

## KEY FIGURES

	2005 N'000	2004 N,000	% Change
<b>Profit &amp; Loss Account</b>			
Gross income	1,167	1,285	-9%
Gross Profit	395	434	-9%
Profit before taxation	112	122	-8%
Profit after taxation	96	106	-9%
Dividend paid	60	40	50%
<b>Balance sheet</b>			
Total assets	1,973	1,976	
Shareholders' funds	449	414	9%
Return on capital employed	21%	26%	
<b>Key figures per share</b>			
Earnings per share	16	26	kobo
Dividend per share	10	10	kobo
<b>Other Information</b>			
Number of employees	158	179	
Market value (million)	720	948	
Number of outstanding shares (Million)	600	400	

**NOTICE IS HEREBY GIVEN** that the Fourteenth Annual General Meeting of members of the Company will hold at LEASING HOUSE, C & I Leasing Drive, Off Bisola Durosinmi-Eti Road, Central Business District, Lekki Phase 1, Lagos on 26<sup>th</sup> day of September, 2005 at 11.00 a.m. prompt.

### **ORDINARY BUSINESS**

1. To receive the Report of the Directors, Financial Statement together with the Auditors' report for the year ended 31st January, 2005
2. To receive the report of the Audit Committee
3. To declare a dividend
4. To re-elect retiring directors
5. To approve the remuneration of the directors
6. To authorize the directors to fix the remuneration of the auditors
7. To elect members of the Audit Committee for the ensuring year accordingly.
  
8. To consider and if thought fit to pass the following resolution, which will be proposed as ordinary resolutions:
  - a) "That the Authorized share capital of the company be and is hereby increased from N500,000,000 to N1,000,000,000 by the creation of all 1,000,000,000 ordinary shares of 50 kobo each, such new shares to rank in all respect pari-passu with the existing shares of the company.
  - b) That the Directors be and are hereby authorized and directed to dispose such shares resulting from the increase, as they deem fit."
  - c) "That Memorandum of Association of the company be altered as follows:  
By the addition of clause

### **NOTES**

#### **1. PROXIES:**

A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of himself or herself. A proxy need not be a member of the Company. Executed proxy forms should be deposited with the Company Secretary at the Registered Office of the Company not later than 48 hours before the meeting.

#### **2. DIVIDEND/CLOSURE OF REGISTER:**

The Board has recommended a dividend of 10 kobo per ordinary share of 50 kobo each, which if approved is payable less withholding tax. If payment of the dividend is approved at the Annual General Meeting, the dividend warrant will be posted on 26<sup>th</sup> September, 2005 to shareholders whose names appear on the register of members at the close of business on 19<sup>th</sup> Sept., 2005. The register will be closed from Monday 19<sup>th</sup> Sept., 2005 to Wednesday, 28<sup>th</sup> Sept., 2005 both days inclusive.

#### **3. AUDIT COMMITTEE:**

Any shareholder may nominate another shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary of the Company at least 21 days before the date of the Annual General Meeting.

**BY ORDER OF THE BOARD**

**MBANUGO UDENZE & CO**  
COMPANY SECRETARY

Dated 17<sup>TH</sup> day of May, 2005.

## **CHAIRMAN'S STATEMENT**

Ladies and Gentlemen, it is my pleasure to welcome you all to the 14<sup>th</sup> Annual General Meeting of our company. We are very grateful to God for leading us this far and pray that He will continue to sustain us towards achieving greater heights in the years ahead.

### **A BRIEF ECONOMIC REVIEW**

The year under review has its focal point Government's resolute commitment to the implementation of the National Economic Empowerment Development Strategy (NEEDS) agenda . These reform policies of the Government which are direct corollary of the NEEDS continues to impact and affect all strata of the economy.

In addition to the ongoing reforms in the telecommunication, banking, privatization, fiscal and monetary policies, the government in the second quarter of the year introduced the Banking reform and re-capitalization policy that is aimed at permanently changing the pendulum of banking and ancillary services in Nigeria.

It is instructive to note that this singular reform in the banking sector seriously and significantly two, affected the business of leasing and other ancillary services. With this re-capitalization policies, banks in quick succession started approaching the capital market and this in the overall analysis affected the volume of business transaction. Also, the decision to withdraw public funds from the banks also affected the quantum of facilities and indirectly the volume of business transaction.

During the year, global oil price continued to soar reaching the all time peak of \$52 per barrel. This all time high price of crude also generated some dislocation at the domestic front with the federal government and labour in the pursuit of appropriate pricing for local fuel consumption. However, government spending got boosted up by the earning from the excess crude price with inflation index inching up marginally. Also the stock of our external reserve rose significantly from \$7.68b to about \$ 16.9b

The period under review also witnessed a lot of distortions in operations. This was as a result of strike action called upon by the organized labour to protest the resultant price increase, a fallout of Federal Government downstream sector reform. The activities of the Niger Delta militia, also, seriously affected performance as most oil companies still could not mobilize operations in the effected areas. Companies that decided to risk the tension only involved in skeletal operations. This, in the aggregate, affected performance in the leasing sector as the major clients in operating lease business ( the oil firms) could not operate optimally.

In the period under the government recorded the following positive trends in the economy:-

- Growth in the target broad money or money supply (m2)
- Reduction in inflation from about 24% to 10.5%

- Stabilized exchange rate.
- Increase in the stock of External reserves
- Marginal growth of credit to the private sector.

We strongly believe that in the new year, the government will through 2005 fiscal budget and other policy objectives put certain measures in place to achieve the following objectives:-

- Further reduction of inflation rate.
- Reduction in the cost of borrowing for private sector investors by reducing interest rate.
- Enhance production and exporting of other product with relevant comparative advantage to augment oil revenue.
- Accountability through rugged against corruption
- continued sustained exchange rate stability.

