48,950)	(72,697)	-
Net tracking and tagging income	44,250	19,461	-
Advertisement income	61,938	71,493	-
Advertisement expenses	(7,696)	(16,132)	-
	54,242	55,361	-
Other income	55,546	24,339	-

	12 months to 31 December 2014 N'000	12 months to 31 December 2013 N'000	11 months to 31 December 2012 N'000
Impairment charge	(97,321)	(51,279)	-
Depreciation and amortisation expense	(11,353)	(23,506)	-
Personnel expenses	(37,318)	(46,946)	-
Other operating expenses	(31,117)	(80,776)	-
Profit on continuing operations before taxation	5,630	(69,099)	-
Income tax expense	-	(41,957)	-
Profit/(loss) from discontinued operations	5,630	(111,056)	-
Loss from disposal of subsidiary			
Proceeds from disposal of Citrans Global Limited	190,000		
Cost of investment of Citrans Global Limited	(191,667)		
Loss from disposal of subsidiary	(1,667)		
After tax gain/(loss) from disposal of discontinued operations			
Proceeds from disposal of Citrans Global Limited	190,000		
Net assets of Citrans Global Limited up to disposal date	(73,307)		
Non-controlling interest	17,103		
Pre tax gain/ (loss) from disposal of operations	133,796		
Tax	-		
After tax gain/ (loss) from disposal of operations	133,796		
Total profit on discontinued operations	**139,426**		
Profit attributable to:			
Owners of the parent	139,426		
Non-controlling interests	-		
	139,426		

	12 months to 31 December 2014 N'000	12 months to 31 December 2013 N'000	11 months to 31 December 2012 N'000
Assets			
Cash and balances with banks	15,468	5,360	-
Loans and receivables	70,273	22,588	-
Trade receivables	76,916	57,228	-
Finance lease receivables	482,067	612,636	-
Other assets	2,375	2,217	-
Inventory	42,986	25,044	-
Property, plant and equipment	13,827	21,405	-
Intangible assets	8,636	-	-
Deferred income tax assets	17,481	17,481	-
Total assets	730,029	763,959	-

Liabilities and equity			
Borrowings			
Other liabilities	158,908	181,615	-
Current income tax liability	491,242	508,095	-
Equity and reserves	6,571	6,571	-
Total liabilities and equity	73,307	67,678	-
	730,028	763,959	-

	12 months to 31 December 2014 N'000	12 months to 31 December 2013 N'000	11 months to 31 December 2012 N'000
Net cash from operating activities			
Net cash from investing activities	(2,921)	75,092	-
Net cash from financing activities	4,967	-	-
Movement in cash and cash equivalents	(42,401)	(73,353)	-
Cash and cash equivalents at start of the period/year	(40,355)	1,739	-
Cash and cash equivalents at period/year end	5,219	3,480	-
	(35,136)	5,219	-

55. Basic earnings per share

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

	2014 N'000	2013 N'000	2012 N'000
Profit after taxation	324,471	285,314	310,728
	Number	**Number**	**Number**
Number of shares at YEAR end			
Time weighted average number of shar	1,617,010	1,617,010	1,617,010
Diluted number of shares	1,617,010	1,617,010	1,617,010
Earnings per share (EPS) (kobo) - basic	1,617,010	1,617,010	1,617,010
Earnings per share (EPS) (kobo) - dilut	20.07	17.64	19.00
	20.07	17.64	19.00

56. Information regarding Directors and employees

56.1. Directors

	2014 N'000	2013 N'000	2012 N'000
56.1.1 Directors' emoluments			
Fees			
Other emoluments	10,200	6,200	8,200
	8,322	4,324	3,732
	18,522	10,524	11,932

56.1.2 Fees and emoluments disclosed above excluding pension contributions

The Chairman	1,200	1,200	1,200
The highest paid Director	9,575	9,575	9,575

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

			Number	Number	Number
N240,001	-	N400,000	-	8	8
N400,001	-	N1,550,000	8	1	1
N1,550,001	-	N5,000,000	-	1	1
N5,000,000	-	N8,000,000	1	-	-
N8,000,001	-	N11,000,000	1	-	-
			10	10	10

56.2. Employees

	2014 Number	2013 Number	2012 (11 Months) Number
56.2.1 The average number of persons employed by the Company during the period was as follows:			
Managerial	18	22	27
Senior staff	48	56	60
Junior staff	444	505	538
	510	583	625

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

N	N			
250,000	370,000	162	172	138
370,001	420,000	228	275	320
430,001	580,000	54	58	80
580,001	700,000	22	23	25
700,001	750,000	14	15	20
840,001	850,000	12	18	15
1,000,001	1,100,000	5	6	4
1,100,001	1,150,000	3	4	7
1,200,001	1,400,000	5	5	7
1,500,000	1,550,000	3	4	5
1,650,000	2,050,000	2	3	4
		510	583	625

57. **Reclassification of comparative figures**

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

58. **Events after the reporting date**

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

59. **Financial commitments**

The Directors are of the opinion that all known commitments and liabilities, which are relevant in assessing the state of affairs of the Company have been taking into consideration in the preparation of these financial statements.

60. **Contingent assets/(liabilities)**

The Company is not subject to any claim and other liabilities nor assets arising in the normal course of the business for the year ended 31 December 2014 (31 December 2013 : Nil).

61. **Related party transactions**

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

	2014 N'000	2013 N'000	2012 N'000
C&I Motors Limited The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables.	753,998	(68,729)	305,093
Leasafic Ghana Ghana Limited The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables.	(4,758)	9,958	-
Petra Services The Company is a shareholder in C&I Leasing Plc. Transactions during the year relates to term loans given to them. No provision has been recognised on the intercompany receivables.	-	-	-
Diamond Bank Plc The Company is a shareholder in C&I Leasing Plc. Transactions during the year relates to term loans finance lease facilities obtained from the bank.	(1,694,817)	(1,630,554)	(1,683,725)

	2014 N'000	2013 N'000	2012 N'000
EPIC International FZE			
The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables.	**2,706,531**	1,460,786	-
Citrans Global Limited			
The Company is a subsidiary of C&I Leasing Plc. Transactions during the year relates to intercompany receivables. No provision has been recognised on the intercompany receivables. The subsidiary has been disposed during the year in line with the shareholders approval at the annual general meeting held on 14 August 2014.	-	313,576	296,577

HISTORICAL INFORMATION – NIGERIAN GENERAL ACCEPTED ACCOUNTING PRINCIPLES (2010 - 2012)

STATEMENTS OF ACCOUNTING POLICIES

The following summarize the significant accounting policies applied by the company in arriving at the accompanying accounts.

1. **Basis of Accounting**

   The financial statements have been prepared under the historical cost convention as modified by the disclosure of some assets at current valuation.

2. **Lease Income**

   Income accruing on finance leases is amortized over the lease period on a basis reflecting a constant periodic rate of return on the outstanding net investment while income accruing on operating leases is amortized over the lease period on an equal monthly basis.

3. **Investment**

   Investments are classified as short or long term investments.

i. **Short Term investments**

Debt and equity securities held for a period not exceeding one year are classified as short term investments.

Quoted investments other than dated securities are stated at the lower of cost and market value. Dated securities are stated at cost

ii. **Long term quoted Investment**

Investments intended to be held for a period exceeding one year, which are either held to maturity or available for sale in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as long term investments. Provisions are made for permanent diminution in value.

a) Unquoted investments are stated at cost less provision for diminution in value
b) Investment in subsidiaries are stated at cost

4. **Income Recognition**

   Interest is recognized on an accrual basis. Interest accruing on non performing accounts is recognized on cash basis.

5. **Loans and Advances**

   Loans and advances are stated after the deduction of provisions against debts considered doubtful of recovery. Loans and advances are classified as either performing or non-performing.

i. All loans and advances granted by the group are non-specialized
ii. Loans and advances are considered non-performing when interest and/or principal are due and unpaid for 90 days or more.
iii. In accordance with the provisions of the Prudential Guidelines issued by the Central Bank of Nigeria, provisions are made on all risk assets on the following basis: specific provisions on non-performing accounts:

Interest and/or principal outstanding for: Classification Provision

90 days but less than 180 days	Sub-standard 10%
180 days but less than 360 days	Doubtful 50%
360 days and above	Lost 100%

General provision of 1% is made on risk assets not specifically provided for.
Provisions made during the year less any recovery are charged to the income statement.

