CHAMS PLC AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS
31 DECEMBER 2015

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF CHAMS PLC AND ITS SUBSIDIARY COMPANIES

We have audited the accompanying financial statements of Chams Plc and its subsidiary Companies ('together the Group') for the financial year ended 31 December 2015, which comprises the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements which include the significant accounting policies and other explanatory notes

Directors' responsibility for the financial statements

2. The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, in compliance with relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting polices and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

4 In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and the Group's financial position as at 31 December 2015 and of the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN 2004.

Report on other legal requirements

5. The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion, proper books of account have been kept by the Company and the Group; and

iii) the Company's and Group's statement of financial position and profit and loss and other comprehensive income statement are in agreement with the books of account.

Lagos, Nigeria
30 March 2016

Olugbemiga A. Akibayo
FRC/2013/ICAN/00000001076
For: BDO Professional Services
Chartered Accountants

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Notes	2015	2014	2015	2014
		N'000	N'000	N'000	N'000
Revenue	7	1,610,478	4,115,834	914,929	3,336,359
Cost of sales	8	(1,221,521)	(2,565,474)	(757,571)	(2,174,798)
Gross profit		388,957	1,550,360	157,358	1,161,561
Other operating income	9	158,260	199,312	176,179	163,338
Administrative expenses		(3,778,776)	(1,369,398)	(2,694,774)	(792,280)
(Loss)/profit from operations		(3,231,559)	380,274	(2,361,237)	532,619
Finance expenses	10	(161,512)	(119,983)	(155,538)	(117,482)
Finance income	10	51	1,514	-	-
Net finance expenses		(161,461)	(118,469)	(155,538)	(117,482)
(Loss)/profit before taxation		(3,393,020)	261,805	(2,516,775)	415,137
Tax expense	20(a)	(12,296)	18,622	(2,399)	31,201
(Loss)/profit for the year after taxation		(3,405,316)	280,427	(2,519,174)	446,338
Other comprehensive income:					
Item that will not be reclassified to profit or loss:					
Revaluation surplus on property, plant and equipment	12(c)	-	959,065	-	959,065
Item that may be reclassified to profit or loss		-	-	-	-
Total other comprehensive income net of tax		-	959,065	-	959,065
Total Comprehensive Income		**(3,405,316)**	**1,239,492**	**(2,519,174)**	**1,405,403**
Loss attributable to non controlling interest		(153,619)	(30,312)	-	-
(Loss)/profit attributable to Parent		(3,251,697)	310,739	(2,519,174)	446,338
(Loss)/profit for the year after taxation		(3,405,316)	280,427	(2,519,174)	446,338
Total comprehensive (expense)/income attributable to:					
Owners of the parent		(3,251,697)	1,269,804	(2,519,174)	1,405,403
Non-controlling interest		(153,619)	(30,312)	-	-
Total comprehensive Income		(3,405,316)	1,239,492	(2,519,174)	1,405,403
Basic (loss)/ earnings per share (Kobo)	11	(69)k	27k	(54)k	30k
Diluted (loss)/ earnings per share (Kobo)	11	(69)k	27k	(54)k	30k

The accompanying notes to the financial statements on pages 8 to 46 and other national disclosures on pages 47 and 48 form part of these financial statements.

Auditors' report, pages 1 and 2.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
Assets	**Notes**	**2015**	**2014**	**2015**	**2014**
Non-current assets		**₦'000**	**₦'000**	**₦'000**	**₦'000**
Property, plant and equipment	12	3,106,027	3,358,528	2,028,171	2,119,959
Investment project	13	224,048	151,035	224,048	151,035
Intangible assets	14	84,641	104,615	83,303	90,953
Investment in subsidiaries	15(f)	-	-	1,845,985	1,845,985
Available for sale financial assets	17	100,000	100,000	100,000	100,000
Deferred tax asset	20(c)	285,051	249,495	285,051	249,495
		3,799,767	**3,963,673**	**4,566,558**	**4,557,427**
Current assets					
Inventories	18	1,057,726	1,464,348	-	373,381
Trade and other receivables	19	3,545,431	6,370,455	5,831,777	8,506,938
Cash and cash equivalents	28	157,445	228,777	99,930	125,097
		4,760,602	8,063,580	5,931,707	9,005,416
Total assets		**8,560,369**	**12,027,253**	**10,498,265**	**13,562,843**
Liabilities					
Non-current liabilities					
Deferred tax liability	20(c)	-	-	-	-
Current liabilities					
Trade and other payables	21	4,005,028	4,093,625	2,830,387	2,955,071
Loans and borrowings	22	553,358	468,261	427,931	445,558
Corporate tax liability	20(e)	647,631	611,779	590,418	564,463
		5,206,017	5,173,665	3,848,736	3,965,092
Total liabilities		**5,206,017**	**5,173,665**	**3,848,736**	**3,965,092**
Net assets		**3,354,352**	**6,853,588**	**6,649,529**	**9,597,751**
Issued capital and reserves attributable to owners of the parent					
Share capital	24	2,348,030	2,348,030	2,348,030	2,348,030
Share premium	25	5,458,750	5,458,750	5,458,750	5,458,750
Capital reserve	26	145,522	145,522	-	-
Revaluation reserve	12(c) & 25	959,065	959,065	959,065	959,065
Retained earnings	25	(5,000,410)	(1,654,792)	(1,781,189)	831,906
		3,910,957	7,256,575	6,984,656	9,597,751
Non-controlling interest	27	(556,605)	(402,987)	-	-
Total equity		**3,354,352**	**6,853,588**	**6,984,656**	**9,597,751**

The financial statements and notes on pages 3 to 48 were approved by the Board of Directors on 29 March 2016 and signed on its behalf by:

Very Rev. Ayodeji Richards	**Olufemi S. Williams**	**Mayowa Olaniyan**
Chairman	**Managing Director**	**Chief Financial Officer**
FRC/2013/ICAN/00000004386	***FRC/2013/NSE/00000004337***	***FRC/2013/ICAN/00000004330***

The accompanying notes to the financial statements on pages 8 to 46 and other national disclosures on pages 47 and 48 form part of these financial statements.

Auditors' report, pages 1 and 2.

CHAMS PLC AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Share capital ₦'000	Share premium ₦'000	Revaluation reserve ₦'000	Capital reserve ₦'000	Retained earnings ₦'000	Total attributable to equity holders of parent ₦'000	Non-controlling interest ₦'000	Total equity ₦'000
1 January 2015	**2,348,030**	**5,458,750**	**959,065**	**145,522**	**(1,654,792)**	**7,256,575**	**(402,987)**	**6,853,589**
Loss for the year	-	-	-	-	(3,251,697)	(3,251,697)	(153,619)	(3,405,316)
Other comprehensive Income	-	-		-	-	-	-	-
Total comprehensive income	-	-	-	-	(3,251,697)	**(3,251,697)**	(153,619)	**(3,405,316)**
Transaction with owners recorded directly in equity	-	-	-	-	-	-	-	-
Dividend					(93,921)	(93,921)	-	(93,921)
31 December 2015	**2,348,030**	**5,458,750**	**959,065**	**145,522**	**(5,000,410)**	**3,910,957**	**(556,605)**	**3,354,352**

	Share capital ₦'000	Share premium ₦'000	Revaluation reserve	Capital reserve ₦'000	Retained earnings ₦'000	Total attributable to equity holders of parent ₦'000	Non-controlling interest ₦'000	Total equity ₦'000
1 January 2014	2,348,030	5,458,750	-	145,522	(2,901,879)	5,050,423	(372,675)	4,677,748
Adjustment	-	-	-	-	936,348	936,348	-	936,348
1 January 2014 -Restated	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	310,739	310,739	(30,312)	280,427
Other comprehensive Income	-	-	959,065	-	-	959,065	-	959,065
Total comprerhensive income	-	-	959,065	-	310,739	**1,269,804**	(30,312)	**1,239,492**
Transaction with owners recorded directly in equity	-	-		-	-	-	-	-
31 December 2014	**2,348,030**	**5,458,750**	**959,065**	**145,522**	**(1,654,792)**	**7,256,575**	**(402,987)**	**6,853,588**

The accompanying notes to the financial statements on pages 8 to 46 and other national disclosures on pages 47 and 48 form part of these financial statements.

Auditors' report, pages 1 and 2.