## **RESULTS**

C & I Leasing during the just concluded year recorded a good performance. Profit after tax rose stood at N109m while gross income grew stood at N1,167m. During the year we invested in two vessels and it is expected that in the new year, the vessels will be fully engaged thereby enhance the performance in the period to come. It is important to mention that the unending Niger Delta crises continues to impact on the activities of the company globally

Our company is strategically refocusing to take advantage of the cabotage legislation. This is part of management proactive stance at catching in on opportunities to enhance the companies profitability in the years ahead.

Our company continues to provide superior and specialized services to our teaming clientele. It is believed that this cutting edge services is what we need to continue to maintain our leadership position both in provision of operating and consumer lease bearing in mind the fact that many perceived operators are daily coming on board.

During the year, our wholly owned subsidiary, Nigeria Electropolishing and Investment Ltd began development of its permanent site. This is expected to be completed on or before the end of second quarter . C & I Leasing intends to let part of the floors as its Head Office

## **PROPOSED DIVIDENDS**

In line with our performance during the year, the Board of Directors recommended a dividend pay out of 10k per share. The Board is of the opinion that in view of the current state of affairs both globally and locally this is not a small feat.

Thank you and God bless you all.

AVM A.D. Bello (Rtd) CFR

Chairman  
Board of Directors



## The Report Of The Directors And Operational Review

The Directors present their report on the affairs of the Company, together with the accounts and the auditors' report for the year ended 31 January, 2005

### PRINCIPAL ACTIVITIES

The Company's principal activities are Equipment Leasing/Rentals and providing ancillary logistics support services to companies. We continue to place emphasis on leasing and renting a broad range of equipment to large corporations. At the end of the year, the bulk of the equipment was concentrated in transportation assets (cars, buses and boats) for the oil industry.

During the year, we continued the restructuring of our business that we started three years ago. The company was restructured into two main units (Business Development and Business Support units). This was done to enable proper coordination of the entire business. At the end of the year, the company's activities were still firmly focused on operating leases to large companies and ancillary logistics support services. This line of business contributed about 70% of the entire income for the period under review. In addition, we remain a leading provider of consumer leases to employees of large companies operating in Nigeria. The Hertz rent-a-car franchise has continued to compliment our existing car leasing business.

### OPERATING RESULTS & RESERVES

The results, reserves and recommended transfers are as follows:-

	<b>N'000</b>
Retained profit b/f.....	48,787
Profit for the year.....	95,649
<b>Less:</b>	
Transfer to statutory Reserves.....	(14,437)
Dividend proposed.....	<u>(60,000)</u>
Retained profit c/f.....	<u>70,089</u>

### OPERATING RESULTS

Gross income recorded a slight drop of 9% from the prior year figure of N1.3billion to N1.2billion and profit after taxation also recorded a decrease of 9% from prior year figure of N106million to N96. The decrease in revenue resulted from cessation of some old contracts and their non-renewal due to unfavourable renewal terms and also delays in securing early contracts for some of the operating assets acquired during the year. The

general cost of doing business is still very high in our economy and this has depressed our margins. We are equally faced with competitive pressures especially from the banks mainly in the area of consumer lease business.

The Company adopts prudent accounting policies, some of which may have the effect of reducing reported profits in some periods. One of these policies is the use of the sum-of-digits method for accounting for our car rental assets. This method of accounting has the effect of reducing reported profits in the early life of an asset. For example, if we had continued to use the straight-line method of depreciation, our reported profits in 2005 would have been higher by ₦15.5million. (2003: ₦29.7 million).

## **THE MARKET**

The market showed a significant improvement during the year, with increased activity in the crucial oil and gas industry with improved crude oil prices and revenues, we expect that the trends will be sustained in 2004/5. The successful licensing of private GSM telephone operators has increased availability of telephone and communication services to Nigerians.

The demand for outsourced services continued to remain strong as firms realize the benefits of concentrating on their core competences. We remain firmly routed on our determination to emerge as the leading provider of outsourced equipment leasing and rental services. We will continue to seek out opportunities within our areas of focus.

## **REVIEW OF OPERATIONS**

### **FINANCE LEASING OPERATIONS**

We continue to provide finance leases to individuals on a broad range of equipment. Although margins from this line of activities to companies has continued to be under competitive pressure from banks and other lending institutions, yet we were able to grow our operations by 58% from N112million to N177million. We expect further reduction in interest rate by the Central Banks of Nigeria to reduce costs of doing business.

### **OPERATING LEASES**

We continue to invest in our operating lease services through both Hertz Car Rentals and our core equipment rental businesses. During the year, we spent N388million to acquire Marine equipments to strategically reposition our business for emerging opportunities in oil and gas sector and general marine sector. We also sold some of our idle operating lease equipment amounting to N341million. We have continued to service all our major ongoing contracts while actively exploring opportunities for growth.

Our crane leasing business continued to support the operations of Agip and Shell in the Niger Delta. We continue to review opportunities for an expansion of the fleet.

We have also been quite active in the light marine craft market for the oil industry. This resulted in a significant contract in conjunction with another company with Prosafe for a supply vessel during the year. We plan to expand these activities during the next year.

The government's drive to enhance local content in the oil industry is expected to provide a major boost to our activities in this area in the coming year.

Hertz Car Rentals currently operates a modern fleet of vehicles from four locations in Abuja, Port Harcourt and Lagos. We plan to aggressively expand the current size of our fleet with notable brands and also complete the computerization of our reservation management systems during the next year. In addition, we plan to establish the Hertz brand in additional cities across the country.

## **LOGISTICS SUPPORT SERVICES**

Our aim to strengthen our present logistics support service contracts and expand the scope of services provided to the clients got boosted during the year under review with significant growth in our clientele base. The company is investing in specialized fleet management software to enhance its operations.

## **DIVIDEND**

The directors are recommending to members the payment of a dividend of N60 million, that is, 10 kobo per share, which will be subject to deduction of the appropriate withholding tax.