6. **Fixed Assets and leased Assets**

Fixed assets and operating lease assets are stated at cost less accumulated depreciation

7. **Depreciation**

Depreciation is provided on a straight-line method at the following annual rates to write off the cost of fixed and operating lease assets over their estimated useful lives. The principal annual rates of depreciation, which are consistent with those of previous years, are:

Asset Class	%
Motor vehicles	25
Office equipment	20
Furniture and fittings	20
Generators	20
Marine equipment	5
Leased assets	20 (or over the period of the lease).
Cranes	10
Buildings	2

8. **Foreign Currencies Transactions**

i. Transactions in foreign currencies are translated to Naira at the rate of exchange ruling at the dates of the transactions.

ii. Foreign currency balances are converted to Naira at the rates of exchange ruling at the balance sheet date and the resultant profit or loss on exchange is taken to the profit and loss account

9. **Taxation**

i. **Income Tax**

Current income tax is payable on the taxable income for the year, based on statutory tax rate Income tax payable on profits, based on the applicable tax law, is recognized as an expense in the year in which the related profit arises. The tax effects of income tax losses available for carry forward are recognized as an asset when it is probable that taxable profits will be available against which these losses can be utilized.

ii. **Deferred Taxation**

Deferred income tax is provided using the liability method for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax income.
The principal timing differences arise from depreciation of property, plant and equipment provision for pensions and other post-retirement benefits and provisions for loans and other

assets. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the timing differences can be utilized.

10. Employees' Retirement Benefits

The Company operates a contributory retirement benefit scheme in line with the Pension Reform Act 2004. The Company and employees contribute 7.5% each of employees' current salaries and designated allowances. The Company's contribution of 7.5% of employees' emolument is charged to Profit and Loss Account.

11. Provisions

Provisions are recognized when the Company has present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations in accordance with the Statement of Accounting Standard (SAS 23).

12. Dividend

Dividend distribution to the company's shareholders is recognized as a liability in the financial statements in the year in which the dividend is approved by the shareholders as they do not meet the criteria of present obligation of the company.

13. Stocks

Stocks are stated at the lower of cost and net realizable value after making allowance for slow moving and damaged items.

Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

14. Interest in Joint Ventures

Joint ventures comprise of the company's interest in various joint venture arrangements with other parties in which the company has several liabilities in respect of various transactions and a share in any resulting output. The company's share of the assets, liabilities, revenue and expenses of each joint venture is incorporated into the group's financial statements on a line-by-line basis.

15. Segment reporting

A segment is a distinguishable component of the company and the Group that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographic segment), which is subject to risks and rewards that are different from those of other segments. Segment information is presented in respect of the company's and the Group business and geographical segments. The business segments are determined by management based on the company's internal reporting structure.

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

16. Basis of consolidation

i. **Subsidiaries**

The group financial statement incorporates the financial statements of the company and that of its subsidiaries: Leasafric Ghana Limited, Citrans Global Limited, C&I Motors Limited and WAP Distributions Limited. The company and its subsidiaries have their financial statements made up to 31 January except for Leasafric Ghana which has 31 December financial year end. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from subsidiaries.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

ii. **Foreign Operations**

The assets and liabilities of the foreign entity are converted to naira at the ruling exchange rate at the reporting date, except for share capital and pre-acquisition reserve, which are translated at their historical rates. Income and expenses are translated using average rates. Differences arising from the translation of the foreign entity's audited financial statements are recorded in Exchange Equalization Reserve in equity

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17. Leases

i. **Finance Lease**

When assets are leased under a finance lease, the present value of the lease payments are recognized to receivable. The difference between the gross receivable and the present value of the receivable are recognized as unearned finance income. Lease income is recognized over the lease using the net investment method which reflects a constant periodic rate of return.

A general provision of 1% is made on advances which have not been specifically provided for.

ii. **Operating leases**

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognized on a straight-line basis.

iii. **Lease Payments**

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Minimum lease payments made under finance lease are apportioned between the finance charge and as a reduction of the outstanding lease liability. The finance charge is allocated to such period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

iv. **Maintenance reserve**

The company creates a maintenance reserve to recognize future maintenance obligations on fleet management contracts which are accounted for as finance leases in line with the relevant accounting standard. These maintenance reserves are then recognized in the financial statements over the tenor of the appropriate fleet management contract.

18. Retirement benefit

Employees contribute 7.5% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes the remainder to make a total contribution of 15% of the total emoluments as required by the pension reforms Act 2004. The company's contribution to the pension scheme is charged to the income statement.

19. Provision

Provision is recognized when the company has a present obligation whether legal or constructive as a result of past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation

20. Intangible assets

i. Software

Software acquired by the company is stated at cost less accumulated amortization and accumulated impairments losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in the profit and loss account on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of the software is three to five years.

21. Cash and Cash equivalent

Cash and cash equivalent comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

22. Earnings Per Share

Earnings per ordinary share have been computed on the profit after tax on the number of ordinary shares in issue during the five years ended 31 January, 2011.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2010 - 2012

	Note	2012 N'000	2011 N'000	2010 N'000
Gross Income	22	8,409,439	6,205,274	5,178,687
Provision for doubtful accounts	23.a	(31,630)	(205,819)	(47,681)
Direct Costs		(6,496,755)	(4,754,271)	(3,984,055)
Gross Profit		1,881,054	1,245,184	1,146,951
Operating Expenses		(1,734,385)	(1,043,943)	(809,502)
Profit Before Taxation		146,669	201,241	337,449
Exceptional Item		-	-	114,145
Taxation	15	(51,642)	(45,277)	(116,592)
Profit After Tax		95,027	155,964	335,002
Appropriation:				
Transfer to statutory reserve	17	19,806	23,395	50,617
Dividend paid			-	-
Transfer to general reserve	19	112,233	132,569	284,385
		132,039	155,964	335,002
Basic Earnings per share(kobo)		8	10	21

BALANCE SHEET
AS AT YEAR ENDED 31 JANUARY 2010 – 2012

	Note	2012 N'000	2011 N'000	2010 N'000
ASSETS				
Cash and short term funds	2	223,479	146,782	1,948,175
Investment in subsidaries	3	613,652	613,652	612,652
Long term investments	4	45,166	46,453	46,688
Loans and advances	5	674,055	762,747	481,958
Finance Lease Receivables	6	5,884,764	2,971,142	2,640,899
Lease rental due	7	505,346	175,852	147,305
Other assets	8	3,474,173	3,421,470	2,465,082
Operating leased assets	9	6,658,395	2,626,274	1,284,238
Fixed assets (owned)	10	515,860	526,858	451,882
Total assets		18,594,890	11,291,230	10,078,879
LIABILITIES				
Bank loans and overdrafts	11	1,252,140	809,273	495,469
Current liabilities	12	12,310,697	5,646,962	4,687,177
Medium term liabilities	13	-	-	-
Convertible bond	14	2,355,505	2,288,505	2,278,305
Taxation	15	43,297	45,277	230,679
		15,961,639	8,790,017	7,691,630
CAPITAL AND RESERVES				
Share capital	16	808,505	808,505	808,505
Statutory reserve	17	332,141	312,335	288,940
Share premium	18	679,526	679,526	679,526
General reserve	19	813,080	700,847	610,278
Shareholders' fund		2,633,252	2,501,213	2,387,249
		18,594,891	11,291,230	10,078,879

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2010 - 2012

		2012	2011	2010
		N'000	N'000	N'000
Cash flows from operating activities	Notes			
Income Received		8,308,496	6,178,204	5,158,684
Exceptional Item		-	-	114,145
Cash payment to employees and suppliers		(1,677,048)	(1,036,929)	(880,483)
Operating lease expense		(5,287,631)	(3,463,744)	(2,617,192)
VAT Output		(79,086)	(40,363)	
Tax paid		(53,622)	(230,679)	(7,704)
Operating profit before changes in operating assets		1,211,109	1,406,489	1,767,450
Changes in operating assets/liabilities				
Loans and advances	5	105,448	(292,692)	(347,939)
Finance lease receivable	6	(2,943,052)	(333,579)	153,621
Lease rental due	7	(375,104)	(118,791)	(75,387)
Other assets	8	(24,762)	(1,050,805)	(995,183)
Short term borrowings	12	3,446,583	645,592	
Current liabilities	12	3,217,152	314,193	744,704
Medium term liabilities				
Net cash from operating activities	20	4,637,374	570,407	1,247,266
Cash flows from investing activities				
Investments		-	(1,000)	(79,361)
Proceeds from sale of leased assets		165,724	114,062	89,429
Proceeds from sale of fixed assets		200	-	2,396
Purchase of leased assets		(4,588,949)	(1,954,394)	(383,661)
Purchase of fixed assets		(29,174)	(122,043)	(42,465)
Net cash used in investing activities		(4,452,199)	(1,963,375)	(413,662)
Cash flows from financing activities				
Dividend paid		-	(42,000)	(174,637)
Interest on loans and overdraft		(618,344)	(690,429)	(709,297)
Proceeds from Convertible Bond		67,000	10,200	2,278,305
Net cash(used in)/from financing activities		(551,344)	(722,229)	1,394,371
Net (decrease)/increase in cash and cash equivalents at the end of the year		(366,169)	(2,115,197)	2,227,975
Cash and cash equivalents at 1 February		(662,491)	1,452,706	(775,269)
Cash and cash equivalents at 31 January	20	**(1,028,660)**	**(662,491)**	1,452,706

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2010 – 2012

1. The Company

1.1. Legal form

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

1.2. Principal activities

The company's principal activities include the provision of leasing and ancillary services to companies, especially in the Oil, Gas and Telecom sectors. Assets leased include Cars, Trucks, Cranes, Barges and House Boats. In addition, the company provides capacity utilization finance, logistics support and outsourcing and other forms of trade finance to various companies.