CHAMS PLC AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Company

	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000
1 January 2015	**2,348,030**	**5,458,750**	**959,065**	**831,906**	**9,597,751**
Loss for the year	-	-	-	(2,519,174)	(2,519,174)
Other comprehensive income, net of tax	-	-		-	-
Total comprehensive income	-	-	-	(2,519,174)	(2,519,174)
Transaction with owners and recorded directly in equity	-	-	-	-	-
Dividend paid	-	-	-	(93,921)	(93,921)
31 December 2015	**2,348,030**	**5,458,750**	**959,065**	**(1,781,189)**	**6,984,656**

	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000
1 January 2014	**2,348,030**	**5,458,750**	**-**	**385,568**	**8,192,348**
Profit for the year	-	-	-	446,338	446,338
Other comprehensive income, net of tax	-	-	959,065	-	959,065
Total comprehensive income	-	-	959,065	446,338	1,405,403
Transaction with owners and recorded directly in equity	-	-	-	-	-
31 December 2014	**2,348,030**	**5,458,750**	**959,065**	**831,906**	**9,597,751**

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Auditors' report, pages 1 and 2.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	Notes	N'000	N'000	N'000	N'000
(Loss)/Profit after taxation		(3,405,316)	280,427	(2,519,174)	446,338
Adjustments for:					
Loss on sale of property, plant and equipment		1,297	104,360	1,297	-
Gain on sale of property, plant and equipment	9	(350)	(1,363)	-	-
Finance costs	10	161,512	119,983	155,538	117,482
Finance income	10	(51)	(1,514)	-	-
Tax expense	20(a)	12,296	(18,622)	2,399	(31,201)
Depreciation	12(a)	249,477	232,832	76,570	63,932
Amortisation of intangible assets	14(a)	30,444	7,750	7,650	7,750
Adjustment on property, plant and equipment	12(a)	-	7,040	-	-
Changes in assets and liabilities:					
Decrease/(increase) in inventories	18	406,622	(528,439)	373,381	(132,890)
Decrease/(increase) in trade and other receivables	19	2,825,025	(192,778)	2,675,161	(865)
(Decrease)/increase in trade and other payables	21	(89,008)	825,961	(124,684)	210,941
Total adjustments		191,948	835,637	648,138	681,487
Tax paid		(12,000)	(16,116)	(12,000)	(15,000)
Net cash provided by operating activities		**179,948**	**819,521**	**636,138**	**666,487**
Cash flows from investing activities					
			-		
Purchase of property, plant and equipment	12(a)	(25,471)	(125,144)	(13,279)	(60,406)
Additions to investment projects	13	(73,013)	(96)	(73,013)	(96)
Purchase of intangible assets	14(a)	(10,470)	(13,662)	-	-
Proceeds from sale of property, plant and equipment		27,959	1,362	27,200	-
Finance income	10	51	1,514	-	-
Net cash used in investing activities		(80,944)	(136,026)	(59,092)	(60,502)
Cash flows from financing activities					
Finance expenses	10	(161,512)	(119,983)	(155,538)	(117,482)
Dividends		(93,921)		(93,921)	-
Long term loan repaid		-	-	-	-
Net cash provided by financing activities		(255,433)	(119,983)	(249,459)	(117,482)
Net (decrease)/increase in cash and cash equivalents		(156,429)	563,512	327,587	488,503
Cash and cash equivalents at the beginning of the year		(239,484)	(802,996)	(320,461)	(808,964)
Cash and cash equivalents at the end of the year	28	**(395,913)**	**(239,484)**	**7,126**	**(320,461)**

The accompanying notes to the financial statements on pages 8 to 46 and other national disclosures on pages 47 and 48 form part of these financial statements.

Auditors' report, pages 1 and 2.

1. **History of the Company and nature of operations**

Chams Plc (The Company) was incorporated as a limited liability Company on 10 September 1985 and became a public Company on 4 September 2008. The Company was listed on the floor of the Nigerian Stock Exchange on 8 September 2008. The principal activities of Chams Plc and its subsidiaries (the Group) include identity management, payment collections and transactional systems. The Company's registered office is located at 8, Louis Solomon Close, Victoria Island, Lagos.

2 **Basis of preparation**

a) **Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 4. The policies have been consistently applied to all the years presented, unless otherwise stated.

b) **Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the requirements of the Companies and Allied Matters Act, CAP C20, LFN, 2004. Where the provisions of IFRS are in conflict with the requirements of the companies and Allied Matters Act, CAP C20, LFN 2004, IFRS supersedes.

c) **Basis of measurement**

The financial statements were authorised for issue by the Board of Directors on 29 March 2016.

The consolidated financial statements have been prepared on the historical cost basis except for revalued property, plant and equipment.

d) **Functional and presentation currency.**

These financial statements are presented in Naira, which is the Group's functional currency. Amounts are rounded to the nearest thousands, unless otherwise stated.

e) **Use of estimates and judgement**

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. Areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3 New standards, interpretations and amendments effective from 1 January 2015

A number of new standards, interpretations and amendments are effective for the first time for the year beginning on, or after 1 January 2015 and have been adopted in these financial statements. The nature and effect of each new standard, interpretation and amendment adopted by the Group is detailed below. Not all new standards and interpretations effective for the first time for the year beginning on, or after 1 January 2015 affected the Company's annual financial statements.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 9 (2014) (issued Jul 2014)	Financial Instruments	**Classification and measurement** Financial assets will either be measured - at amortised cost, - fair value through other comprehensive income (FVTOCI) or - fair value through profit or loss (FVTPL). **Impairment** The impairment model is a more 'forward looking' model in that a credit event no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition. **Hedging** The new hedge accounting model introduced the following key changes: -Simplified effectiveness testing, including removal of the 80-125% highly effective threshold -More items will now qualify for hedge accounting, e.g. pricing components within a non-financial item, and net foreign exchange cash positions -Entities can hedge account more effectively the exposures that give rise to two risk positions (e.g. interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods -Less profit or loss volatility when using options, forwards, and foreign currency swaps -New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.	Annual reporting periods commencing on or after 1 January 2018	The first time application of IFRS 9 will have a wide and potentially very significant impact on the accounting for financial instruments. The new impairment requirements are likely to bring significant changes for impairment provisions for trade receivables, loans and other financial assets not measured at fair value through profit or loss. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

Standards and amendments issued but yet to take effect

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 14 Issued in January 2014	Regulatory Deferral Accounts	IFRS 14 applies to entities that conduct ‘rate-regulated activities’ i.e. activities that are subject to rate regulation. The rate regulation is a framework that establishes prices for goods and/or services that are subject to the oversight/approval of a ‘rate regulator’. The Standard permits an entity in the rate regulated industry to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.	1 January 2016	The provision of the standard will not have any impact on the Company's financial statements when it becomes effective in 2016 as the Company is not operating in a rate regulated industry.
IFRS 15 Issued in May 2014	Revenue from contracts with customers	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information. The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii)Identify the performance obligations in the contract (iii)Determine the transaction price (iv)Allocate the transaction price to the performance obligations in the contract (v)Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018	The Board is currently reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted. Consideration will be given to the following: (i)At what point in time the company recognises revenue from each contract whether at a single point in time or over a period of time; (ii) whether the contract needs to be ‘unbundled’ into two or more components; (iii)how should contracts which include variable amounts of consideration be dealt with; (iv)what adjustments are required for the effects of the time value of money; (v) what changes will be required to the company’s internal controls and processes.

4 Significant accounting policies

(i) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is the fair value of the consideration received net of taxes and discounts. Revenue from sales of goods is recognised when delivery has taken place and transfer of risks and reward of ownership has been completed. Revenue from service rendered is recognised immediately the service is completed and a service delivery form is issued. When services are provided in phases, revenue is recognised on completion of each phase of the project. Dividends are recognised when shareholders right to received payment is established.

Contract revenue is recognised in the income statement on percentage of completion method with the stage of completion being measured by reference to the actual work performed to date.

(ii) Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

a. Associates

When the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. The Group's share of post-acquisition profits and losses is recognised in the consolidated statement of comprehensive income except that losses in excess of the Group's investment in the associate are not recognised unless there is obligation to make good those losses.

Profit and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investor's interest in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associates.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in the associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non financial assets.

b. **Joint venture**

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.
The Group reports its interests in jointly controlled entities using the equity method, which involves recognition in the consolidated income statement of Chams Plc's share of the net results of the joint ventures for the year. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. Chams Plc's interest in a joint venture is carried in the statement of financial position at its share in the net assets of the joint venture together with goodwill paid on acquisition, less any impairment loss. When the share in the losses exceeds the carrying amount of an equity-accounted company (including any other receivables forming part of the net investment in the company), the carrying amount is written down to nil and recognition of further losses is discontinued, unless we have incurred legal or constructive obligations relating to the company in question

iii) Segment reporting

An operating segment is a component of an entity:

(a) That engages in business activities from which it may earn revenues and incur expenses (including inter group transactions).
(b) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segments and assess its performance and
(c) For which discrete financial information is available

The Company has three main business segments:

- Identity Management and solutions
- Payments, Collections and Transactional Systems
- ICT Training

Revenue and cost reporting are directly related to the segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers have been identified as the members of the management team including the Group Managing Director.

All reported revenue and related costs of each segments are reconciled.

a. **Identity management**

Chams Plc is a regional resource centre for identification solutions for clients ranging from corporations, educational bodies to national government.

The Group's identity management activities will include prometrics, biometrics identification with applications in the financial, healthcare, corporate and other public fields.

- **Chamscity:** is the major hub for large and nationwide Biometrics, data management, online real-time examinations and conferences etc. It offers a unique infrastructural backbone for the realisation of net national identification schemes and projects.

Under the Group Operations we provide identity management through our subsidiary companies such as:

Card Centre Limited

This is an operator of one of the world's largest card manufacturing and personalising factory. It also has Smart and Chip Card expertise engaging efficient and effective technologies for card personalisation, identity card enrolment logistic and access control.

b. **Payments, collections and transactional systems**

Our payments systems involve building, developing and maintenance of ICT infrastructures across the nation through our companies by helping Nigeria move seamlessly with the world's trend of cashless economy. Under the Group Operations, we provide payment platforms through our subsidiary companies such as:

ChamsAccess Limited

Deploys across the nation the premium automated teller machines and self-service Chams Access Service Terminals (CAST)m and acess control.

ChamsSwitch Limited

Set up to build an enabling infrastructure to ensure unimpeded expansion of all other E-payment initiatives of Chams Group.

ChamsMobile Limited/Naira.com

Setting up mobile payment platforms that will allow users carry out transactions through their mobile phones. These transactions ranges from funds transfer and airtime top-up to balance equiry etc.