## **DIRECTORS AND DIRECTORS INTERESTS**

The directors who served during the year and their interests in the shares of the company as recorded in the Register of members are as follows:-

### **Ordinary shares**

	<b>2005</b>	<b>2004</b>
AVM A. D. BELLO, CFR (Chairman)	7,690,914	7,427,276
Ogbueshi H.C. Okolo (Vice Chairman)	16,290,393	15,594,436
E.C.NDU (Managing)*	-	-
LEADWAY ASS.CO.LTD (Rep: Mr. D. Ayanbule)**	36,082,353	24,054,902
CRUSADER INS.CO.PLC (Rep: Dr. Femi Oyetunji)**	29,848,339	28,403,966

CREDIT ALLIANCE FIN. SERV. LTD (Rep: Mr. A. Iwuagwu)	60,000,010	40,000,007
OUT CONSORTIUM FIN.LTD (Rep: Dr. U.C. Uche)**	78,062,508	52,041,672

\* Indirect interest in shares totaled 71,389,362 units

\*\* Direct interest in shares totaled 124,998 units

The following changes took place on the Board of Directors since the last Annual General Meeting.

### **Resignation/Vacancy**

- i. Dr. Femi Oyetunji resigned his appointment on the Board with effect from 17<sup>th</sup> May, 2005 following his resignation as the Managing Director of Crusader Insurance (Nigeria) Plc.
- ii. Mr. D. Ayanbule representative of Leadway Assurance Co. Ltd replacement on the board by Leadway Assurance Co. Ltd.
- iii. Death of Senator Amah Iwuagwu

### **Appointment**

In accordance with Section 249 (1) of the Companies and Allied Matters Act 1990

- i. Mr. Gabriel O.A. Oyelami Acting Managing Director of Crusader Insurance Co. Nigeria Plc was appointed to replace Dr. Oyetunji with effect from 17<sup>th</sup> May, 2005.
- ii. Mr. Olawale Oyedele Executive Director in Leadway Assurance Co. Ltd was appointed to replace Mr. D. Ayanbule with effect from 17<sup>th</sup> May, 2005.
- iii. Mr. Ikechukwu Duru General Manager of Credit Alliance Financial Services Ltd was appointed to replace Senator Amah Iwuagwu (Deceased) with effect from 14<sup>th</sup> June, 2005.

In accordance with Article 76 of the Articles of Association of the Company and Section 249 (2) of Companies and Allied Matters Act 1990 Messrs Oyelami, Oyedele and Duru being eligible offer themselves for re-election / Approval.

### **Retirement by Rotation**

The Directors to retire by rotation are AVM A.D. Bello and Ogbueshi H.C. Okolo.

### **FIXED ASSETS**

The company incurred capital expenditure of ~~N~~452 million (2004 - ~~N~~388 million) of this amount, 86% of it relates to our operating lease business to large corporations. Other information relating to changes in fixed assets is given in note 12 and 13 to the accounts.

## **STATE OF AFFAIRS**

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

## **EMPLOYMENT OF DISABLED PERSONS**

Applications for employment of disabled persons are always fully considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should as far as possible be identical with that of other employees.

## **CHARITABLE GIFTS**

The following donations were made during the year (2004 : N2,930,070)

Pacelli School	160,750
Host Community related projects	200,000
Equipment Leasing Association of Nigeria	<u>150,000</u>
Total	<u>510,750</u>

## **EMPLOYEE INVOLVEMENT AND TRAINING**

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and other forms of communication. The employee share scheme has been running successfully since inception.

## **OPERATIONAL RISK**

**C&I Leasing's business is exposed to changes in the oil companies' investment and operating budgets and so the Company seeks to limit this risk by focusing on selected niches and actively seeking to enter into transactions whose business risks are negatively correlated to the oil industry budgets. In line with standard industry practice, some of the Company's contracts may contain clauses that, under certain circumstances, entitle customers to terminate them early.**

In some circumstances, the Company may be entitled to compensation from the client to offset some of the impact of such early termination on its earnings.

## FINANCIAL RISK

A small but growing percentage, 11% (2004-10%) of the Company's revenues is currently earned outside Nigeria. The Company prepares its accounts in Nigerian Naira. As a result, the Company constantly monitors its net US Dollar exposure and tries to hedge this exposure by trying to finance the acquisition of such assets by borrowing in US Dollars. At the end of the year, our net US dollar assets were roughly equivalent to our US dollar liabilities. On the whole, a strong US Dollar vis-a-vis the Naira will largely benefit the company because of its earnings profile.

## HEALTH, SAFETY AND ENVIRONMENT AT WORK

The company's Health, Safety and Environmental (HSE) policies and targets are an integral part of the management systems. The principle is to have a well documented systems where personnel selection, on-the-job training and our internal control procedures are the main planks for achieving the set targets. Our HSE performance during 2005 was better than the industry average with only one accident related fatality. In addition, the company maintains a health insurance policy with a health insurer to ensure adequate health care services for staff and family members where applicable.

## ANALYSIS OF SHAREHOLDING

The analysis of shareholding in the company as at January 31, 2005 was as follows:

Range (units)	Holding %	Naira Value
1 - 10,000.....	0.84	5,067,823
10,001 - 100,000.....	5.95	35,727,562
100,001 - 1,000,000....	9.63	57,780,764
1,000,001 - 10,000,000	14.54	87,211,964
10,000,001 and above	69.04	414,211,887
		<u>600,000,000</u>

## LIST OF STOCK HOLDERS WITH SHARE CAPITAL HIGHER THAN 5% OF TOTAL SHARE CAPITAL

Name	Holding	Percent
Credit Alliance Fin.Ser.Ltd.	60,000,010	10%
Crusader Insurance Co.Plc	29,848,339	5%
Leadway Assurance Co.Ltd	36,082,353	6%
Out Consortium Fin.Ltd	78,062,508	13%

Petra Properties Ltd.	71,389,362	11%
Ugboma Patrick	31,249,998	5%

## **CORPORATE GOVERNANCE**

The financial statements and the related financial information included in the report are responsibility of the directors. The responsibility includes preparing the financial statements in accordance with generally accepted accounting principles and includes estimates that are based on the directors' best judgments.