			2012 N'000	2011 N'000	2010 N'000
2	**Cash and short term funds**				
	Cash in hand		-	324	225
	Bank balances		223,479	146,458	1,947,950
			223,479	**146,782**	**1,948,175**
3	**Investment in subsidiaries**				
		Holding %			
	Leaseafric Ghana Limited	59	220,985	220,985	220,985
	C & I Motors Limited	100	200,000	200,000	200,000
	Devco Limited				
	C I Trans Global	76.7	191,667	191,667	191,667
	WAP Limited	100	1,000	1,000	
			613,652	**613,652**	**612,652**
4	**Long term Investments**				
	Ordinary shares [Market 2011 : N46,453,000 - 2010 N46,688,824].		78,221.00	78,221	78,221
	Provision for diminution in value of securities [Note 23.f]		33,055.00	(31,768)	(31,533)
			45,166	**46,453**	**46,688**

	2012 N'000	2011 N'000	2010 N'000
5. Loans and advances			
a) Analysis of Loans and Advances by Security			
Otherwise secured	754,710	860,158	567,466
Provision for doubtful accounts (Note 23.b	(80,655)	-	(85,508)
	674,055	**860,158**	**481,958**
c) Analysis of Loans and advances by maturity			
The maturity of loans and advances is as follows:			
Under one month		-	-
1 - 3 months	671,994	761,042	467,869
3 - 6 months	17,562	37,117	-
6 - 12 months	65,154	61,999	99,597
	754,710	860,158	567,466
b) Analysis of Loans and Advances by Performance			
Performing	671,994	761,042	467,869
Non-performing:			
Substandard	-	-	-
Doubtful	17,562	37,117	37,534
Lost	65,154	61,999	62,063
	754,710	**860,158**	**567,466**
c) Analysis of Loans and advances by maturity			
The maturity of loans and advances is as follows:			
Under one month		-	-
1 - 3 months	671,994	761,042	467,869
3 - 6 months	17,562	37,117	-
6 - 12 months	65,154	61,999	99,597
	754,710	**860,158**	**567,466**
6. Finance lease receivables			
Gross investment	6,273,672	3,245,211	3,061,671
Unearned lease interest	(329,466)	(244,057)	(394,096)
	5,944,206	3,001,154	2,667,575
Provision for doubtful accounts (Note 23.c	(59,442)	-	(26,676)
	5,884,764	**3,001,154**	**2,640,899**
a) Maturity Profile :			
Under one month	-	50,769	45,126
1 - 3 months	-	128,524	114,239
3 - 6 months	-	208,969	185,742
6 - 12 months	35,827	675,762	600,651
Over 12 months	5,908,379	1,937,129	1,721,817
	5,944,206	**3,001,153**	**2,667,575**
	2012 N'000	**2011 N'000**	**2010 N'000**

b) Analysis by performance			
Performing	5,944,206	3,001,153	2,648,008
Non-performing	-	-	19,567
	5,944,206	3,001,153	2,667,575
c) This is analysed into current and long term portions as follows:			
current	35,827	1,062,149	319,377
longterm	5,908,379	1,938,005	2,348,198
	5,944,206	3,000,154	2,667,575

7. Lease rental due

Lease rental due	658,448.00	283,344	164,553
Provision for doubtful accounts (Note 23.d)	(153,102.00)	-	(17,248)
	505,346.00	283,344	147,305

8. Other assets

Stock	-	-	-
Goods-in-transit	-	-	-
Prepayments	36,593.00	-	-
Out-sourcing receivables (Note 8.1)	1,307,857.00	1,360,432	943,365
Staff Debtors	500,000.00	500,000	200,000
Joint venture accounts	403,220.00	454,972	356,922
Sundry debtors	567,415.00	474,919	239,231
C & I Leasing Staff Trust Scheme	790,005.00	790,005	790,005
	3,605,090.00	3,580,328	2,529,523
Provision for doubtful accounts (Note 23.e)	(130,917.00)	-	(64,441)
	3,474,173.00	3,580,328	2,465,082

8.1. Out-sourcing receivables

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

9 Operating Leased Assets

Cost/addition

Autos and Trucks	2,886,613.00	1,984,549	1,535,486
Office Equipment	21,516.00	21,516	21,516
Marine Equipment	5,441,672.00	2,095,279	1,124,968
Cranes	391,759.00	571,201	486,568
Total	8,741,560.00	4,672,545	3,168,538

	2012 N'000	2011 N'000	2010 N'000
Depreciation			
Auto and Trucks	1,274,025.00	982,247	732,276
Office Equipment	21,490.00	21,437	21,386
Marine Equipment	604,026.00	710,499	837,032
Cranes	183,624.00	332,088	293,606
Total	**2,083,165.00**	**2,046,271**	**1,884,300**
Net Book Value			
Auto and Trucks	1,612,588.00	1,002,302	803,210
Office Equipment	26.00	79	130
Marine Equipment	4,837,646.00	1,384,780	287,936
Cranes	208,135.00	239,113	192,962
Total	**6,658,395.00**	**2,626,274**	**1,284,238**

10 **Fixed Assets (own)**

Cost/Addition			
Auto and Trucks	113,196.00	114,346	84,936
Furniture & Fittings	30,000.00	26,425	19,678
Office Equipment	148,605.00	123,806	103,788
Plant and Machinery	28,089.00	27,639	21,719
Land and Buildings	354,274.00	354,274	355,314
Construction in Progress	77,239.00	77,239	28,304
Total	**751,403.00**	**723,729**	**613,739**
Depreciation			
Auto and Trucks	53,841.00	43,547	35,139
Furniture & Fittings	19,012.00	16,030	12,525
Office Equipment	103,796.00	89,757	77,441
Plant and Machinery	21,016.00	16,764	13,085
Land and Buildings	37,878.00	30,773	23,667
Construction in Progress	-	-	-
Total	**235,543.00**	**196,871**	**161,857**
Net Book Value			
Auto and Trucks	59,355.00	70,799	49,797
Furniture & Fittings	10,988.00	10,395	7,153
Office Equipment	44,809.00	34,049	26,347
Plant and Machinery	7,073.00	10,875	8,634
Land and Buildings	316,396.00	323,501	331,647
Construction in Progress	77,239.00	77,239	28,304
Total	**515,860.00**	**526,858**	**451,882**

	2012 N'000	2011 N'000	2010 N'000
11 Bank Loans and Overdrafts			
Access Bank	2,649	-	-
Zenith bank PLC	452,249	506,391	492,742
Leadway Assurance Company LTD	-	-	-
Leadway Capital LTD	-	-	-
Diamond Bank PLC	210,573	9,167	-
Guaranty Trust Bank PLC	87,115	98,361	2,327
Intercontinental Bank Plc			6
Standard Chartered Bank LTD	-	-	159
Stanbic IBTC Bank PLc	-	308	-
First Bank PLC	187,597	183,596	-
FCMB PLC	22,442	-	235
Fidelity Bank PLC	289,515	11,450	-
	1,252,140	**809,273**	495,469

These represents loan with tenor of 2-3 years at interest rate of rate of 18 - 20 % per annum.