Paymaster Limited

Specialises in deployment of POS terminals with e-payment, vouchers, identity, loyalty, and more financing banking applications.

c. All non current assets under each segment are geographically analysed.

d. Others: Terminal and printers and recharge card aspect of Card Center

Geographical location

Abuja	**Lagos**
Chams Switch	Chams Plc

v. **Property, plant and equipment**

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives.

The expected useful lives of property, plant and equipment are as follows:

<u>**Leasehold improvement**</u>	**Over the shorter of the useful life of the item**
Building	50 years
Computers and other IT equipment	4 years
Furniture and fittings	4 years
Plant and machineries	7 years
Motor vehicles	4 years
IT Software	5 years

At the date of revaluation, the accumulated depreciation on the revalued freehold property is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The excess depreciation on revalued freehold buildings, over the amount that would have been charged on a historical cost basis, is transferred from the revaluation reserve to retained earnings when freehold buildings are expensed through the consolidated statement of comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

<u>**Derecognition**</u>

An item of property, plant and equipment is derecognised on disposal when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit and loss in the year the asset is derecognised.

At each statement of financial position date, the Group assesses whether there is any indication that an asset may be impaired. If any such exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest generating unit to which the asset belongs.

If there is an indication that an asset is impaired, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the income statement.

vi. **Leases**

Leases in which substantially all the risks and rewards incidental to the ownership of the leased asset have been transferred to the Group (a finance lease), the asset is treated as if it has been purchased outright. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The interest element of the lease is charged to the consolidated statement of comprehensive income over the period of the lease. Leases order than finance lease are operating lease and are not recognised as assets in the books. lease expenses are charged to the statement of profit or loss and other comprehensive income.

vii. **Investment property**

An investment property is an investment in land and building held primarily for generating income or capital appreciation and not occupied substantially for use in the operation of the Group.

Initial measurement is at cost, while subsequent recognition is at fair value. Investment property measured at fair value is reassessed every year and changes in carrying value are recognised in the consolidated statement of profit or loss.

viii. **Intangible asset**

Internally generated intangible assets primarily comprised internally developed software. Such software as well as other internally generated assets for internal use are valued at cost and amortised over their useful lives. Impairments are recorded if the carrying amount of the asset exceeds the recoverable amount.

Development costs include, in addition to those costs attributable to the development of the asset, an appropriate proportion of overhead costs. Borrowing costs are capitalised to the extent that they are material and related to the period over which the asset is generated. The estimated useful life of software is 10 years which is assessed for impairment every year.

ix. **Goodwill**

Goodwill represents an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately re-organised.

Cost comprises of assets given, liabilities assumed and equity instruments issued, plus the amount of any non controlling interests in the business acquired plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in case of contingent consideration classified as financial liability, measured subsequently through profit and loss.

Goodwill is capitalized as an intangible asset with any impairment (The Company is required to test on annual basis whether goodwill has suffered impairment) in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

x. **Inventories**

Inventories of raw materials are valued at lower of purchase cost (based on weighted average cost, including related costs) and their net realizable value. A write down is recorded if net realizable value is less than the book value.

Write down on inventories of spare parts and consumables are calculated by comparing book value and probable net realizable value after a specific analysis of obsolescence of inventory.

xi. **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. For the purpose of the statement of cash flows, bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

xii. **Borrowings costs**

Borrowing costs are interest and other costs that the entity incurs in connection with the borrowing of funds. Borrowing costs on qualifying capital expenditure are capitalized while others are expensed.

xiii. **Employee benefits**

a) **Short - term employee benefits**

All short term employee benefits payable within 12 months after service is rendered, the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period should be recognized in that period. All benefits that are due or outstanding as at the end of the year are accrued for.

b) **Defined contribution plans**

The cost to be recognized in the period is the contributory pension payable by employer (i.e. 7.5% of Basic, Housing and Transport) and the employee contributes in exchange for service rendered by employees during the period (e.g. pension contribution scheme). The cost is recognized as an expense in income statement when they fall due.

c) **Termination benefits**

Termination benefits would be recognized when and only when, the Group is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Group shall recognize termination benefits as an expense when the Group is demonstrably committed with a detailed formal plan for the termination without realistic possibility of withdrawal.

xiv. **Income tax**

Expenses on income tax comprise current and deferred tax. Current tax is the expected tax payable on taxable income or loss for the year, using tax rates enacted by the Government. Current tax assets and liabilities will be offset on the statement of financial position. Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividend by the Group are recognized at the same time as the liability to pay the related dividend is recognized.

xv. **Share capital and share premium**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Financial instruments issued by the Group are classified as equity only to extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

Dividends on ordinary shares

xvi. Dividends on ordinary shares are recognised as a liability and deducted from equity when they become legally payable. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the shareholders. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

xvii. **Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are retranslated to the functional currency at exchange rates as at the date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Non monetary items are not re-translated at year end and are measured at historical cost (translated using the exchange rates at the transaction dates,) except for non monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

xviii. **Provisions, Contingent Assets and Liabilities**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required from the group and the amounts can be estimated reliably. Timing or amounts of the outflow may still be uncertain.

Provisions are measured at the estimated amounts required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are discounted to their present values when the time value of money is material.

xix. **Financial Instruments**

Recognition, Initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables
- Financial assets at fair value through profit or loss (FVTPL)
- Held-to-maturity (HTM) investments
- Available-for-sale (AFS) financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least yearly to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets that are recognised in the profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Individual significant receivables are considered for impairment when they are past due or when objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the group has the intention and ability to hold them until maturity.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment including impairment losses are recognised in profit or loss.

AFS financial assets

AFS financial assets are non derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The group's AFS financial assets include unquoted equity investment in Joint Komputer Kompany Limited.

The equity investment in Joint Komputer Kompany Limited is measured at cost less any impairment charges, as its fair value cannot currently be estimated reliably. Impairment charges are recognised in profit or loss.

All other AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest is calculated using the effective interest rate method and dividends are recognised in profit or loss within finance income.

Reversals and impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

5 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates are based on factors including historical experience and expectations of future events that management believes to be reasonable. However, given the judgmental nature of such estimates, actual results could be different from assumptions used. The estimates and assumptions that can have significant risks of causing material adjustments to the carrying amounts of assets and liabilities are set out below:

a. Power to exercise significant influence

When the Group holds less than 20% of voting rights in an investment but the Company has the power to exercise significant influence, such an investment is treated as an associate. Where the Company holds over 20% of voting rights (but not over 50%) and the Group does not exercise significant influence, the investment is treated as an available – for – sale investment.

b. Legal proceedings

In accordance with IFRS, the Group recognizes a provision where there is a present obligation from a past event, a transfer of economic benefits is probable and the amount of cost of the transfer can be estimated reliably. In instances where the criteria are not met, a contingent liability may be disclosed in the notes to the financial statements. Application of these accounting principles to legal cases requires the Group's management to make determinations about various factual and legal matters beyond control. The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case(including the progress after the date of the financial statements but before those statements are issued), the opinion or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claims or assessment.

c. Determination of fair values of intangible assets in business combinations

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that would have been avoided as a result of the trademark or a patent being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sales of assets

d. **Income and deferred taxation**

Chams Plc and its subsidiary Companies annually incur significant amounts of income taxes payable and also recognises significant changes to deferred tax assets and liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly at times apply a complex set of rules, to recognise changes in applicable rules and in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

e. **Impairment of property, plant and equipment and intangible assets**

The Group assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Group's estimated value in use. The estimated future cash flows applied are based on reasonable and supportable assumptions and present management's best estimates of the range of economic conditions that will exist over the remaining useful life of the cash flow generating assets.

6 **Financial instruments- risk management**

The Group is exposed through its operations to the following financial risks:

- Foreign exchange risk
- Interest rate risk
- Liquidity risk
- Credit risk

Foreign Exchange Risk

Most of the Group's transactions are carried out in Nigerian Naira (N). Exposures to currency exchange rates arise from the Group's overseas purchases of goods and raw materials, which are primarily denominated in US dollars (USD). To mitigate the Group's exposure to foreign currency risk, non-Naira cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies.

Generally, the Group's risk management procedures distinguish short term foreign currency cash flows (due within 6 months) from longer term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long term foreign currency exposures that are not expected to be offset by other currency transactions.

Interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposures by choosing short term borrowings (mainly overdrafts). At 31 December 2015, the Group is exposed to changes in market interest rates through short term bank borrowings at variable interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time bands: on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade and other receivables are all contractually due within six months.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk through creating receivables to customers, placing deposits etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 December 2015.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the reported financial assets that are not impaired or past due for each of the 31 December reporting dates under review are of good credit quality.

Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

PRINCIPAL FINANCIAL INSTRUMENTS

- Trade receivables
- Cash and cash equivalents
- Investments in unquoted equity securities
- Trade and other payables
- Bank overdrafts
- Floating - rate bank loans
- Forward currency contracts

The Group's internal auditors periodically review the risk management policies and processes and report their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risks as far as possible without unduly affecting the Group's competitiveness and flexibility.