The directors are required by the Companies and Allied Matters Act, 1990 to prepare financial statements that give a true and fair view of the state of the Company as at the end of the financial year. The financial statement must be prepared on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility in ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with Companies and Allied Matters Act, 1990.

The directors also have a general responsibility for taking such steps as reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors consider that in preparing the financial statements on page 14 to 27 inclusive, they have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates and all applicable accounting standards have been followed.

## **INTERNAL CONTROL**

The company has control mechanisms that are designed to provide a reasonable assurance that a material misstatement or loss will not occur.

There is a clearly defined organization structure setting out reporting lines, responsibilities and authority levels. The company prepares budgets annually against which performance is measured. Financial reports are prepared monthly for management and quarterly for the Board.

## **AUDITORS**

Akintola Williams Deloitte have indicated their willingness to continue as auditors in accordance with section 357(2) of the Companies and Allied Matters Act, 1990.

By order of the Board

**Mbanugo Udenze & Co**  
Company Secretary  
April , 2005

## **REPORT OF THE AUDITORS TO THE MEMBERS OF C & I LEASING PLC**

We have audited the financial statements of C & I LEASING PLC as at 31 January 2005 set out on pages 14 to 27 which have been prepared on the basis of the accounting policies set out on pages 2 to 3.

### **Respective responsibilities of Directors and Auditors**

In accordance with the Companies and Allied Matters Act, 1990, the Company's Directors are responsible for the preparation of the financial statements. Our responsibility is to form an independent opinion, based on our audit, on these statements and to report our opinion to you.

### **Basis of Opinion**

We conducted our audit in accordance with international standards on auditing issued by the International Federation of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and assess whether the Company's books of account have been properly kept. We have obtained all the information and explanations we required for the purpose of our audit.

### **Opinion**

In our opinion, the Company has kept proper books of account and the financial statements are in agreement with the books. The financial statements, drawn up in conformity with generally accepted accounting standards in Nigeria, give a true and fair view of the state of the Company's affairs at 31 January 2005 and of the profit and cash flows for the year ended on that date and have been properly prepared in accordance with the Companies and Allied Matters Act 1990, the Banks and Other Financial Institutions Act 1991, and other relevant circulars issued by the Central Bank of Nigeria.

### **AKINTOLA WILLIAMS DELOITTE & TOUCHE**

Chartered Accountants  
Lagos, Nigeria

17<sup>th</sup> May, 2005

## **AUDIT COMMITTEE'S REPORT TO THE MEMBER OF C & I LEASING PLC**

In accordance with the statutory provisions of Section 359(6) of the Companies and Allied Matters Act 1990 the members of the Corporate Audit Committee of C & I Leasing Plc report on the Company's financial statements for the year ended 31<sup>st</sup> January 2005.

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

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

The External Auditors confirmed all the necessary co-operation was received from the management and that they had given an unqualified audit report.

Mazi Emma Kanu O. Ivi	Chairman
Femi Oduyemi	Member
S. B. Aderenle	Member
Princess Ngozi U. Uche	Member
Dipo Ayanbule	Member

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) **Accounting convention**

The financial statements have been prepared under the historical cost convention.

### b) **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.

Lease rentals on operating leases are credited to income on a gross basis.

### c) **Investment in lease**

Leases are classified as finance leases where the present value of the minimum lease payments is more than 80% of the fair value. Investment in finance leases is stated gross less unearned finance income.

Assets on operating leases are reported at the cost of the leased assets less accumulated depreciation.

### d) **Loans and advances**

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

### e) **Bad and doubtful debts**

i. Loans and advances are considered non-performing when interest and/or principal are due and unpaid for 90 days or more.

ii. 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:

- Substandard accounts – 10%
- Doubtful accounts – 50%
- Lost accounts – 100%

General provision of 1% is made on risk assets not specifically provided for.

iii. Bad debts are written off when the extent of the loss has been determined.

**f) Income recognition**

Interest is recognized on an accrual basis.

Interest accruing on non-performing accounts is recognized on cash basis.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### g) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

### h) Depreciation

Except for motor vehicles on hire, which are depreciated on the sum of digits method, depreciation is provided on a straight line method at the following annual rates to write off the cost of fixed assets over their estimated useful lives.

Cars and trucks	25%
Office equipment	20%
Furniture and fittings	20%
Generators	20%
Marine equipment	20%
Leased assets	20%
Cranes	10%

### i) Foreign currencies transactions

Transactions in foreign currencies are recorded at the rates of exchange ruling on the dates of those transactions. Foreign currency balances are converted to Naira at the rates of exchange ruling at the balance sheet date. Exchange differences arising on conversion are included in the profit and loss account for the year.

### j) Deferred taxation

Provision for deferred taxation is made using the liability method by applying the current rate of taxation on the amount by which the net book value of fixed assets exceeds the corresponding tax written down value.

### k) Retirement benefits

Expenditure on retirement benefits for members of staff is based on the provisions of the staff pension scheme. The contributions are calculated on current salaries and charged to profit and loss account. The employee and employers contributions are in the ratio of 10 and 15 respectively

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2005**

	Note	2005 N'000	2004 N'000
Gross income	2	1,166,860	1,284,759
Direct costs		<u>(772,116)</u>	<u>(850,539)</u>
Gross profit		394,744	434,220
Administrative expenses		<u>(282,545)</u>	<u>(312,290)</u>
Profit on ordinary activities before taxation	3	112,199	121,930
Tax on profit on ordinary activities	4	<u>(16,550)</u>	<u>(16,361)</u>
Profit on ordinary activities after taxation		95,649	105,569
<b>Appropriation:</b>			
Transfer to statutory reserve	17	(14,347)	(15,835)
Reserve for bonus issue	17	-	(947)
Proposed dividend	17	<u>(60,000)</u>	<u>(40,000)</u>
Profit for the year transferred to general reserve		<u><b>21,302</b></u>	<u><b>48,787</b></u>
<b>Per Share Data:</b>			
	5		
Earnings per share (kobo)		16	26
Dividend per share (kobo)		10	10