	2012 N'000	2011 N'000	2010 N'000
12 Current Liabilities			
Short term borrowings(Note 12.1)	8,005,360	4,558,777	3,913,185
Security Deposit	86,364	38,826	211,854
National Information Technonology Development levy (Note 12.2)	14,167	12,839	10,961
Accounts payable and accruals	4,204,806	1,036,520	551,177
	12,310,697	**5,646,962**	**4,687,177**
12 Short term borrowings			
Refinanced lease facilities	4,867,513	2,095,901	2,067,379
Secured lease notes	72,362	114,965	290,919
Commercial notes	3,065,485	2,347,911	1,554,887
	8,005,360	4,558,777	3,913,185
Due after more than one year		-	-
	8,005,360	**4,558,777**	**3,913,185**
The maturity profile is as follows:			
Under one month	-	1,625,703	1,059,215
1 - 3 months	3,007,955	795,509	853,291
3 - 6 months	57,531	24,411	791,461
6 - 12 Months	-	257,970	1,091,885
12 months and above	4,939,874	1,855,184	1,510,330
	8,005,360	**4,558,777**	**5,306,182**

Refinance lease facilities represents outstanding balance of loan obtained from banks at interest rates of between 16% and 18% per annum. The repayment periods range from 12 months to 4 years depending on the nature of the asset and the bank. Collateral securities for these loans are on the legal ownership of leased items and counter indemnity of C & I Leasing Plc in favour of the bank.

	2012	2011	2010
	N'000	N'000	N'000
13. Medium Term Liabilities			
At 1 February	-	-	-
Converted to Equity [Note 12.1]	-	-	-
Released during the year	-	-	-
Obligations due after more than one year	-	-	-
14 Convertible bond			
At 1 February	2,288,505	2,278,305	-
Issued during the year		-	2,278,305
Exchange different adjustment	67,000	10,200	-
At 31 January	2,355,505	2,288,505	2,278,305

On 2 April 2009, the Board of Director approve the issue of a valuable coupon 2009/2014 redeemable convertible loan stock at N4.75 at par of USD 10 million and N790 million to Aureos Fund and C & I Leasing staff Trust Scheme respectively. The proceeds of the USD10 million was received on 12th January 2010 and converted to Naira using an exchange rate of N148.83 to the USD, while that of C & I Leasing Staff Trust Scheme was received on 12 May, 2011. The Fund has the sole discretion to convert the loan stock into ordinary shares in the ratio of one loan stock for one ordinary share subject to a time period of 60 months from the date of issue at the subscription price per loan stock paid by the Fund.

	2012	2011	2010
	N'000	N'000	N'000
15 Taxation			
Income tax	48,414.00	36,933	101,251
Education tax	3,228.00	8,344	15,341
As per profit and loss account	51,642.00	45,277	116,592
At the beginning of the year	45,277.00	108,888	-
Unutilised withholding tax credit trasferred to other assets		-	-
Withholding tax credit			-
Payments during the year	(53,622.00)	(230,679)	(7,704)
As per balance sheet	43,297.00	(76,514)	108,888

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

15.1. Deferred taxation

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

	2012	2011	2010
	N'000	N'000	N'000

16. Share capital			
Authorised share capital :			
2,000,000,000 ordinary shares of 50k each	1,000,000.00	1,000,000	1,000,000
1,000,000,000 ordinary shares of 50k each			
Issued and fully paid :			
1,600,594,000 Ordinary shares of 50k eacl	808,505.00	808,505	808,505
600,000,000 Ordinary shares of 50k each			
Issued in the year		-	-
	808,505.00	**808,505**	**808,505**
17. Statutory reserve			
At 1 February	312,335.00	50,617	-
Transfer from profit and loss account	19,806.00	23,395	50,617
At 31 January,	**332,141.00**	**74,012**	**50,617**
18 Share Premium	**N'000**	**N'000**	**N'000**
At 1 February	679,526	-	-
Arising from new issue	-	-	-
Share offer expenses	-	-	-
	679,526	**-**	**-**
19 General reserve			
At 1 February	700,847	610,278	500,530
Dividend Liability	-		
Dividend payment during the year	-	(42,000)	(174,637)
Transfer from profit and loss account	112,233	132,569	284,385
At 31 January	**813,080**	**700,847**	**610,278**

		2012	2011	2010
		N'000	N'000	N'000
20	**Reconciliation of profit after tax to net cashflow from operating activities:**			
	Profit after taxation	132,039	155,964	335,002
	Non-cash items:			
	Depreciation	532,019	560,379	586,585
	Provision for doubtful debts	31,630	205,819	47,681
	Interest on overdrafts	618,344	684,745	709,297
	Increase in tax payable	(1,980)	(185,402)	108,887
	Information technology levy	-		-
	Loss on disposal of assets	(100,743)	(27,070)	(21,982)
	Profit/(Loss) on disposal of fixed assets	(200)	12,054	1,979
	Increase in tax payable			
	Changes in assets and liabilities:			-
	Increase in loans and advances	105,448	(292,692)	(347,939)
	-	(375,104)	(118,791)	(75,387)
	Increase in finance lease receivable	(2,943,052)	(333,579)	153,621
	Increase in other assets	(24,762)	(1,050,805)	(995,183)
	Increase/(decrease) in other liabilities	3,217,152	314,193	744,704
	Short term borrowing	3,446,583	645,592	-
	(Increase)/decrease in medium term liabilities	-	-	-
	Net cash provided by operating activities	4,637,374	570,407	1,247,265
21	**Cash and cash equivalents**			
	Cash and short term funds (note 2)	223,479.00	146,782	1,948,175
	Bank loans and overdrafts	(1,252,140.00)	(809,273)	(495,469)
		(1,028,661.00)	(662,491)	1,452,706
22	**Gross income**			
	Lease rental income	8,148,797	6,173,811	4,919,833
	Interest on loans and advances	3,940	8,677	10,221
	Other income	256,702	22,786	248,633
		8,409,439	6,205,274	5,178,687
23	**Provision for doubtful accounts:**			
a	**Loan loss provision**			
	General provision	29,430.00	8,312	31,064
	Specific provision	46,897.00	226,885	86,302
	Release of provious year provision	(44,697.00)	(29,378)	(69,685)
		31,630.00	205,819	47,681

		2012 N'000	2011 N'000	2010 N'000
	Provision for doubtful accounts:			
b	**Loan and Advances**			
	At 1 February	97,411	85,508	61,164
	Provision for the year:	-		
	General Provision	-	-	3,167
	Specific Provision	(16,756)	11,903	21,177
	Release in the prior year provision		-	-
		80,655	**97,411**	**85,508**
c	**Finance Lease**			
	At 1 February	30,012	26,676	31,902
	Provision for the year:	29,430		
	General provision	-	3,336	26,676
	Specific provision	-	-	-
	Release in the prior year provision		-	(31,902)
		59,442	**30,012**	**26,676**
d	**Lease rental due**			
	At 1 February	107,492	17,248	16,293
	Provision for the year:			
	General Provision	-	-	1,221
	Specific Provision	45,610	90,250	16,027
	Provision written off	-	(6)	-
	Release in the prior year provision	-	-	(16,293)
		153,102	**107,492**	**17,248**
.e	**Other assets**			
	At 1 February	158,858.00	64,441	15,343
	Provision for the year:			
	General Provision	-	4,976	-
	Specific Provision	-	122,017	49,098
	Provision written off	-	(5,678)	
	Release in the prior year provision	(27,941.00)	(26,898)	-
		130,917.00	**158,858**	**64,441**
.f	**Investments**			
	At 1 February	31,768.00	31,533	53,023
	Provision for the year:			
	Specific Provision	1,287.00	2,715	-
	Release in the prior year provision	-	(2,480)	(21,490)
		33,055.00	**31,768**	**31,533**

	2012	2011	2010
	N'000	N'000	N'000
24 Profit on ordinary activities before taxation			
This is after charging/ (crediting):			
Interest expenses	618,344.00	505,583	
Depreciation	532,019.00	327,764	586,585
Auditors' remuneration	17,700.00	8,500	13,255
Provision for doubtful accounts	31,630.00	57,776	47,681
Pension charges	27,496.00	12,869	26,460
Exchange (gain)/loss	67,000.00	8,036	(8,615)
Profit/(Loss) on disposal of assets	(200.00)	(22,210)	9,650
Loss on disposal of fixed assets	(100,743.00)	(15,946)	(21,982)

25 Information regarding Directors and employees

i Directors

Directors' emoluments			
Fees	6,900.00	6,613	3,540
Other emoluments	16,889.00	39,435	20,496
Fees and emoluments disclosed above excluding pension contributions include amounts paid to :			
The Chairman	500.00	500	500
The highest paid Director	9,575.00	9,575	9,575