7 Segment information (Group) 2015

	Identity management & Solution 2015 N'000	Others 2015 N'000	Total 2015 N'000
Revenue	1,133,147	477,331	1,610,478
Cost of sales	(913,742)	(307,779)	(1,221,521)
Gross profit	219,405	169,552	388,957
Total gross profit from external customers	219,405	169,552	388,957
Group gross profit per consolidated statement of comprehensive income	219,405	169,552	388,957
Depreciation	(63,509)	(169,323)	(232,832)
Segment profit	**155,896**	**229**	**156,125**
Other operating income			158,260
Depreciation of head office building			(40,000)
Finance expenses			(161,512)
Finance income			51
Administrative expenses			(3,505,944)
Group profit before tax			**(3,393,020)**
Segment financial position as at 31 December 2015			
Property plant and equipment (carrying amount)	2,571,100	534,927	3,106,027
Long term investments	-	100,000	100,000
Intangible assets	84,641	-	84,641
Investment projects	145,259	78,790	224,049
Deferred taxation	285,051	-	285,051
Current assets	4,103,952	656,650	4,760,602
Current liabilities	(4,491,296)	(714,722)	(5,206,018)
Net assets as at 31 December 2015	**2,698,707**	**655,645**	**3,354,352**

Segment information (Group) 2014	N'000	N'000	N'000
Revenue	3,550,819	565,015	4,115,834
Cost of sales	(2,114,328)	(451,146)	(2,565,474)
Gross profit	1,436,491	113,869	1,550,360
Total gross profit from external customers	1,436,491	113,869	1,550,360
Group gross profit per consolidated statement of comprehensive income	1,436,491	113,869	1,550,360
Depreciation	(111,472)	(83,246)	(194,718)
Segment profit/ (loss)	**1,325,019**	**30,623**	**1,355,642**
Other operating income			199,312
Depreciation of head office building			(38,114)
Finance expenses			(132,007)
Finance income			1,514
Administrative expenses			(1,124,542)
Group profit before tax			**261,805**

	Identity management & Solution	Others	Total
Segment financial position as at 31 December 2014			
Property plant and equipment (carrying amount)	2,431,695	926,833	3,358,528
Long term investments	-	100,000	100,000
Intangible assets	104,615	-	104,615
Investment projects	43,484	107,551	151,035
Deferred taxation	249,495	-	249,495
Current assets	7,982,852	80,728	8,063,580
Current liabilities	(4,047,108)	(1,126,557)	(5,173,665)
Net assets as at 31 December 2014	**6,765,033**	**88,555**	**6,853,588**

Segment information (Company) 2015	N'000	N'000	N'000
Revenue	914,929	-	914,929
Cost of sales	(757,571)	-	(757,571)
Gross profit	157,358	-	157,358
Total gross profit from external customers	157,358	-	157,358
Gross profit per statement of comprehensive income	157,358	-	157,358
Depreciation	(36,570)		(36,570)
Segment Profit	**120,788**	**-**	**120,788**
Other operating income			176,179
Other expenses			-
Depreciation of head office building			(40,000)
Finance expenses			(155,538)
Administrative expenses			(2,618,204)
Company profit before tax as at 31 December 2015			**(2,516,775)**
Segment financial position as at 31 December 2015			
Property plant and equipment (carrying amount)	2,028,171	-	2,028,171
Long term investments	1,945,985	-	1,945,985
Intangible assets	83,303	-	83,303
Investment projects	224,048	-	224,048
Deferred taxation	285,051	-	285,051
Current assets	5,931,707	-	5,931,707
Current liabilities	(3,848,736)	-	(3,848,736)
Net assets	**6,649,529**	**-**	**6,649,529**

Segment information Company 2014	Identity management & Solution	Others	Total
	2014	2014	2014
	N'000	N'000	N'000
Revenue	3,074,034	262,325	**3,336,359**
Cost of sales	(2,047,834)	(126,964)	**(2,174,798)**
Gross profit	1,026,200	135,361	**1,161,561**
Total gross profit from external customers	1,026,200	135,361	**1,161,561**
Gross profit per statement of comprehensive income	1,026,200	135,361	**1,161,561**
Depreciation	(30,132)	(5,115)	**(35,247)**
Segment Profit	**996,068**	**130,246**	1,126,314
Other operating income			163,338
Other expenses			-
Depreciation of head office building			(28,753)
Finance expenses			(127,380)
Administrative expenses			(718,382)
Company profit before tax as at 31 December 2014			415,137

Segment financial position as at 31 December 2014	N'000	N'000	N'000
Property plant and equipment (carrying amount)	1,932,554	187,405	2,119,959
Long term investments	420,897	1,525,088	1,945,985
Intangible assets	90,953	-	90,953
Investment projects	43,496	107,539	151,035
Deferred taxation	249,495	-	249,495
Current assets	7,855,193	1,150,223	9,005,416
Current liabilities	(3,267,640)	(697,452)	(3,965,092)
Net assets	**7,324,948**	**2,272,803**	**9,597,751**

		Group		Company	
8	**Cost of sales**	**2015**	**2014**	**2015**	**2014**
	Analysis by operations	**N'000**	**N'000**	**N'000**	**N'000**
	Biometric	471,024	2,034,013	434,104	2,034,013
	Training	323,467	140,785	323,467	140,785
	ATM	12,256	1,887	-	-
	Switching	19,670	25,402	-	-
	Scratch Cards and consumables	376,777	342,647	-	-
	Kiosks and Booths	5,425	1,072	-	-
	Maintenance	-	16,348	-	
	Clearing	2,832	-	-	-
	Other direct costs	10,070	3,320	-	-
		1,221,521	2,565,474	757,571	2,174,798
9	**Other operating income**	**N'000**	**N'000**	**N'000**	**N'000**
	Rental Income	-	-	22,063	37,812
	Miscellaneous income	-	1,258	-	988
	Sundry income	15,795	72,153	12,001	-
	Waiver received on loan repayment	-	70,776	-	70,776
	Profit/(loss) from disposal of property, plant anc	(947)	1,363	(1,297)	-
	Exchange difference	143,412	53,762	143,412	53,762
	Total	**158,260**	**199,312**	**176,179**	**163,338**

		Group		Company	
		2015	2014	2015	2014
Finance income and expense		₦'000	₦'000	₦'000	₦'000
		₦'000	₦'000	₦'000	₦'000
10	**Finance income**				
	Interest received on bank deposits	51	1,514	-	-
	Total finance income	51	1,514	-	-
	Finance expenses	₦'000	₦'000	₦'000	₦'000
	Interest expense on loans and overdraft	161,512	119,983	155,538	117,482
	Total finance expenses	161,512	119,983	155,538	117,482
	Net finance expenses recognised in income statement	(161,461)	(118,469)	(155,538)	(117,482)

		Group		Company	
11	**Earnings per share**	₦'000	₦'000	₦'000	₦'000
	(Loss)/Earnings for the year and earnings used in basic EPS	(3,251,697)	1,269,804	(2,519,174)	1,405,403
	(Loss)/ Earnings used in diluted EPS	(3,251,697)	1,269,804	(2,519,174)	1,405,403
	Denominator	**'000**	**'000**	**'000**	**'000**
	Weighted average number of shares used in basic EPS	4,696,060	4,696,060	4,696,060	4,696,060
	Weighted average number of shares used in diluted EPS	4,696,060	4,696,060	4,696,060	4,696,060
		(69)k	27k	(54)k	30k

12(a) **Property, plant and equipment (Group)**

	Land	Building	Plant and machinery	Fixtures and fittings	Computer equipment	Equipment	Motor Vehicle	Total
Cost/valuation	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance at 1 January 2015	**105,009**	**2,000,000**	**1,903,166**	**339,893**	**403,120**	**1,156,259**	**192,654**	**6,100,101**
Additions	-	-	-	2,106	12,905	3,960	6,500	25,471
Disposals	(28,342)	-	(6,205)	-	-	-	-	(34,547)
Balance at 31 December 2015	**76,667**	**2,000,000**	**1,896,961**	**341,999**	**416,025**	**1,160,219**	**199,154**	**6,091,025**
Balance at 1 January 2014	**100,583**	**1,258,320**	**2,018,170**	**336,296**	**394,532**	**1,109,608**	**180,372**	**5,397,881**
Additions	4,426	4,500	23,942	3,597	15,628	46,651	26,400	125,144
Disposals	-	-	(138,946)	-	-	-	(14,118)	(153,064)
Fair value gain recognised in other comprehensive income	-	737,180	-	-	-	-	-	737,180
Adjustments	-	-	-	-	(7,040)	-	-	(7,040)
Balance at 31 December 2014	**105,009**	**2,000,000**	**1,903,166**	**339,893**	**403,120**	**1,156,259**	**192,654**	**6,100,101**
Accumulated depreciation								
Balance at 1 January 2015	-	**-**	**761,535**	**336,544**	**371,155**	**1,108,517**	**163,821**	**2,741,572**
Depreciation charge for the year	-	40,000	158,141	3,763	22,684	14,538	10,351	**249,477**
Disposals			(6,051)					**(6,051)**
Balance at 31 December 2015	-	40,000	913,625	340,307	393,839	1,123,055	174,172	2,984,998
Balance at 1 January 2014	-	**196,695**	**634,672**	**332,581**	**348,085**	**1,098,437**	**168,859**	**2,779,329**
Depreciation charge for the year	-	25,190	161,449	3,963	23,070	10,080	9,080	232,832
Disposals	-	-	(34,586)	-	-	-	(14,118)	(48,704)
Adjustments	-	(221,885)	-	-	-	-	-	(221,885)
Balance at 31 December 2014	**-**	**-**	**761,535**	**336,544**	**371,155**	**1,108,517**	**163,821**	**2,741,572**
Carrying amount as at:								
31 December 2015	**₦76,667**	**₦1,960,000**	**₦983,336**	**₦1,692**	**₦22,186**	**₦37,164**	**₦24,982**	**₦3,106,027**
31 December 2014	**₦105,009**	**₦2,000,000**	**₦1,141,631**	**₦3,349**	**₦31,965**	**₦47,742**	**₦28,833**	**₦3,358,528**