The accounting policies on pages 2 to 3 and the notes on pages 7 to 14 form an integral part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 JANUARY 2005**

	Note	2005 N'000	2004 N'000
<b>ASSETS</b>			
Cash and short-term funds	6	54,616	102,720
Loans and advances	7	220,570	111,155
Finance lease receivables	8	177,325	111,972
Other assets	9	415,716	455,269
Investments	11	20,300	45,868
Leased assets	12	991,472	1,061,320
Fixed assets	13	<u>93,497</u>	<u>88,184</u>
Total assets		<b><u>1,973,496</u></b>	<b><u>1,976,488</u></b>
<b>LIABILITIES</b>			
Current liabilities	14	1,399,553	1,397,347
Medium term liabilities	15	<u>124,793</u>	<u>165,640</u>
		<u>1,524,346</u>	<u>1,562,987</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	16	300,000	200,000
Reserves	17	<u>165,700</u>	<u>213,501</u>
Shareholders' fund		<u>465,700</u>	<u>413,501</u>
Total liabilities		<u>1,993,053</u>	<u>1,976,488</u>

The financial statements were approved by the Board of Directors on 17th May 2005 and signed on its behalf by:

\_\_\_\_\_ }  
 AVM A.D. BELLO (RTD) }  
 \_\_\_\_\_ } Directors  
 \_\_\_\_\_ }

C. E. NDU

The accounting policies on pages 2 to 3 and the notes on pages 7 to 14 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY, 2005**

	2005	N'000	2004	N'000
<b>Cash flows from operating activities</b>				
Interest received	1,166,860		1,284,759	
Interest payments	(270,264)		(274,538)	
Cash payments to employees and suppliers	<u>(516,547)</u>		<u>(627,689)</u>	
Operating profit before changes in working capital	<b>380,049</b>		<b>382,532</b>	
Loans and advances	(109,415)		(3,643)	
Finance lease receivable	(65,353)		103,265	
Other assets	19,996		(183,559)	
Current liabilities	239		(150,381)	
Medium term liabilities	<u>(40,847)</u>		<u>325,914</u>	
Net cash flows from operating activities before Income tax	(195,380)		474,128	
Tax paid	<u>-</u>		<u>(6,761)</u>	
Net cash flows from operating activities	<u>184,669</u>		<u>467,367</u>	
<b>Cash flows from investing activities</b>				
Proceeds from sale of fixed assets and investment	260,028		23,655	
Purchase of fixed assets	(452,801)		(388,092)	
Investments	<u>-</u>		<u>(8,976)</u>	
Net cash used in investing activities	<u>(192,773)</u>		<u>(373,413)</u>	
<b>Cash flows from financing activities</b>				
Dividend paid	<u>(40,000)</u>		<u>(36,000)</u>	
Net cash used in financing activities	<u>(40,000)</u>		<u>(36,000)</u>	
Net (decrease)increase in cash and short term funds	(48,104)		57,954	
Cash and short term funds beginning of the year	<u>102,720</u>		<u>44,766</u>	
Cash and short term funds at 31 January	<u><b>54,616</b></u>		<u><b>102,720</b></u>	

**NOTES TO THE FINANCIAL STATEMENTS  
31 JANUARY 2005**

**1. The Company**

C & I Leasing Plc, is licensed by the Central Bank of Nigeria and was incorporated on 28 December, 1990 to provide leasing and ancillary services to companies, especially in the oil, gas and telecom sectors. Assets leased include cars, trucks, cranes, barges, house boat, and other equipment. In addition, the company provides logistic support and other ancillary services for various companies. The company is owned by a number of Nigerian institutional investors and individuals. The Company's shares were listed on the Nigerian Stock Exchange in December, 1997.

**2. Segment Information**

The analysis of Gross Income and gross profit by various business lines is as follows:

	Gross income		Gross profit	
	2005 N'000	2004 N'000	2005 N'000	2004 N'000
Lease income	1,102,292	1,127,676	372,901	381,130
Interest on loans and trade:				
Finance Income	44,216	32,689	14,958	11,048
Other income	<u>20,352</u>	<u>124,394</u>	<u>6,885</u>	<u>42,042</u>
Income earned outside Nigeria	<b><u>1,166,860</u></b>	<b><u>1,284,759</u></b>	<b><u>394,744</u></b>	<b><u>434,220</u></b>
Income earned outside Nigeria			<b><u>130,140</u></b>	<b><u>125,481</u></b>

**3. Profit on ordinary Activities  
Before Taxation**

Profit on ordinary activities is stated after charging/(crediting):

Interest expenses		270,264	274,538
-------------------	--	---------	---------

Depreciation			255,650	242,170
Auditors' remuneration			2,200	2,000
Provision for doubtful accounts			691	13,796
Profit on disposal of fixed assets and investment			<u>-16,631</u>	<u>-15,222</u>

	<b>Gross income</b>		<b>Gross profit</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Lease income	1,102,292	127,676	373,150	381,130
Interest on loans and trade:				
Finance Income	44,216	32,689	14,968	11,048
Other income	<u>20,352</u>	<u>124,394</u>	<u>6,890</u>	<u>42,042</u>
Income earned outside Nigeria	<u><b>1,166,860</b></u>	<u><b>284,759</b></u>	<u><b>395,008</b></u>	<u><b>434,220</b></u>
Income earned outside Nigeria			<u><b>130,140</b></u>	<u><b>125,481</b></u>

### **3. Profit on ordinary Activities Before Taxation**

Profit on ordinary activities is stated after charging/(crediting):

Interest expenses		270,264	274,538
Depreciation		255,650	242,170
Auditors' remuneration		2,200	2,000
Provision for doubtful accounts		691	13,796
Profit on disposal of fixed assets and investment		<u>(16,631)</u>	<u>(15,222)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 JANUARY 2005 (Cont'd)**

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>4 Tax on profit on ordinary activities</b>		
Based on the profit for the year:		
Income tax	12,184	19,919
Education tax	4,366	4,446
Underprovision in previous year	-	946
Deferred tax	-	(8,950)
Capital gain tax	-	-
As per profit and loss account	16,550	16,361
Balance brought forward	15,026	22,525
Deferred tax (Note 15)	-	8,950
Payment during the year	-	(6,761)
Withholding tax credit	(34,583)	(26,049)
As per balance sheet (Note 14)	<u><b>(3,007)</b></u>	<u><b>15,026</b></u>

**5 Per share data**

Earnings and dividend per share are computed on the basis of 600 million ordinary shares in issue as at 31 January, 2005 and the net profit after tax for the relevant period.