The number of Directors (including the Chairman and the highest paid Director) who receive fees and other emoluments (excluding pension contributions) in the following ranges were:

	Number	Number	Number
N240,001 - N400,000	7	8	8
N400,001 - N1,550,000	1	1	1
N1,550,001 - N5,000,000	0	-	-
N5,000,001 - N8,000,000	1	-	-
N8,000,001 - 11,000,000	1	1	1
	10	**10**	**10**

ii **Employees**

Staff costs for the above persons :	2012 N'000	2011 N'000	2010 N'000
Wages and salaries	817,882.00	286,998	413,554
Other personnel cost	81,873.00	24,640	20,036
Pension contribution	27,496.00	12,869	26,460
	927,251.00	324,507	460,050

Number of employees in receipts ol emoluments, [excluding pensions] withinthe following range were:

N	N	2012 Number	2011 Number	2010 Number
70,001 -	80,000	21	-	214
80,001 -	90,000	18	-	94
90,001 -	100,000	16	-	29
100,001 -	110,000	11	-	9
110,001 -	120,000	25	-	17
120,001 -	130,000	47	-	6
140,001 -	150,000	100	-	43
150,001 -	190,000	68	-	21
190,001 -	200,000	7	-	2
200,001 -	220,000	22	-	23
220,001 -	230,000	16	-	1
230,001 -	250,000	173	-	12
250,001 -	370,000	204	19	52
370,001 -	420,000	334	351	20
430,001 -	580,000	125	339	16
580,001 -	700,000	-	42	5
700,001 -	750,000	-	26	-
840,001 -	850,000	-	5	8
1,000,001 -	1,100,000	-	3	1
1,100,001 -	1,150,000	-	1	-
1,200,001 -	1,400,000	-	57	2
1,500,000 -	1,550,000	-	4	-
1,650,000 -	2,050,000	-	63	2
		1187	910	577

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

	2012 Number	2011 Number	2010 Number
Manigerial	28	17	11
Senior staff	53	214	142
Junior staff	1187	679	424
	1268	910	577

26 Contingent liabilities

1 The Company's land and buildings were used as part of collateral security in respect of import finance loan totalling N952,658,950 that was granted by a commercial bank to C&I Motors Limited, a subsidiary of the company. The company also guaranted a credit facility of N221 million to its subsidiary - CITRANS Global Limited obtained from a bank in Nigeria with a

2 The Company had no pending litigation at year end.

27 OPERATING EXPENSES

DIRECT COSTS	2012 N'000	2011 N'000	2010 N'000
Depreciation- Leased assets	491,847	525,366	556,594
Insurance	98,933	80,416	183,803
Interest expenses	618,344	684,745	709,298
Operating lease expense	5,287,631	3,463,744	2,534,360
	6,496,755	4,754,271	3,984,055

28 ADMINSTRATIVE COST

	2012 N'000	2011 N'000	2010 N'000
Directors' remuneration	6,900	6,613	7,568
Salaries and wages	817,882	524,371	413,554
Medicals	81,873	9,260	9,695
Other personnel expenses	37,012	27,016	14,441
Staff bonuses	37,012		4,000
Pension costs	27,496	23,383	26,460
Staff training	29,570	7,620	1,595
Maintenance and renewals	186,011	89,336	56,288
Depreciation-Owned assets	40,172	35,013	29,992
Rent	13,111	10,705	3,732
Travel and entertainment	49,474	48,158	44,763
Audit fee	17,700	13,255	13,255
Professional expenses	32,011	65,027	38,166
Telephone and communications	36,844	41,088	33,628
Bank charges	119,665	32,078	51,064
Advert and external relations	26,282	21,851	10,943
Information technology development levy	1,847	2,018	4,517
Printing and statonery	13,494	13,896	9,271
Office supplies expenses	33,406	32,337	12,786
Electricity and other expenses	3,466	2,274	1,668
Exchange loss	67,000	-	
License	-	1,012	10
Levies and penalties	7,650	4,030	5,946
Stamp duty	-	34	-
Miscellaneous expenses	-	-	-
Insurance	-	-	
Corporate gifts,donations and subscriptio	48,507	33,568	16,160
	1,734,385	1,043,943	809,502

29 Name of Related party transactions

outstanding balances on transactionsentered into with related parties at 31 January, 2012

Name of related party	Name of related relationship	Nature of transation	2012 N'000	2011 N'000
Leasafic Ghana	subsidiary	intercompany	45,369	31,765
C&I Motors	subsidiary	intercompany	392,810	473,680
Citrans Global	subsidiary	intercompany	271,633	253,293
Diamond Bank PLC	shareholder	team loan	(210,573)	2,985
Petra Service	shareholder	team loan	4,820	32,275

30 Subsequent events review

There were no post balance sheet events whch could have had material effect on the state of affairs of the company as at 31 January 2012 and the profit for the year ended on that date which have not been adequately provided for or disclosed in these financial statements.

31 Basic earnings per share

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

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

	2012	2011
Net profit attributable to shareholders [N'000]	132,039	155,964
Number of ordinary shares in issue as at year end ['000]	1,617,010	1,617,010
Time weighted average number of ordinary shares in issue ['000]	1,617,010	1,617,010
Number of ordinary shares in dilution as at year end	2,088,590	2,088,590
Basic earnings per share [kobo]	8	10
Diluted earnings per share [kobo]	6	7

1. INCORPORATION AND SHARE CAPITAL

C & I Leasing Plc, a finance company licensed by the Central Bank of Nigeria, was incorporated on 28th December, 1990 as a private limited liability company to provide both operating and finance leases and other ancillary services. In 1998, C & I Leasing concluded a major share-holding restructuring and diversification exercise that saw the conversion of the company into a public company and the listing of its shares on the Official List of the Nigerian Stock Exchange.

As at December 31, 2014, C & I Leasing had an authorized share capital of N1,00,000,000 and a paid up capital of N808,505,000. The change to the Company's authorized and paid up capital since it was listed is as follows:

Year	Authorised (N)		Issued (N)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1990	100,000	100,000	25,000	25,000	Cash
1991	4,900,000	5,000,000	-	25,000	-
1991	-	-	2,475,000	2,500,000	Cash
1991	-	-	2,500,000	4,975,000	Cash
1992	15,000,000	20,000,000	-	5,000,000	-
1993	-	-	1,563,250	6,563,250	Bonus
1994	-	-	820,407	7,383,657	Bonus
1994	-	-	11,075,485	18,459,142	Cash
1995	30,000,000	50,000,000	-	-	-
1995	-	-	1,845,914	20,305,056	Cash
1995	-	-	15,228,792	35,533,848	Cash
1997	50,000,000	100,000,000	-	-	-
1997	-	-	3,058,369	38,592,217	Conversion of Debenture
1997	-	-	17,811,792	56,404,009	Cash
1997	-	-	3,595,991	60,000,000	Cash
1998	100,000,000	200,000,000	-	-	-
1999	-	-	30,000,000	90,000,000	Cash
1999	-	-	30,000,000	120,000,000	Cash
2004	300,000,000	500,000,000	-	-	-
2004	-	-	80,000,000	200,000,000	Bonus
2005	-	-	100,000,000	300,000,000	Bonus
2005	500,000,000	1,000,000,000	-	-	-
2006	-	-	500,297,000	800,297,000	Cash
2008	-	-	8,208,217.50	808,505,217.50	Conversion of $2 million loan from Aureos
2008	500,000,000	1,500,000,000	-	-	-

2. SHAREHOLDING STRUCTURE

As at 31 December, 2014, the shareholders holding above 5% of the issued share capital of C & I Leasing are:

S/N	Shareholders	Holding	Percentage
1	Leadway Assurance Co. Ltd	140,000,353	8.66%

3. DIRECTORS' INTERESTS

The beneficial shareholdings of the Directors in the issued and paid up share Capital of the Company as recorded in the Register of Members are as follows:

S/N	Name of Director	Shareholding		
		Direct	Indirect	Total
1.	AVM A. D. Bello (Rtd.), GCON, CFR (Chairman)	717,554	53,848,219	54,565,773
2.	Chief Henry Chukwuma Okolo – (Vice Chairman)	14,269,093		14,269,093
3.	Mr. Chukwuemeka Emmanuel Ndu – (Managing Director	2,334,271		2,334,271
4.	Mr. Omotunde Alao-Olaifa (Repr. Leadway Assurance Co. Ltd)	140,000,353		140,000,353
5.	Mr. Larry Olugbenga Ademeso (Repr. Crusader Insurance Co. Plc)	59,126,435		59,126,435
6.	Mr Ikechukwu Duru (Repr. Credit Alliance Fin. Serv. Ltd)	60,000,010		60,000,010
7.	Mrs Princess N.U.I Uche (Repr. Out Consortium)	78,062,508		78,062,508
8.	Mr. Jacob Kwame Kholi (Repr. Aureos West Africa)	43,394,691		43,394,691
9.	Mr. Patrick Sule Ugboma	80,416,666		80,416,666
10.	Mr. Andrew Otike-Odibi (Executive Director)	7,814,300		7,814,300
	Directors Total	**486,135,881**	**53,848,219**	**539,984,100**
	% of Total	**30.06%**	**3.33%**	**33.39%**
	Total Outstanding Shares	**1,617,010,000**	**1,617,010,000**	**1,617,010,000**

4. DIRECTOR'S EMOLUMENT

The breakdown of C&I Directors' remuneration at December 31, 2014 is as follows

S/N		
1)	**Directors' remuneration (Total)**	**N'000**
	Fees	10,200
	Other emoluments	8,322
	Total	18,522

2)	Fees and emoluments disclosed above excluding pension contributions include amounts paid to:	N'000
	The Chairman	1,200
	The highest paid Director	9,575

3)	Director Emolument Ranges	Number
	N240,001 - N400,000	-
	N400,001 - N1,550,000	8
	N1,550,001 - N5,000,000	-
	N5,000,000 - N8,000,000	1
	N8,000,001 - N11,000,000	1
	Total	10

5. CORPORATE GOVERNANCE

C & I Leasing Plc adopts a responsible attitude towards corporate governance. The Board of Directors recognizes the importance of best corporate governance principles and its contribution to the growth and value creation to the various stakeholders. The Board of Directors takes cognizance of the relevant corporate governance guides and adopts these principles in the governance of the company.

The Board of Directors also strives to ensure compliance and disclosures, effective internal control, risk identification, evaluation and monitoring, adoption of appropriate accounting systems, providing leadership to ensure that C&I Leasing Plc continues to exist as a going concern.

The Company is committed to high standards of corporate governance and continually ensures full compliance with the provisions of the Code of Corporate Governance issued by Securities & Exchange Commission, as well as its Corporate Governance Charter and Policies.

A detailed explanation of C&I Leasing's Corporate Governance structure can be found in the section "C&I Leasing's Corporate Governance" on pages 44 of this Prospectus.

6. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Prospectus, the Company had the following Subsidiaries:

S/N	Subsidiaries	Holding (%)
1.	Leasafric Ghana	70.89
2.	EPIC International FZE	100.00
3.	C&I Motors Limited*	100.00

*C&I Leasing plans to absorb C&I Motors into the C&I Group in 2016. C&I Motors will thereby cease to be a subsidiary and will become a division of C&I Leasing Plc.

7. STATEMENT OF INDEBTEDNESS

As at December 31 2014, the Company had ₦6,147,986,000 in Term loans, Finance lease facilities and Redeemable bonds in the ordinary course of business. The Company had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

8. CREDITORS CONSTITUTING MORE THAN 5% OF TOTAL DEBT

As at December 31 2014, the creditors accounting for more than 5% of the Issuer's total debt are as follows:

S/N	Related Party	Nature of Transaction	₦'000	% of Total Debt
1.	First City Monument Bank Plc	Term Loans	2,059,342	33.50
2.	C&I Leasing (₦940 Million Bond Due 2017)	Bond Issue	940,000	15.29
3.	Diamond Bank Plc	Term Loans	662,938	10.78
4.	First Bank of Nigeria Plc	Finance lease facilities	618,651	10.06
5.	ABSA Bank Limited, South Africa	Term Loans	606,762	9.87
6.	Diamond Bank Plc	Finance lease facilities	532,544	8.66
7.	Fidelity Bank	Term Loans	345,580	5.62
8.	Access Bank Plc	Finance lease facilities	339,201	5.52
9.	First Pension Custodian Ltd	Redeemable bonds	338,334	5.50

9. DEBITORS CONSTITUTING MORE THAN 5% OF TOTAL CREDIT

As at December 31 2014, the debit accounting for more than 5% of the Issuer's total credit are as follows

S/N	Related Party	Nature of Transaction	₦'000	% of Total Borrowings
1.	EPIC International FZE, United Arab Emirates	Intercompany Receivables	2,706,531	61.62
2.	C&I Motors Limited	Intercompany Receivables	753,998	17.17

10. EXTRACT OF THE TRUST DEED

The Trust Deed contains *inter alia*, the following provisions:

1. Appointment of Trustee

The Issuer by a letter dated 12th day of May 2015, appointed the Trustee to act for the benefit of the Bondholders, to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained for the benefit of the Bondholders and itself in accordance with the terms of this Deed. By a letter dated 13th May, 2015 the Trustee accepted the appointment. The Trustee is hereby appointed so to act.

2. **Declaration of Trust**
   i. **The Trustee**
   The Trustee hereby declares itself trustee for the Bondholders with effect from the date of this Deed to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained on trust for the Bondholders subject to the terms of this Deed.

   ii. **Duration of Trust**
   For the avoidance of doubt, the parties to this Deed agree that the common law rule against perpetuities will apply to this Deed and that the Deed shall not endure beyond 21 years from the date of its creation. The trusts created by this Deed shall remain in full force and effect until the earliest of:
      I. the date on which the Trustee receives unconditional confirmation in writing from all the Bondholders that there is no longer any outstanding Financial Indebtedness which is secured by this Deed and none of the Bondholders is under an obligation to permit such Financial Indebtedness to be incurred, such confirmation to be promptly provided by the Bondholders; or

      II. the unconditional release of the Issuer from all of its obligations under this Deed.

3. **Covenant to Repay and to Pay Interest on the Bonds**
   i. The Issuer hereby acknowledges that, it is indebted to the Trustee in the aggregate principal sum of N 2,000,000,000 (Two Billion Naira) and covenants that if not previously redeemed or repaid under any of the provisions of this Deed, the Bond shall be redeemed at par together with any outstanding interest and other moneys on the Redemption Date as and when the Bond or any part thereof ought to be redeemed or repaid in accordance with the provisions hereof, the Issuer shall pay to the designated account(s) of the Trustee for onward transmission to the Bondholders, the full nominal amount of the Bond or as the case may be such part of the Bond as ought to be redeemed together with such premium (if any) thereon as may be payable.

   ii. Repayments shall be amortized, with a moratorium period of One (1) year commencing from the Closing Date before repayments by the Issuer on the principal sum of the Bond.

   iii. Subject to sub-clause 7.2 above, the Issuer shall repay the principal sum in full no later than 4pm on the Final Maturity Date.

   iv. Until the entire Bonds shall have been redeemed, the Issuer shall pay to the nominated account(s) of the Trustee, for onward transmission to the Bondholders, interest on the balance thereof for the time being outstanding.

   v. The Coupon payable on the Bond is at the fixed rate of [.] per annum and is payable semi-annually in arrears, for every year that the bond is outstanding. The initial interest shall be paid on [.] and calculated from the Completion Board Meeting / Signing Ceremony Date.

   vi. Every payment to any Bondholder in respect of principal, interest or premium (if any) upon the Bond held by him shall operate in satisfaction pro tanto of the covenant of the Issuer in this clause contained.

vii. Every payment of principal, interest or premium (if any) of and on the Bond shall be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income which the Issuer may by Applicable Law shall be required to deduct.

viii. Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding Business Day falls in a different month in which case, payment shall be made on or by the immediately preceding Business Day. Interest, fees and charges (if any) shall accrue from the period of the due date which is a Business Day or the immediately preceding Business Day as the case may be.

ix. If the Issuer fails to pay any of such sums on the due date for payment thereof, the Issuer shall pay interest on such sums (after as well as before any judgment) from the due date until the date of payment on a daily basis at the rate of interest per annum prevailing on the date such interest falls due to be paid.

x. The Issuer shall ensure that all payments due to the Bondholders shall be paid to the Sinking Fund Account as provided in the Sinking Fund schedule as stated on page 152.

xi. The Issuer shall comply with the provisions of this Deed and the Conditions and the provisions of the Second Schedule and the Bond shall be held subject to such Conditions and the provisions contained in the Second Schedule, all of which Conditions and provisions shall be deemed to be incorporated in this Deed and shall be binding on the Issuer, the Trustee and the Bondholders and all persons claiming through or under them respectively.