Bank borrowings are secured on the Group's buildings. The outstanding loan for the year amounted to N553.36 million (2014: N468.27 million)

12(b) **Property, plant and equipment (Company)**

Cost/valuation	Land ₦'000	Building ₦'000	Plant and machinery ₦'000	Fixtures and fittings ₦'000	Computer equipment ₦'000	Equipment ₦'000	Motor Vehicle ₦'000	Total ₦'000
Balance at 1 January 2015	**48,572**	**2,000,000**	**84,437**	**245,298**	**63,088**	**941,681**	**154,268**	**3,537,344**
Additions	-	-	-	1,485	10,128	1,666	-	13,279
Disposals	(28,342)	-	**(6,205)**	-	-	-	-	(34,547)
Balance at 31 December 2015	**20,230**	**2,000,000**	**78,232**	**246,783**	**73,216**	**943,347**	**154,268**	**3,516,076**
Balance at 1 January 2014	**44,146**	**1,258,321**	**84,437**	**241,801**	**48,529**	**934,656**	**127,868**	**2,739,758**
Additions	4,426	4,499	-	3,497	14,559	7,025	26,400	60,406
Fair value gain recognised in other comprehensive income	-	737,180	-	-	-	-	-	737,180
Balance at 31 December 2014	**48,572**	**2,000,000**	**84,437**	**245,298**	**63,088**	**941,681**	**154,268**	**3,537,344**
Accumulated depreciation								
Balance at 1 January 2015	-	-	**74,919**	**242,623**	**41,328**	**932,985**	**125,531**	**1,417,386**
Depreciation charge for the year	-	40,000	6,395	1,534	14,643	4,459	9,539	76,570
Disposals	-	-	(6,051)	-	-	-	-	**(6,051)**
Balance at 31 December 2015	-	**40,000**	**75,263**	**244,157**	**55,971**	**937,444**	**135,070**	**1,487,905**
Balance at 1 January 2014	-	**196,695**	**64,433**	**241,098**	**31,599**	**923,976**	**117,538**	**1,575,339**
Depreciation charge for the year	-	25,190	10,486	1,525	9,729	9,009	7,993	63,932
Fair value gain recognised in other comprehensive income	-	(221,885)	-	-	-	-	-	(221,885)
Balance at 31 December 2014	-	-	**74,919**	**242,623**	**41,328**	**932,985**	**125,531**	**1,417,386**
Carrying amount as at:								
31 December 2015	**₦20,230**	**₦1,960,000**	**₦2,969**	**₦2,626**	**₦17,245**	**₦5,903**	**₦19,198**	**₦2,028,171**
31 December 2014	**₦48,572**	**₦2,000,000**	**₦9,518**	**₦2,675**	**₦21,760**	**₦8,696**	**₦28,737**	**₦2,119,959**

12(c) Buildings classified as property, plant and equipment were valued as at 31 December 2014 using the market value by Jide Alabi & Co (Estate Surveyors and Valuers), an external independent qualified valuer.

The fair value of buildings is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below:

	2015	2014
	N'000	N'000
Opening balance (level 3 recurring fair value)	2,000,000	1,061,626
Purchased	-	4,499
Disposals	-	-
Charge for the year	-	(25,190)
Gains included in other comprehensive income	-	959,065
closing balance (level 3 recurring fair value)	2,000,000	2,000,000

Had the revalued properties been measured on historical cost basis, their net book value would have been N1,040,937,000 (2014: N1,061,626,000).

13 **Investment projects:**	**Group**		**Company**	
	2015	**2014**	**2015**	**2014**
Investment projects	**N'000**	**N'000**	**N'000**	**N'000**
Chams Varsity	4,083	4,083	4,083	4,083
Chams.Net	40,796	40,796	40,796	40,796
Chams Wallet	6,290	6,290	6,290	6,290
Chams Consortium	145,259	72,246	145,259	72,246
Chams Mobile Limited	27,620	27,620	27,620	27,620
Total	**224,048**	**151,035**	**224,048**	**151,035**

Investment projects represent expenses incurred on behalf of Chams Varsity, Chams.Net and Chams Wallet divisions, and will be converted to shares when these divisions become subsidiaries.

ChamsAccess Limited

Deploys across the nation the premium automated teller machines and self - service Chams Access Service Terminals (CAST)

ChamsSwitch Limited

Set up to build an enabling infrastructure to ensure unimpeded expansion of all other E-payment initiatives of Chams Group

ChamsMobile Limited

Setting up more mobile payment platforms that will allow users to carry out transactions through their mobile phones.

These transactions range from funds transfer and airtime top-up to balance enquiry etc.

Paymaster Limited

Specialises in deployment of POS terminals with e-payment, vouchers, identity, loyalty and more financing & banking applications.

14(a) Intangible assets - Group

Cost	MasterVerve Certificate	NCC Licences	Software Development	Total
	N'000	N'000	N'000	N'000
Balance at 1 January 2015	**13,662**	**150,000**	**125,349**	**289,011**
Additions - externally acquired	**10,470**	**-**	**-**	**10,470**
Additions - internally developed	-	-	-	**-**
Balance at 31 December 2015	24,132	150,000	125,349	299,481
Balance at 1 January 2014	-	150,000	125,349	275,349
Additions - internally developed	13,662	-	-	13,662
Balance at 31 December 2014	13,662	150,000	125,349	289,011
Amortisation				
Balance at 1 January 2015	-	150,000	34,396	**184,396**
Amortisation charge for the year	22,794	-	7,650	**30,444**
Balance at 31 December 2015	22,794	150,000	42,046	214,840
Balance at 1 January 2014	-	150,000	26,646	**176,646**
Amortisation charge for the year		-	7,750	**7,750**
Balance at 31 December 2014	-	150,000	34,396	184,396
Carrying amount as at:				
31 December 2015	**1,338**	**-**	**83,303**	**84,641**
31 December 2014	**13,662**	**-**	**90,953**	**104,615**

Intangible assets represent the value of NCC licence acquired from SmartCity by Card Center Nigeria Limited and Software Development Cost acquired from Supercard Limited by Chams Plc recognised in the books in 2011. These assets have a lifespan of 10 years, which should be amortized by straight line method at 10% p.a.

Amortisation charges on the group's intangible assets are recognised in the administrative expenses line item in the statement of profit or loss and other comprehensive income.

14(b) Intangible assets - Company

	Software Development ₦'000	Total ₦'000
Cost		
Balance at 1 January 2015	**125,349**	**125,349**
Additions - externally acquired	-	-
Additions - internally developed	-	-
Balance at 31 December 2015	**125,349**	**125,349**
Balance at 1 January 2014	125,349	125,349
Additions - externally acquired	-	-
Additions - internally developed	-	-
Balance at 31 December 2014	**125,349**	**125,349**
Amortisation		
Balance at 1 January 2015	34,396	**34,396**
Amortisation charge for the year	7,650	**7,650**
Balance at 31 December 2015	**42,046**	**42,046**
Balance at 1 January 2014	26,646	**26,646**
Amortisation charge for the year	7,750	**7,750**
Balance at 31 December 2014	**34,396**	**34,396**
Carrying amount as at:		
31 December 2015	**₦83,303**	**₦83,303**
31 December 2014	**₦90,953**	**₦90,953**

Intangible assets represent the value of Software Development Cost acquired from Supercard Limited by Chams Plc recognised in the books in 2011.

15 Investment in subsidiaries

a) **Composition of the Group**

Name of the Subsidiary	Country of incorporation and principal place of business	Principal Activities	Proportion of ownership Interests held by the Group 2015	2014
Card Centre Nigeria Limited	Nigeria	Printing of payment/ financial cards	90.63%	90.63%
Chams Access Limited	Nigeria	Development of ATM, POS, printers and terminals	68.37%	68.37%
Chams Switch Limited	Nigeria	Processing of electronic payment	90%	90%

As at 31 December 2015

	Card Centre Nigeria Limited	Chams Access Limited	ChamsSwitch Limited
	N'000	N'000	N'000
Revenue	351,751	277,782	66,016
Cost of sales	(242,120)	(202,160)	(19,670)
Gross profit	109,631	75,622	46,346
Other operating income	350	2,927	867
Administrative expenses	(624,435)	(391,994)	(89,636)
Loss from operating activities	(514,454)	(313,445)	(42,423)
Net finance (cost)/income	(5,973)	50	-
Loss before taxation	(520,427)	(313,395)	(42,423)
Taxation	(4,663)	(3,311)	(1,923)
Loss after tax for the year	(525,090)	(316,706)	(44,346)
Loss allocated to NCI	(49,201)	(100,174)	(4,435)
Other comprehensive income allocated to NCI	-	-	-
Total comprehensive income allocated to NCI	(49,201)	(100,174)	(4,435)
Cash flows from operating activities	(89,483)	(60,620)	23,476
Cash flows from investing activities	(19,940)	(1,388)	(934)
Cash flows from financing activities	-	-	-
Net cash (outflow)/inflow	(109,423)	(62,008)	22,542

As at 31 December 2015

Total assets	1,483,257	762,028	92,596
Total liabilities	1,684,976	1,722,503	714,722
Equity	(201,719)	(960,475)	(622,126)
Percentage of holding	90.63%	68.37%	90%