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>6 Cash and short-term funds</b>		
Cash in hand	335	335
Cash at bank	54,281	102,385
	<u><b>54,616</b></u>	<u><b>102,720</b></u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**31 JANUARY 2005**

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>7 Loans and advances</b>		
a) Analysis of loans and advances by security is as follows		
Otherwise secured	261,377	151,739
Provision for doubtful accounts (Note 10)	<u>(40,807)</u>	<u>(40,584)</u>
	<b><u>220,570</u></b>	<b><u>111,155</u></b>
There were no loans and advances secured against real estate (2004: Nil)		
b) Analysis of loans and advances by performance is as follows:		
Performing	221,343	101,314
Non-performing:		
Doubtful	2,879	22,000
Lost	<u>37,155</u>	<u>28,425</u>
	<b><u>261,377</u></b>	<b><u>151,739</u></b>
c) Analysis of Loans and advances by maturity		
The maturity of loans and advances is as follows:		
Under one month	49472	15154
1 - 3 months	37155	22,000
3 - 6 months	110,740	-
6 - 12 months	<u>64,010</u>	<u>114,585</u>
	<b><u>261,377</u></b>	<b><u>151,739</u></b>
<b>8 Finance Lease receivables</b>		
Gross Investment	553,419	346,086
Unearned lease interest	<u>(374,300)</u>	<u>(229,501)</u>
	179,119	116,585
Provision for doubtful accounts (Note 10)	<u>(1,794)</u>	<u>(4,613)</u>
	<b><u>177,325</u></b>	<b><u>111,972</u></b>
a) Maturity profile :		
Under one month	17,912	11,450
1 - 3 months	48,362	23,246
3 - 6 months	50,153	33,217
6 - 12 months	30,450	25,989
Over 12 months	<u>32,242</u>	<u>22,683</u>
	<b><u>179,119</u></b>	<b><u>116,585</u></b>



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**31 JANUARY 2005**

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>9 Other Assets</b>		
Prepayment	50,500	60,031
Lease rental due	173,613	190,537
Sundry debtors	<u>250,869</u>	<u>241,123</u>
	474,982	491,691
Provision for doubtful accounts (Note 10)	<u>(39,709)</u>	<u>(36,422)</u>
	<b><u>435,273</u></b>	<b><u>455,269</u></b>

<b>10 Summary of movements on provision for doubtful accounts</b>	<b>Finance Lease</b>	<b>Loans &amp; advances</b>	<b>Other assets</b>	<b>2005 Total</b>	<b>2004 Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of the year	4,613	40,584	36,422	81,619	67,823
Provision for the year:					
General Provision	1,794	2,213	4,235	8,242	11,014
Specific provision	-	38,594	35,474	74,068	70,605
Release of prior provision	(4,613)	(40,584)	(36,422)	(81,619)	(67,823)
As per profit and loss account	<u>(2,819)</u>	<u>223</u>	<u>3,287</u>	<u>691</u>	<u>13,796</u>
Balances, end of year	<u>1,794</u>	<u>40,807</u>	<u>39,709</u>	<u>82,310</u>	<u>81,619</u>

<b>11 Investments</b>	<b>% Holding</b>	<b>2005</b>	<b>2004</b>
		<b>N'000</b>	<b>N'000</b>
This represents interests in the following companies:			
Nigeria Electro Plastic and Polishing Ind. Ltd*	98	20,000	20,000
Zikron Express JV	-	-	25,568
Devco Ltd. *	2	<u>300</u>	<u>300</u>
		<b><u>20,300</u></b>	<b><u>45,868</u></b>

\* Non-trading/ dormant companies

Group accounts have not been prepared as the directors are of the opinion that the results of the subsidiaries are not material to these financial statements.

During the year the company disposed its interest in Zikron Express JV as part of continuing efforts to focus on its core activities.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**31 JANUARY 2005**

**12 Leased assets**

	<b>Autos &amp; Trucks N'000</b>	<b>Office equipment N'000</b>	<b>Marine equipment N'000</b>	<b>Cranes N'000</b>	<b>Total N'000</b>
<b>Cost</b>					
At 1 February, 2004	407,695	21,253	373,847	625,137	1,427,932
Additions	7,100	-	381,509	-	388,609
Disposals	<u>(197,591)</u>	-	-	<u>(143,394)</u>	<u>(340,985)</u>
At 31 January, 2005	<u>217,204</u>	<u>21,253</u>	<u>755,356</u>	<u>481,743</u>	<u>1,475,556</u>
<b>Depreciation</b>					
At 1 February, 2004	170,650	7,181	127,018	61,763	366,612
Charge for the year	87,716	5,399	93,816	48,174	235,105
Disposals	<u>(117,633)</u>	-	-	-	<u>(117,633)</u>
At 31 January, 2005	<u>140,733</u>	<u>12,580</u>	<u>220,834</u>	<u>109,937</u>	<u>484,084</u>
<b>Net Book Value</b>					
At 31 January, 2005	<u>76,471</u>	<u>8,673</u>	<u>534,522</u>	<u>371,806</u>	<u>991,472</u>
At 31 January, 2004	<u>237,045</u>	<u>14,072</u>	<u>246,829</u>	<u>563,374</u>	<u>1,061,320</u>

Notes:

Depreciation of rental vehicles for the year ended 31 January, 2005 was based on sum of digits method which amounted to N52,303,292 (2004 - N67,814,234). However, if the straight-line method of depreciation had been adopted for the same vehicles, the depreciation chargeable would have been N43,577,921 (2004 - N38,149,321).