11. EXTRACT OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The following are the relevant extracts from the company's articles:

Powers of Directors

87. The Directors may from time to time borrow or raise money for the purpose of the Company or secure the payment of such sums as they think fit, and may secure the repayment or payment of such sums by mortgage upon all or any of the property or debentures (whether at par or at a discount or premium) or otherwise as they may think fit. Debentures may be issued upon terms and may confer upon the holders thereof such lawful rights and privileges as the Directors shall think fit and may be secured by a trust deed or other security

12. CLAIMS AND MATERIAL LITIGATIONS

The Company has brought to our attention fourteen (14) suits pending before various courts in Nigeria in which the Company is involved. In the opinion of the Solicitors to the Issue, the total ascertainable contingent liability of the Company arising from these cases come to about N281,375,409.64 (Two Hundred and Eighty-One Million, Three Hundred and Seventy-Five Thousand, Four Hundred and Nine Naira, Sixty-Four Kobo) and USD637,561.73 (Six Hundred and Thirty-Seven Thousand, Five Hundred and Sixty-One United Stated Dollars, Seventy-Three Cents).

The Solicitors to the Issue are of the opinion that the Company's liability in the event of an unfavourable resolution of the disputes against the Company by the courts is unlikely to exceed the aggregate sums stated above plus any interests on the judgment sums. In the professional opinion of the Solicitors to the Issue, only about 35.22% or N99,112,614.04 of the Naira claims would in all probability be substantiated. The remainder or 64.78% of the Naira Claims appear to be exaggerated and not substantiable. The US Dollar claim may in all likelihood be upheld against the Company.

The Board of the Company is of the opinion that the Company's liability in the event of an unfavourable resolution of the disputes against the Company is not likely to have any material adverse effect on the Company and/or the legality, timing or pricing of the Issue, and is not aware of any other pending and or threatened claims or litigation involving the Company.

13. OFF BALANCE SHEET ITEMS

As at December 31, 2014, the Company had no Off Balance Sheet Items.

14. MATERIAL CONTRACTS

The following agreements have been entered into by the Issuer and are considered to be material to the Issue

A. A Vending Agreement dated [INSERT DATE HERE] between C&I Leasing Plc, (as Issuer) and the Issuing Houses under which the Issuing Houses have agreed to offer on behalf of the Issuer, [INSERT OF OFFER HERE]

B. A Trust Deed dated [INSERT DATE HERE] between C&I Leasing Plc, FSDH Merchant Bank Ltd, and FBN Capital Ltd

Other than the above, the Issuer has not entered into any material contracts except in the ordinary course of business.

15. COSTS AND EXPENSES

The costs and expenses of the Issue, which are estimated at ₦69, 106,053 (3.46% of gross issue proceeds) includes fees payable to the regulatory authorities, brokerage commission, professional parties and printing and distribution expenses. These costs and expenses shall be borne by the Issuer.

16. RELATIONSHIP BETWEEN THE ISSUER, ISSUING HOUSES, AND OTHER ADVISERS

Mr. Ikechukwu Duru, who is the Managing Director of FSDH Securities Limited, a subsidiary of the Lead Issuing House, is a Member of the Board of Directors of C&I Leasing Plc. Save from the above, as at the date of this Prospectus; there is no known relationship between the Issuer and any of its advisers except in the ordinary course of business.

17. RELATED PARTY TRANSACTIONS

Outstanding balances on transaction entered into with related parties at December 31, 2014 on normal business terms are:

S/N	Related Party	Relationship	Nature of Transaction	₦'000
1)	C&I Motors Limited	Subsidiary	Intercompany Receivables	753,998
2)	Leasafric Ghana Limited	Subsidiary	Intercompany Receivables	(4,758)
3)	Diamond Bank Plc	Shareholder	Term Loan/Finance Lease Facilities	(1,694,817)
4)	EPIC International FZE	Subsidiary	Intercompany Receivables	2,706,531

18. MERGERS OR TAKEOVERS

As at the date of this Shelf Prospectus, the Directors were not aware of the following during the preceding financial year or current financial year:

a. a merger or takeover offer by third parties in respect of the Company's securities; and
b. a merger or takeover by the Company in respect of another Company's securities.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuing Houses during normal business hours on any week day (except public holidays), during the offer period:

1. Certificate of Incorporation of the Company;
2. The CAC Form 7 (Particulars of Directors) of the Company;
3. The resolution of the Board of Directors of C&I Leasing Plc dated July 10, 2015 authorising the Offer;
4. The Prospectus issued with respect to the ₦800,000,000 Fixed Rate Bond Due 2020
5. The "No Objection" letter dated September 1, 2015 issued by the Central Bank of Nigeria;
6. Letter from the Securities & Exchange Commission, dated October 2, 2015 approving the Bond;
7. The Vending Agreement dated [•] between C&I Leasing Plc and the Issuing Houses;
8. The Trust Deed between C&I Leasing Plc and Leadway Capital & Trusts Limited dated [•];
9. The Audited Financial Statements of C&I Leasing for each of the five years ended 2009 - 2014;
10. The Reporting Accountants' Report by SIAO Partners on the audited Financial Statements of the Company for the five years ended December 31st 2009 - 2014;
11. The Reporting Accountants' Report by SIAO Partners on the Financial Forecast (Profit Forecast & Financial Position Forecast) of C&I Leasing Plc for each of the 6 years ending December 31st 2015 - 2020;
12. The written consents of the Directors of the Company and professional parties to the Issue;
13. The Rating Reports of Agusto & Co Limited, the Rating Agency;
14. The Legal Due Diligence Report by_G.Elias & Co. Solicitors.
15. The schedule of claims and litigation and the opinion of the solicitors, G.Elias & Co. Solicitors dated 29th July 2015
16. Memorandum and Articles of Association of the Company

PROCEDURE FOR APPLICATION AND ALLOTMENT

1. Application

Persons invited to apply for the Bonds, may do so through any of the Receiving Agents listed in the Prospectus.

1.1. Application for the Bonds now being offered must be made in accordance with the instructions set out on the back of the Application Form. Care must be taken to follow these instructions, as applications which do not comply will be rejected.

1.2. The Application List for the Bonds now being offered opens on October 12, 2015 and will close on October 26, 2015. Applications must be for a minimum of 10,000 registered Bonds of ₦1,000 each, representing an aggregate value of ₦10,000,000.00 and in integral multiples of 1,000 registered Bonds thereafter, representing an aggregate value of ₦1,000,000.00.

1.3. The subscription currency for the Issue is the Nigerian Naira (₦). Foreign currency subscriptions will be processed at the applicable foreign exchange rate determined at the auction at the CBN as conducted from time to time.

1.4. The applicant should make only one application, whether in his own name, or in the name of a nominee. Multiple or suspected multiple applications will be rejected.

1.5. Applicants should complete the Application Form as appropriate. A corporate applicant should affix its seal in the box provided for this purpose and state its incorporation (RC) Number or in the case of a corporate foreign subscriber, it's appropriate identification number in the jurisdiction in which it is constituted.

1.6. All applicants are required to indicate their bank account details in the space provided on the Application Form for the purposes of Coupon and principal e-payments.

1.7. Each duly completed Application should be forwarded ONLY to one of the Receiving Agents listed in this Prospectus together with evidence of bank transfer in an amount equivalent to the aggregate number of bonds applied for. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and bank drafts will be presented upon receipt and all applications in respect of which cheques or bank drafts are returned unpaid will be rejected.

2. Allotment

C&I Leasing Plc and the Issuing Houses reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue. All irregular or suspected multiple applications will be rejected. The allotment proposal will be subject to the clearance of the Commission. Any investor who prefers the issue of the Bonds in dematerialized form should specify the details of his/her Stockbroking firm, CHN and CSCS account in the space provided on the Application Form. The CSCS account shall be credited within 10 (Ten) business days from the date of obtaining the approval of the Basis of Allotment from the Commission.

3. Application monies

All application monies will be retained in separate interest-yielding bank accounts with the Receiving Banks pending allotment. If any application is not accepted, or is accepted for fewer Bonds, than the number applied for, a crossed cheque for the full amount or the balance of the amount paid (as the case may be) plus interest will be returned by registered post within 5(five) Business Days of allotment by the Registrar. Where monies are not sent within the stipulated 5 Business Days, accrued interest will be paid to the affected applicants at the prevailing Monetary Policy Rate plus a margin of 5% i.e. MPR + 5%

BOND AMORTISATION & SINKING FUND SCHEDULES

The proposed structures of the Bond Amortisation & Sinking Fund schedules can be seen below. No values have been included in the schedule as a coupon rate is yet to be determined.