As at 31 December 2014

	Card Centre Nigeria Limited N'000	Chams Access Nigeria Limited N'000	ChamsSwitch Limited N'000
Revenue	215,077	494,135	70,263
Cost of sales	(80,982)	(284,292)	(25,402)
Gross profit	134,095	209,843	44,861
Other operating income	43,330	22,000	8,456
Administrative expenses	(258,025)	(292,504)	(64,401)
Loss from operating activities	(80,600)	(60,661)	(11,084)
Net finance cost	(987)	-	-
Finance cost	-	-	-
Loss before taxation	(81,587)	(60,661)	(11,084)
Taxation	(5,275)	(5,560)	(1,744)
Loss after tax for the year	(86,862)	(66,221)	(12,828)
Loss allocated to NCI	(8,139)	(20,946)	(1,283)
Other comprehensive income allocated to NCI	-	-	-
Total comprehensive expense allocated to NCI	(8,139)	(20,946)	(1,283)
Cash flows from operating activities	99,236	54,954	(2,144)
Cash flows from investing activities	(75,225)	(1,812)	-
Cash flows from financing activities	-	-	-
Net cash inflows/(outflows)	**24,011**	**53,142**	**(2,144)**
As at 31 December 2014			
Total assets	1,839,409	1,086,582	140,881
Total liabilities	1,516,038	1,730,351	718,661
Equity	323,371	(643,769)	(577,780)
Percentage of holding	90.63%	68.37%	90%

b) **Subsidiary with material non-controlling interests**

The Group includes one subidiary, Chams Access Limited with material non-controlling interests (NCI):

Name	**Proportion of ownership interest and voting rights held by the NCI**		**Loss allocated to NCI**		**Accumulated NCI**	
	31 December 2015 N'000	**31 December 2014 N'000**	**31 December 2015 N'000**	**31 December 2014 N'000**	**31 December 2015 N'000**	**31 December 2014 N'000**
Chams Access Ltd	31.63	31.63	(100,174)	(20,946)	(678,804)	(578,629)

No dividends were paid on the NCI during the years 2015 and 2014.
Summarised financial information for Chams Access Limited intragroup eliminations, is set out below:

	2015 N'000	**2014 N'000**
Non-current assets	401,092	549,636
Current assets	360,936	536,946
Total assets	762,028	1,086,582
Non-current liabilities	1,517,374	1,517,374
Current liabilities	205,129	212,977
Total liabilities	1,722,503	1,730,351

	2015	2014
Equity attributable to owners of the parent	**2015**	**2014**
Non-controlling interests	**N'000**	**N'000**
Revenue	277,988	494,135
Loss for the year attributable to owners of the Company	(216,532)	(45,275)
Loss for the year attributable to NCI	(100,174)	(20,946)
Loss for the year	(316,706)	(66,221)
Other comprehensive income for the year (all attributable to owners of the parent)	-	-
Total comprehensive expense for the year attributable to owners of the Company	(216,532)	(45,275)
Total comprehensive expense for the year attributable to NCI	(100,174)	(20,946)
Total comprehensive income for the year	(316,706)	(66,221)

c) **Loss of control over a subsidiary during the year**

The Group did not lose any control in any subsidiary during 2015 and 2014.

d) **Interest in unconsolidated structured entities**

The Group has no interests in unconsolidated structured entities

e) **Investment in associate**

The Group's only investment in associate is in Paymaster Limited. No dividend were received from Paymaster Limited during 2015 and 2014. The investment in Paymaster Limited has been fully provided for based on diminution in value.

	Group		Company	
	2015	2014	2015	2014
f) **Analysis of investment in subsidiaries**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Card Centre Nigeria Limited	-	-	1,531,302	1,531,302
Chams Access Limited	-	-	810,600	810,600
Chams Switch Limited	-	-	599,251	599,251
	-	**-**	**2,941,153**	**2,941,153**
Impairment provision for value of subsidiaries				
Card centre Limited	-	-	(981,798)	(981,798)
Chams Access	-	-	(113,370)	(113,370)
Net investment in subsidiaries	**-**	**-**	**1,845,985**	**1,845,985**

The impact of the current net liabilities position of the subsidiary Companies estimated at N1.6 billion has not been adjusted for in the Company's investments in subsidiary Companies stated above. The Directors are of the opinion that the investments in subsidiaries are fully recoverable based on Directors enterprise valuation and significant improvement in trading activities subsequent to the year end.

16 **Investment in equity accounted entities**				
Paymaster Nigeria Limited	263,471	263,471	263,471	263,471
Impairment allowance for value of investment	(263,471)	(263,471)	(263,471)	(263,471)
Net investment in associate	-	-	-	-
17 **Available for sale financial assets**				
Unitec Nigeria Limited	1,500	1,500	1,500	1,500
Joint Komputer Kompany Limited	100,000	100,000	100,000	100,000
	101,500	**101,500**	**101,500**	**101,500**
Impairment provision	(1,500)	(1,500)	(1,500)	(1,500)
Net Investemnt in equity accounted enties	**100,000**	**100,000**	**100,000**	**100,000**

		Group		Company	
18	**Inventories**	**2015**	**2014**	**2015**	**2014**
		N'000	**N'000**	**N'000**	**N'000**
	Terminals and consumables	851,742	1,264,301	140,642	175,395
	Work in progress	194,485	197,986	194,485	197,986
	Goods in transit	11,499	2,061	-	-
		1,057,726	**1,464,348**	**335,127**	**373,381**

19(a)	**Trade and other receivables**	**N'000**	**N'000**	**N'000**	**N'000**
	Trade receivables	3,789,024	5,689,769	3,273,733	4,899,680
	Less: provision for impairment of trade receivables (20(d))	(978,086)	(860,034)	(773,454)	(558,804)
	Trade receivables - net	2,810,938	4,829,735	2,500,279	4,340,876
	Receivables from subsidiary companies (Note 20(g(i))	-	-	1,206,279	1,461,247
	Receivables from related parties (Note 20(g(ii))	335,358	334,506	322,109	321,258
	Loan to related Company (Note 20(c))	-	-	527,378	527,378
	Total financial assets other than cash and cash equivalents classified as loans and receivables	3,146,296	5,164,241	4,556,045	6,650,759
	Prepayments	10,056	29,717	1,200	29,709
	Other receivables (Note 20(b)	389,079	1,176,497	1,274,532	1,826,470
	Total trade and other receivables	3,545,431	6,370,455	5,831,777	8,506,938

(b) **Other receivables**

Other receivables	**N'000**	**N'000**	**N'000**	**N'000**
Withholding tax	245,713	179,546	206,134	139,967
Directors current account	2,589	255,086	2,589	255,086
VAT	85,183	20,881	59,916	-
Deposit for Merchant-petcard SC	-	-	207	-
Deposit for fixed assets	-	-	3,150	-
Staff receivables	106,835	123,970	89,996	106,605
other receivables	44,550	758,955	8,331	486,753
Deposit for shares- Chams Access	-	-	1,000,000	1,000,000
Less impairment allowance for staff loans and directors current account (Note 20(e))	(95,791)	(161,941)	(95,791)	(161,941)
Total other receivables	389,079	1,176,497	1,274,532	1,826,470

(c) Term loan represents loan given by Chams Plc to Chams Access Limited at interest free rate

(d) ***Movement in impairment allowance for trade receivables***

	₦'000	**₦'000**	**₦'000**	**₦'000**
Balance at beginning of the year	860,034	847,692	558,804	522,755
Additions during the year	274,243	85,424	214,650	85,032
Write off	(156,191)	(73,082)	-	(48,983)
Balance at the end of the year	978,086	860,034	773,454	558,804

(e)	**Movement in impairment allowance for staff loans and other receivables**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Balance at beginning of the year:				
	Staff debtors	161,941	161,941	95,791	95,791
	Directors current account	-	-	66,150	66,150
		161,941	161,941	161,941	161,941
	Additions/(write back) during the year :				
	Directors current account	-	-	-	-
	Staff debtors	(66,150)	-	(66,150)	-
	Balance at the end of the year	95,791	161,941	95,791	161,941

Allowance for doubtful receivables was made on trade and other receivables which have been past due.
Receivables are considered to be past due when they exceed the credit period granted.

(g) **Receivables from subsidiaries and other related parties**

(i)	**Receivables from subsidiaries**	**N'000**	**N'000**	**N'000**	**N'000**
	Card Centre Nigeria Limited	-	-	1,044,342	1,297,810
	Chams Switch Limited	-	-	161,937	163,437
		-	**-**	**1,206,279**	**1,461,247**
(ii)	**Receivables from related parties**				
	Smart City Limited		-	-	-
	Chams Consortium	41,875	41,524	41,875	41,524
	Paymaster Nigeria Limited	251,896	251,396	251,896	251,396
	Chams mobile	41,587	41,586	28,338	28,338
		335,358	**334,506**	**322,109**	**321,258**

Included in trade receivables at the end of the year in the financial statements are amounts of N41.69 million and N1.53 billion (31 December 2014: N1.8 billion: N714 million) due from Dermalog/Bankers Committee and Osun State Government respectively. These balances constitute about 60% of total trade receivables at the end of the year. Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because they relate to customers with no default history and the amounts are considered recoverable.