**13 Fixed assets (owned)**

	<b>Autos &amp; Trucks N'001</b>	<b>Furniture/ fittings N'000</b>	<b>Office equipment N'000</b>	<b>Plant &amp; Machinery N'000</b>	<b>Land N'000</b>	<b>Total N'000</b>
<b>Cost</b>						
At 1 February, 2004	103,079	4,150	45,334	21,376	9,313	183,252
Additions	48,718	139	1,713	-	13,622	64,192
Disposals	<u>(49,936)</u>	-	-	<u>(11,926)</u>	-	<u>(61,862)</u>
At 31 January, 2005	<u>101,861</u>	<u>4,289</u>	<u>47,047</u>	<u>9,450</u>	<u>22,935</u>	<u>185,582</u>
<b>Depreciation</b>						
At 1 February, 2004	58,226	2,539	20,420	13,883	-	95,068
Charge for the year	8,659	706	8,317	2,863	-	20,545
Disposal	<u>(14,006)</u>	-	-	<u>(9,522)</u>	-	<u>(23,528)</u>
	<u>52,879</u>	<u>3,245</u>	<u>28,737</u>	<u>7,224</u>	-	<u>92,085</u>
<b>Net Book Value</b>						
At 31 January, 2005	<u>48,982</u>	<u>1,044</u>	<u>18,310</u>	<u>2,226</u>	<u>22,935</u>	<u>93,497</u>
At 31 January, 2004	<u>44,853</u>	<u>1,611</u>	<u>24,914</u>	<u>7,493</u>	<u>22,935</u>	<u>101,806</u>



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**31 JANUARY, 2005**

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>14 Current liabilities</b>		
Bank loans and overdraft	160,782	166,663
Other borrowings (Note 14(a))	1,148,593	1,107,890
Security deposits	9,864	1,922
Taxation (Note 4)	-	15,026
Accounts payable and accruals	23,321	65,846
Proposed dividend	60,000	40,000
	<u><b>1,402,560</b></u>	<u><b>1,397,347</b></u>
<b>a) Other short-term borrowings</b>		
Refinanced lease facilities	459,932	486,806
Secured lease notes	207,648	192,335
Commercial notes	605,806	594,389
	<u>1,273,386</u>	<u>1,273,530</u>
Due after more than one year (note 15)	<u>(124,793)</u>	<u>(165,640)</u>
	<u><b>1,148,593</b></u>	<u><b>1,107,890</b></u>

The maturity profile is as follows:

Under one month	72,326	75,278
1 - 3 months	282,884	489,677
3 - 6 months	598,337	293,029
6 - 12 months	195,046	249,906
	<u><b>1,148,593</b></u>	<u><b>1,107,890</b></u>

**15 Medium term liabilities**

Obligations under refinanced leases	96,341	124,842
Obligations under secured lease notes	<u>28,452</u>	<u>40,798</u>
	124,793	165,640
Obligations due after more than one year (Note 14(a))	124,793	165,640
Deferred taxation (Note 15(a))	-	-
	<u><b>124,793</b></u>	<u><b>165,640</b></u>

a) The movement in deferred taxation account during the year is as follows

Balance, beginning of year	-	8,950
Charge for the year (Note 4):		
Current year provision	-	-
Prior year provision	-	-
Provision no longer required	<u>-</u>	<u>(8,950)</u>
Balance, end of year	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**31 JANUARY, 2005**

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>16 Share capital</b>		
Authorised share capital:		
1,000,000,000 ordinary shares of 50K each	<u>500,000</u>	<u>500,000</u>
Called-up and fully paid:		
600,000,000 ordinary shares of 50K each	<u>300,000</u>	<u>300,000</u>
(2004: 400,000 ordinary shares of 50K each)		

At the Annual General Meeting held on 3 June, 2004, the sum of N100 million from the General Reserve was approved by an ordinary resolution, to be capitalised and distributed amongst members in the proportion of one new share for every two fully paid ordinary shares held as at the close of business on 28 May, 2004.

	<b>Statutory</b>	<b>General</b>	<b>Bonus issue</b>	<b>2005</b>	<b>2004</b>
	<b>reserve</b>	<b>reserve</b>	<b>reserve</b>	<b>Total</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>17 Reserves</b>					
Balance, beginning of year	64,714	48,787	100,000	213,501	163,664
Transfer from:					
Profit and loss account	14,347	21,302	-	35,649	65,569
Share premium	-	-	-	-	64,268
Transfer to share capital	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(80,000)</u>
Balance, end of year	<u><b>79,061</b></u>	<u><b>70,089</b></u>	<u><b>-</b></u>	<u><b>149,150</b></u>	<u><b>213,501</b></u>

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>18 Information regarding directors and employees</b>		

**a) Directors**

Director's emoluments		
Fees	1,450	1,450
Other emoluments	4,320	4,320
Fees and emoluments disclosed above excluding pension contributions include amounts paid to:		
The Chairman		
The highest paid Director	250	250
	4,320	4,320

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 was:

<b>Number</b>	<b>Number</b>
---------------	---------------

N240,001 - N300,000	-	-
N300,000 - N1,550,000	7	7
	7	7

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**31 JANUARY, 2005**

**18.**

b) Employees

The average number of persons (including directors) employed by the company during the year was 42 (2004 : 179)

	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
Staff costs for the above persons :		
Wages and Salaries	138,700	145,337
Pension Contribution	<u>2,100</u>	<u>2,153</u>
	<b><u>140,800</u></b>	<b><u>147,490</u></b>

The number of employees of the company other than directors, who earned more than N70,000 during the year:

	<b>Number</b>	<b>Number</b>
N240,001 - N480,000	68	44
N480,001 - and above	<u>90</u>	<u>135</u>
	<b><u>158</u></b>	<b><u>179</u></b>

**19 Capital commitments**

The company had budgeted the sum of N86 million (2004 - N80m) for the construction of its new Head Office in Lagos. Of this amount N84.2 million had been expended as at 31 January, 2005.