1. BOND AMORTISATION SCHEDULE

Tenor (Years)		5	
Principal Moratorium (Years)		1	
Repayment Frequency P.A. (Semi Annually)		2	
Coupon		[•]	
Bond Obligation Repayment Interval	Months	Principal Component Paid %	Outstanding Obligation %
Bond Issuance Date		0%	100%
1	1 - 6	0%	100%
2	7 - 12	0%	100%
3	13 - 18	13%	88%
4	19 - 24	13%	75%
5	25 - 30	13%	63%
6	31 - 36	13%	50%
7	37 - 42	13%	38%
8	43 - 48	13%	25%
9	49 - 54	13%	13%
10	55 - 60	13%	0%
		100%	

2. SINKING FUND SCHEDULE

Bond Obligation Repayment Interval	Months	% of Outstanding Debt Obligation contributed by Issuer as Sinking Fund Balance	Principal Component Paid %	Outstanding Obligation %	Sinking Fund Balance
Bond Issuance Date	0	0%	0%	100%	Nil
1	1 - 6	100%	0%	100%	Nil
2	7 - 12	100%	0%	100%	Nil
3	13 - 18	100%	13%	88%	Nil
4	19 - 24	100%	13%	75%	Nil
5	25 - 30	100%	13%	63%	Nil
6	31 - 36	100%	13%	50%	Nil
7	37 - 42	100%	13%	38%	Nil
8	43 - 48	100%	13%	25%	Nil
9	49 - 54	100%	13%	13%	Nil
10	55 - 60	100%	13%	0%	Nil
			100%		

APPLICATION FORM (COMMITMENT FORM)

Book Building Opens 12 October, 2015		Book Building Closes 26 October, 2015

C&I Leasing Plc RC 161070

Offers

₦800,000,000.00

5-Years 18.25% Fixed Rate Bond Due [•] 2020
Issued At Par At ₦1,000 Per Unit

LEAD ISSUING HOUSE

FSDH Merchant Bank Limited RC 199528

JOINT ISSUING HOUSE

FBN Capital Limited RC 446591

OFFERING BY WAY OF BOOK BUILD

Orders must be made in accordance with the instructions set out in this prospectus. Care must be taken to follow these instructions as orders that do not comply may be rejected. If you are in doubt, please consult your Stockbroker, Financial Adviser, Banker, Accountant, Solicitor or any professional adviser for guidance.

Kindly complete all sections of this Form (as applicable) in BLOCK LETTERS

PARTICIPANT STATUS (PLEASE TICK X)		DATE (DD/MM/YYYY)	CONTROL NO (FOR REGISTRARS USE ONLY)
High Net Worth Investors		__ __ / __ __ / 2 0 1 5	
Fund Managers		**DECLARATION**	
Pension Fund Administrators		I/We hereby confirm that I am/we are Qualified persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations	
Insurance Companies			
Investment/Unit Trusts		I/We confirm that I/we have read the Prospectus dated 02 October, 2015 and that my/our Order(s) is/are made on the terms set therein	
Multilateral/Bilateral Institutions			
Market Makers		I/We hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the indicated Coupon Rate	
Staff Schemes			
Trustees/Custodians		I/We authorize the Issuer to make the necessary changes in the Prospectus for filing of the Final Prospectus with the SEC without intimation to me/us	
Stockbroking Firms		I/We note that the Issuer and the Issuing Houses are entitled in their absolute discretion to accept or reject this Order	
Resident Corporate Investors			
Non-Resident Investors		I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms in this Prospectus	
Hedge Funds			
Banks		I/We authorize you to enter my/our name on the Register of Holders as holders of the Bonds that may be allotted to me/us and to register my/our address as given below	

PARTICIPATION DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated in the boxes below)

Participants have the option to make a maximum of three orders on the Commitment Form. Each option shall be regarded as a separate application and will not be considered as multiple applications. All orders must be for a minimum amount of ₦10,000,000.00 (Ten million naira) and in multiples of ₦1,000,000.00 (One million naira) thereafter.

Order 1

Participation Amount (minimum amount of ₦10,000,000.00 and in multiples of ₦1,000,000.00 thereafter)		Bid Coupon Rate
In Figures	₦	
In Words		

Order 2

Participation Amount (minimum amount of ₦10,000,000.00 and in multiples of ₦1,000,000.00 thereafter)		Bid Coupon Rate
In Figures	₦	
In Words		

Order 3

Participation Amount (minimum amount of ₦10,000,000.00 and in multiples of ₦1,000,000.00 thereafter)		Bid Coupon Rate
In Figures	₦	
In Words		

PARTICIPANT DETAILS (INDIVIDUAL/CORPORATE/JOINT) *(Please use one box for one alphabet leaving one box blank between first word and second)*

SURNAME/ CORPORATE NAME

FIRST NAME (FOR INDIVIDUALS ONLY)

OTHER NAMES (FOR INDIVIDUALS ONLY)

JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)

OTHER NAMES (FOR JOINT APPLICANT ONLY)

CONTACT PERSON (FOR CORPORATE APPLICANT)/NEXT OF KIN (FOR INDIVIDUAL APPLICANT)

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT

				TEL	
CITY		STATE		EMAIL	

ALLOTMENT PREFERENCE

Please tick X to indicate allotment preference - CERTIFICATE ☐ / ELECTRONIC BOOK ENTRY ☐

E-ALLOTMENT DETAILS *(FOR BOOK-ENTRY ALLOTMENT ONLY)*

Please credit my / our CSCS Account as detailed below to the extent of the Bonds allotted:

PARTICIPANT'S CSCS ACCOUNT NO:

CHN (CLEARING HOUSE NUMBER):

NAME OF STOCKBROKING FIRM:

BANK DETAILS *(FOR E-PAYMENTS)*

BANK NAME		BRANCH	
ACCOUNT NO		CITY/STATE	

SIGNATURES

SIGNATURE	2ND SIGNATURE *(Corporate/Joint)*	SEAL & RC NO.
NAME OF AUTHORISED SIGNATORY *(Corporates only)*:	NAME OF AUTHORISED SIGNATORY *(Corporate/Joint)*:	
DESIGNATION *(Corporate only)*:	DESIGNATION *(Corporate only)*:	

STAMP OF BOOK RUNNER

(ISSUER/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE/PLACEMENT AGENTS ONLY)

STAMP OF RECEIVING AGENT

INSTRUCTIONS FOR COMPLETING THE COMMITMENT FORM

1. Applications should be made on the Commitment Form, or photocopies or electronic copies of the Commitment Form.

2. The Application List for the Bonds will be open to prospective investors for the duration specified in the prospectus.

3. Applications must be for a minimum of 10,000 registered Bonds of ₦1,000.00 each, representing an aggregate value of ₦10,000,000.00 and in integral multiples of 1,000 registered Bonds thereafter, representing an aggregate value of ₦1,000,000.00 each. The number of registered Bonds for which the order is made and the value of the cheque or bank draft attached should be entered in the space provided.

4. The subscription currency for the Issue is Nigerian Naira (₦).

5. Applicants should complete the Commitment Form as appropriate. An Application from a corporate body must bear the corporate body's common seal and its incorporation (RC) Number and be completed under the hand of a duly authorized official or in the case of a corporate foreign subscriber, its appropriate identification number in the jurisdiction in which it is constituted. Joint applicants must all sign the Commitment Form.

6. All applicants are required to indicate their bank account details in the space provided on the Commitment form to facilitate e-payments of Interest and the Principal Amount.

7. Each duly completed Application should be forwarded to the Issuing Houses listed on Page 9 of this prospectus. Applicants irrevocably undertake and confirm to pay in full to the Receiving Bank to which the Application is addressed, the aggregate value of units allotted to him/it, as stated in "3" above.

8. An Application by an illiterate should bear his right thumb print on the Commitment Form and be witnessed by an authorized official of the Receiving Bank at which the Application is lodged, and who must first have explained the meaning and effect of the Commitment Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.

9. The applicant should not print his signature. If he is unable to sign in the normal manner, he/she/they should be treated for the purpose of this Issue as an illiterate and his right thumb print should be clearly impressed on the Commitment Form.

10. The Receiving Bank will issue Certificates of Capital Importation ("CCIs") to foreign currency subscribers. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of the Interest from or proceeds of any future sale of the Bonds acquired in this Issue.