The ageing analysis of trade receivables that are past due but not impaired is stated below:

	2015	**2014**	**2015**	**2014**
	N'000	**N'000**	**N'000**	**N'000**
Up to 3 months	547,153	897,730	60,718	726,809
3 to 6 months	480,672	868,342	131,717	623,912
6 to 12 months	512,010	792,560	826,719	780,160
Over 12 months	1,271,103	2,271,103	1,481,125	2,209,995
	2,810,938	4,829,735	2,500,279	4,340,876

Movements in the impairment allowance for trade receivables are disclosed in note 18(d) and 18(e)

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

20(a) **Income tax**

	Group		Company	
Current tax expense	**2015**	**2014**	**2015**	**2014**
Current tax on loss for the year:	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Company/Minimum Tax	45,796	85,253	36,083	75,435
Education tax	184	12,343	-	9,581
Capital gain tax	1,872	-	1,872	-
NITDA Levy	-	4,151	-	4,152
	47,852	101,747	37,955	89,168
Deferred tax expense				
Originating and reversal of temporary differences	(35,556)	(120,369)	(35,556)	(120,369)
Total current tax	**12,296**	**(18,622)**	**2,399**	**(31,201)**

(b) The reasons for the difference between the actual tax charge for the year and the standard rate of corporate tax in Nigeria applied to profits for the year are as follows:

	2015	**2014**	**2015**	**2014**
	N'000	**N'000**	**N'000**	**N'000**
(Loss)/Profit for the year	(3,393,020)	261,805	(2,516,775)	415,137
Corporate tax at the domestic rate of 30% (2014: 30%)	(1,017,906)	78,542	(755,033)	124,541
Effect of income that is exempt from taxation	(46,857)	(129)	-	-
Effect of expenses that are not deductible in determining taxable profit	668,009	103,473	- 578,172	19,179
Losses relieved	396,754	-	176,860	-
Investment allowance	-	(8,098)	-	(647)
Balancing charge	-	129	-	-
Adjusted loss/relieved	-	(30,843)	-	-
Capital allowances absorbed	-	(95,814)	-	(95,814)
Capital gains tax	1,872	-	1,872	-
Minimum Tax	45,796	37,993	36,083	28,176
Education tax	184	12,343	-	9,581
NITDA Levy	-	4,151	-	4,151
Originating and reversal of temporary differences	(35,556)	(120,369)	(35,556)	(120,369)
Tax expense	12,296	(18,622)	2,399	(31,201)

	Opening Balance at 31 December 2014	**Recognize in net income**	**Recognize in OCI**	**Recognise directly in equity**	**Reclassify from equity to net income**	**Closing Balance at 31 December 2015**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
(c) **Group**						
Deferred tax liabilities						
Revaluation Surplus on PPE	122,230		(122,230)	-	-	(0)
Unrealised Exchange Gain	-		-	-	-	-
Difference between NBV and TWDV	(20,561)	280,302	-	-	-	259,741
Deferred tax liability	**101,669**	**280,302**	**(122,230)**	**-**	**-**	259,741
Deferred tax assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Losses carried forward	-	-	-	-	-	-
Unutilised capital allowances	351,164	193,628	-	-	-	544,792
Investment Allowance	-	-	-	-	-	-
Deferred tax assets	**351,164**	**193,628**	**-**	**-**	**-**	544,792
2015 net deferred tax liability movement	**(249,495)**	**86,674**	**(122,230)**	**-**	**-**	**(285,051)**

		Opening Balance at 31 December 2014	Recognize in net income	Recognize in OCI	Recognise directly in equity	Reclassify from equity to net income	Closing Balance at 31 December 2015
(d)	**Company**						
	Deferred tax liabilities	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
	Revaluation Surplus on PPE	122,230		(122,230)	-	-	(0)
	Unrealised Exchange Gain	0		-	-	-	0
	Excess of NBV over TWDV	(20,561)	280,302	-	-	-	259,741
	Deferred tax liability	**101,669**	**280,302**	**(122,230)**	**-**	**-**	**259,741**
	Deferred tax assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
	Losses carried forward	-					-
	Unutilised capital allowances	351,164	193,628	-	-	-	544,792
	Deferred tax assets	**351,164**	**193,628**	**-**	**-**	**-**	**544,792**
	2015 net deferred tax liability movement	**(249,495)**	**86,674**	**(122,230)**	**-**	**-**	**(285,051)**

		Group		Company	
		2015	**2014**	**2015**	**2014**
(e)	Statement of Financial Position	**N'000**	**N'000**	**N'000**	**N'000**
	Balance as at 1 January	611,779	526,148	564,463	490,295
	Charge/originating timing difference for the year	47,852	101,747	37,955	89,168
		659,631	627,895	602,418	579,463
	Payment during the year	(12,000)	(16,116)	(12,000)	(15,000)
	Per Statement of Financial Position	**647,631**	**611,779**	**590,418**	**564,463**

(f) The amount provided as income tax on the results of the Group and the Company is based on the provisions of Companies Income Tax Act CAP 21 LFN 2004 (as amended)

(g) Education tax for the Group and the Company is computed at 2% of assessable profit in line with Education Tax Act CAP E4 LFN, 2004 as amended.

21	**Trade and other Payables**	**N’000**	**N’000**	**N’000**	**N’000**
	Trade payables	1,057,822	1,373,658	640,555	1,062,058
	Other payables and accruals	2,799,675	2,508,870	2,019,348	1,781,477
	Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	3,857,497	3,882,528	2,659,903	2,843,535
	Payable to subsidiary companies	-	-	36,267	18,124
	Payable to related companies	-	5,000		-
	Other payables - tax and social security payments	147,531	206,097	134,217	93,412
	Total trade and other payables	**4,005,028**	**4,093,625**	**2,830,387**	**2,955,071**

a) Included in other payables is an amount of N800,000 (2014: N800,000) charged by BDO Professional Services (tax consultant) as professional fees for taxation.

b) **Dividend**

The directors declared and paid a dividend of 2k per share amounting to N93,921,200 on the issued and fully paid up share capital of 50 kobo each as of 31 December 2014. The proposed dividend is subject to deduction of withholding tax at the appropriate rate.

21(c)	**Other payables and accruals**	**N’000**	**N’000**	**N’000**	**N’000**
	Advances from customers	53,916	53,422	53,916	53,422
	Creditors for sundries	796,269	695,567	767,099	608,061
	ChamsCooperative	10,105	10,453	10,105	7,614
	Withholdingtax	59,394	59,812	59,394	59,496
	Value Added Tax	488,100	547,709	469,477	397,946
	Deposit for shares	16,490	-	10,030	-
	Accrued audit fee	16,000	16,000	6,400	6,400
	Accruals and other creditors	1,359,401	1,125,907	642,927	648,538
		2,799,675	2,508,870	2,019,348	1,781,477

22	**Loans and borrowings**	**N’000**	**N’000**	**N’000**	**N’000**
	Bank Loan	244,518	18,851	227,377	-
	Other unsecured loan	100,000	-	-	-
	Bank overdraft	208,840	449,410	200,554	445,558
	Total Loans and borrowings	553,358	468,261	427,931	445,558

Borrowings are loans and overdrafts from Access bank (19% p.a),Wema bank (20% p.a) and United Bank for Africa (20%)

Security on Facility

1. Admission into mortgage debenture on Head Office property.
2. Domiciliation of contract proceeds upon utilization of CFF

Personal Guarantee of Sir Demola Aladekomo, Managing Director

Personal Guarantee of two directors of Chams Plc supported by statements of Net worth

All Assets Debenture

23 **Due to related party**

	Group		Company	
	2015	**2014**	**2015**	**2014**
	₦'000	**₦'000**	**N'000**	**N'000**
Chams Access	-	-	36,267	13,124
Smart City Limited	-	-	-	5,000
	-	**-**	**36,267**	**18,124**

The Group has not made any provision for bad or doubtful debts in respect of related party debtors nor has any guarantee been given nor received during 2014 or 2013 regarding related party transactions.

24 **Share capital**

	Group		Company	
	Value	**Value**	**Value**	**Value**
Authorised:	**₦'000**	**₦'000**	**₦'000**	**₦'000**
10 billion ordinary shares of 50 kobo each	5,000,000	5,000,000	5,000,000	5,000,000
	Number	**Number**	**Number**	**Number**
	'000	**'000**	**'000**	**'000**
10 billion ordinary shares of 50k each	10,000,000	10,000,000	10,000,000	10,000,000
Issued and fully paid:	**Value**	**Value**	**Value**	**Value**
	₦'000	**₦'000**	**₦'000**	**₦'000**
4,696,060,000 ordinary shares of 50 kobo each	2,348,030	2,348,030	2,348,030	2,348,030
	Number	**Number**	**Number**	**Number**
	'000	**'000**	**'000**	**'000**
4,696,060,000 ordinary share of 50k each	4,696,060	4,696,060	4,696,060	4,696,060

25 **Reserves**

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value
Revaluation reserve	Gain/(losses arising on the revaluation of the group's property
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere

26 **Capital reserve**

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
	N'000	**N'000**	**N'000**	**N'000**
Opening balance	145,522	131,094	-	-
Capital reserve on consolidation	-	14,428	-	-
At 31 December	145,522	145,522	-	-

27 **Non-controlling interests**

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
	N'000	**N'000**	**N'000**	**N'000**
Share capital	596,746	596,746	-	-
Share premium	15,119	15,119	-	-
Revenue reserves	(1,168,470)	(1,014,852)	-	-
At 31 December	(556,605)	(402,987)	-	-

		Group		Company	
28	**Cash and cash equivalents**	**2015**	**2014**	**2015**	**2014**
	Comprises:	**N'000**	**N'000**	**N'000**	**N'000**
	Bank and cash balances	157,445	228,777	99,930	125,097
	Bank overdraft/borrowings	(553,358)	(468,261)	(427,931)	(445,558)
		(395,913)	**(239,484)**	**(328,001)**	**(320,461)**