**20 Contingent liabilities**

There were no material contingent liabilities as at 31 January, 2005 (2004 - Nil)

**21 Proposed dividend**

The proposed dividend is payable net of applicable withholding tax. The amount so deducted will not be retained by the company but paid over to the relevant tax authorities.

**VALUE ADDED STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2005**

	<b>2005 N'000</b>	<b>%</b>	<b>2004 N'000</b>	<b>%</b>
Gross income	1,166,860		1,284,759	
Purchase of goods and services	<u>(675,041)</u>		<u>(789,951)</u>	
<b>VALUE ADDED</b>	<u>491,819</u>	<u>100</u>	<u>494,808</u>	
 <b>DISTRIBUTION :</b>				
<b>Employees</b>				
Salaries, wages and other benefits	140,800	29	147,490	30
<b>Shareholders</b>				
Proposed dividend	60,000	12	40,000	8
<b>Government</b>				
Taxation	-	-	16,361	3
<b>The Future</b>				
Depreciation	255,650	52	242,170	49
Deferred taxation	-	-	-	-
Retained profit for the year	<u>35,369</u>	<u>8</u>	<u>48,787</u>	<u>10</u>
	<u><b>491,819</b></u>	<u><b>100</b></u>	<u><b>494,808</b></u>	<u><b>100</b></u>

## FIVE YEAR FINANCIAL SUMMARY

	2005 N'000	2004 N'000	2003 N'000	2002 N'000	2001 N'000
<b>ASSETS EMPLOYED</b>					
Cash and short-term funds	54,616	102,720	44,766	47,213	48,554
Loans and advances	220,570	111,155	113,306	196,695	414,274
Finance lease receivables	177,325	111,972	189,499	580,527	491,724
Other assets	435,273	455,269	345,295	244,749	127,713
Investments	20,300	45,868	36,892	11,149	9,348
Fixed assets including operating lease assets	<u>1,084,969</u>	<u>1,149,504</u>	<u>1,023,968</u>	<u>401,095</u>	<u>80,454</u>
<b>Total Assets</b>	<b><u>1,993,053</u></b>	<b><u>1,976,488</u></b>	<b><u>1,753,726</u></b>	<b><u>1,481,428</u></b>	<b><u>1,172,067</u></b>
<b>FINANCED BY</b>					
Called up share capital	300,000	200,000	120,000	120,000	120,000
Share premium	-	-	70,269	70,269	70,269
Reserves	<u>165,700</u>	<u>213,501</u>	<u>163,664</u>	<u>129,521</u>	<u>108,668</u>
Share holders' fund	465,700	413,501	353,933	319,790	298,937
Current liabilities	1,402,560	1,397,347	1,284,097	1,126,984	787,248
Medium term liabilities	<u>124,793</u>	<u>165,640</u>	<u>115,696</u>	<u>34,654</u>	<u>85,882</u>
	<b><u>1,993,053</u></b>	<b><u>1,976,488</u></b>	<b><u>1,753,726</u></b>	<b><u>1,481,428</u></b>	<b><u>1,172,067</u></b>
<b>PROFIT AND LOSS ACCOUNT</b>					
Gross income	<u>1,166,860</u>	<u>1,284,759</u>	<u>941,698</u>	<u>608,150</u>	<u>346,182</u>
Profit on ordinary activities before taxation	112,199	121,930	93,909	55,942	83,391
Tax on profit on ordinary activities	-	(16,361)	(11,766)	(11,089)	(11,210)
Profit on ordinary activities after taxation	<u>112,199</u>	<u>105,569</u>	<u>82,143</u>	<u>44,853</u>	<u>72,181</u>
Appropriations:					
Statutory reserve	16,830	15,835	12,321	6,728	10,827
Bonus issue	-	947	-	-	-
Proposed dividend	60,000	40,000	36,000	36,000	36,000
Transfer to general reserve	<u>35,369</u>	<u>48,787</u>	<u>33,822</u>	<u>2,125</u>	<u>25,354</u>
	<b><u>112,199</u></b>	<b><u>105,569</u></b>	<b><u>82,143</u></b>	<b><u>44,853</u></b>	<b><u>72,181</u></b>
Earnings per share (kobo) - Actual	19	26	34	19	30
Earnings per share (kobo) - Diluted	19	18	14	9	12
Dividend per share (kobo) - Actual	10	10	15	10	15
Dividend per share (kobo) - Diluted	<u>10</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>



	<b>2005</b>	<b>2004</b>
	<b>N'000</b>	<b>N'000</b>
<b>DIRECTOS COST</b>		
Depreciation - leased assets	235,105	217,133
Insurance	55,714	51,806
Car rental expenses	45,147	82,489
Interest expenses	270,264	274,538
Operating lease expenses	165,195	210,777
Provision for doubtful debts	<u>691</u>	<u>13,796</u>
	<b><u>772,116</u></b>	<b><u>850,539</u></b>

#### **ADMINISTRATIVE EXPENSES**

Directors' remuneration	4,210	7,610
Salaries and wages	73,381	81,027
Non-payroll costs	39,678	31,553
Other personnel expenses	19,852	16,952
Staff bonuses	2,407	7,963
Pension costs	2,100	2,153
Staff training	3,383	7,842
Maintenance and renewals	31,935	28,628
Depreciation - own assets	20,545	25,037
Rent	3,977	4,367
Travel and entertainment	20,211	21,712
Audit Fee	2,200	2,000
Professional expenses	8,014	9,005
Telephone and communications	14,908	12,357
COT and other bank charges	16,062	17,898
Advert and external relations	8,335	24,102
Printing and stationery	4,432	3,441
Office supplies expenses	1,686	1,483
Electricity and other expenses	<u>5,229</u>	<u>7,160</u>
	<b><u>282,545</u></b>	<b><u>312,290</u></b>