29. **Financial instruments**

Accounting classification and fair value of financial assets and liabilities

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

31 December 2015	**Held for trading carried at fair value ₦'000**	**Loans and receivables carried at amortised cost ₦'000**	**Available for sale investments carried at cost ₦'000**	**Total carrying amount ₦'000**	**Fair value ₦'000**
Financial assets					
Cash and cash equivalents	-	157,445	-	157,445	157,445
Investment in JKK	-	-	100,000	100,000	100,000
Trade and other receivables	-	3,545,431	-	3,545,431	3,545,431
	-	3,702,876	100,000	3,802,876	3,802,876
Financial liabilities					
Trade and other payables		4,005,028	-	4,005,028	4,005,028
Loans and borrowings		553,358	-	553,358	553,358
	-	4,558,386	-	4,558,386	4,558,386
31 December 2014					
Financial assets					
Cash and cash equivalents	-	228,779	-	228,779	228,779
Investment in JKK	-	-	100,000	100,000	100,000
Trade and other receivables	-	6,370,455	-	6,370,455	6,370,455
	-	6,599,234	100,000	6,699,234	6,699,234
Financial liabilities	-		-		
Trade and other payables	-	4,093,619	-	4,093,619	4,093,619
Loans and borrowings	-	468,267	-	468,267	468,267
	-	4,561,886	-	4,561,886	4,561,886

30 **Financial Risk Management**

The Group is exposed through its operations to the following risks:
- Repputional risk
- Technology risk
- Legal Risk
- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Economic government/political risk.

In common with all other business, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no subtantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Investments in unquoted equity securities
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans
- Forward currency contracts

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives quaterly reports from the Financial Controller through which it reviews and monitors performance. The Group's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by business practices.

The Finance Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered from the Finance Committee.

The Finance Committee determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, the Group ensures that substantial amount of the outstanding balance is paid before future credit sales are made to the customers.

Credit risk also arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, the Group consider banks that have been approved by the Central Bank of Nigeria.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 16.

Cash in bank and short-term deposits

A significant amount of cash is held with the following institutions:

	31 December 2015	**31 December 2014**
	Cash at Bank	**Cash at Bank**
	N'000	**N'000**
Zenith International Bank Plc	22,862	86,249
UBA	22,398	23,794
First Bank	25,927	8,624
Skye Bank	23,094	-
	94,281	118,667

The Finance Committee monitors the utilisation of the credit limits regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Market risk

Market risk arises from the Group's use of tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk) or other market factors (other price risk)

Fair value and cash flow interest rate risk

The Group is exposed to cash flow interest rate from borrowings at floating rate. It is currently Group policy that all existing floating rate borrowings are restructured to fixed rates in order to mitigate against frequent fluctuation in interest rate.This policy is managed across the Group by individual treasury units. Although the board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an apropriate balance of exposure to these risks.

During 2015 and 2015, the Group's borrowings at variable rate were denominated in Naira

The Group analysis the interest rate exposure on a quarterly basis. A sensitivity analysis is performed by applying a simulation technique to the liabilities that represent major interest bearing positions.

Based on the various scenarios the Group then manages "its cash-flow" interest rate risk by changing from using floating-to-fixed interest rate.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board recieves a monthly forcast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group is currently not expose to foreign exchange risk as it does not have any liabiity to be settled in foreign currency.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowing.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to seek for overdraft facilities. The Group currently maintain a "no borrowing Philosophy".

The liquidity risk of each entity is managed by the treasury function within the entity. To ensure efficiency in liquidity management, the tressury unit manages the funds for each projects within the Group. Projects within each entity are seen as being self funding.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Below	Between	Above	
	1 year	1 to 2 years	3 years	Total
At 31 December 2015	N'000	N'000	N'000	N'000
Trade and other payables	4,005,028	-	-	4,005,028
Loans and borrowings	553,358	-	-	553,358
Total	**4,558,386**	**-**	**-**	**4,558,386**

	Between	Between	Above	
At 31 December 2014	1 year	1 to 2 years	3 years	Total
	N'000	N'000	N'000	N'000
Trade and other payables	4,093,625	-	-	4,093,625
Loans and borrowings	468,267	-	-	468,267
Total	**4,561,892**	**-**	**-**	**4,561,892**

Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital share premium, non-controlling interest, retained earnings, and revaluation reserves)

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consoidated statement of financial positon) less cash and cash equivalents.

Due to recent market uncertainly, the Group's strategy is to preserve a strong cash base and achieve a debt-to-adjusted-capital ratio of approximately 4-5% (2014: 20 - 22%). The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The debt-to-adjusted-capital ratios at 31 December 2015 and at 31 December 2014 were as follows:

	2015	**2014**
	N'000	**N'000**
Loans and borrowings	553,358	468,261
Less: cash and cash equivalents	(157,445)	(228,777)
Net debt	395,913	239,484
Total equity	3,354,352	6,853,588
Total adjusted capital	3,354,352	6,853,588
Debt to adjusted capital ratio (%)	**11.8%**	**3.50%**

The increase in the debt to adjusted capital ratio during 2015 resulted primarily from the increasein net debt arising from increase in loans and borrowings and significant decrease in total adjusted capital during the year.

31. <u>**Guarantees and other financial commitments**</u>

Capital commitments

There were no capital commitments authorised by the Directors as at 31 December, 2015 (2014 - Nil).

Contingent liabilities

a) The contingent liability in respect of a pending litigation with a member of the group is One hundred and Ninety nine million naira (N199,000,000) with respect to certain contracts executed between the group and a third party.

b) A suit was filed against the Company for recovery of premises and rent with respect to a commercial space. The total possible liability of Chams Plc in the suit in view of the sum claimed is two million, three hundred thousand Naira, only (N2,300,000).

In the opinion of the legal counsel, the pending actions do not pose a threat to the Group's present and future financial profile.

32. <u>**Subsequent events review**</u>

In the opinion of the Directors, there were no significant post balance sheet events that could have material effect on the state of affairs of the Company and its subsidiaries as at 31 December 2015 and on the loss for the year ended on that date, which have not been adequately provided for or disclosed in these consolidated financial statements.

33. **Related party transactions**

Related parties include the Board of Directors, the Group Executive Board, the Group Managing Director, close family members and companies which are controlled by these individuals.

During the year, the Company transacted business to/from its subsidiaries and associated companies These transactions were conducted on an arms length basis in the ordinary course of business.

The related party transactions arose among others from rents due and payments to suppliers. As at 31 December 2015 balances due from and to related Companies were as stated in Notes 20 and 22 to the consolidated financial statements respectively. The significants transactions with the related parties are disclosed below:

Transactions with Subsidiaries

- Rent and service charges to Chams Access is N6.278million
- Rent and service charges to CardCentre Nigeria Limited is N16.434 million

Transactions with Associates

- Working capital loan to Paymaster from Chams Plc is N251 million

Other related parties

- Working capital loan to Chams Consortium from Chams Plc is N41 million

34. **Staff Costs**

Information regarding Directors and Employees

Staff Costs (including directors) Comprise:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Wages and salaries	516,251	303,947	341,414	213,216
Pension contribution	30,939	26,177	22,202	19,947
	547,190	**330,124**	**363,616**	**233,163**
Emoluments of Directors of the company were -				
Fee:				
Chairman	3,110	3,110	1,350	1,350
Other Directors	20,484	20,484	6,600	6,600
	23,594	**23,594**	**7,950**	**7,950**
Fees (excluding pensions contributions) include amounts paid to				
The Chairman	1,460	1,460	1,350	1,350
The highest paid Director	1,460	1,460	1,350	1,350

35. **Comperative information**

The 2014 comparatives have been restated in these financial statements to include the effect of reclassifications of bank charges to administrative expenses made in the financial statements. Under paragraph 10(f) of IAS 1 Presentation of financial statements, this restatement would ordinarily require the presentation of a third consolidated statement of financial position as at 1 January 2014. However, as the restatement would have no effect on the statement of financial position as at that date, the Directors do not consider that this would provide useful additional information and, in consequence, have not presented a third consolidated statement of financial position due to those reclassifications.

CHAMS PLC AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2015
OTHER NATIONAL DISCLOSURE

	GROUP				COMPANY		
	2015		2014		2015		2014
	N'000	%	N'000	%	N'000	%	N'000
Sales of products and services	1,610,478		4,115,834		914,929		3,336,359
Other income	158,260		237,124		176,179		163,338
	1,768,738		4,352,958		1,091,108		3,499,697
Bought in materials and services:-							
- Imported	-		-		-		-
- Local	(4,173,135)		(3,273,959)		(3,004,510)		(2,662,234)
Value (eroded)/added	**(2,404,397)**	**-**	**1,078,999**	**100**	**(1,913,402)**	**100**	**837,463**
Applied as follows:							
To pay employees:							
Employees' wages, salaries and other benefits	547,190	(23)	456,630	42	363,615	(19)	233,163
To pay Government:							
Income tax	12,296	(1)	(18,622)	(2)	2,399	-	(31,201)
Capital gains tax		-	-	-	-	-	-
To pay providers of capital:							
Finance costs	161,512	(7)	119,983	12	155,538	(8)	117,482
To provide for replacement of assets and growth:							
- Depreciation of property, plant and	249,477	(10)	232,831	21	76,570	(4)	63,931
- Amortisation of intangible assets	30,444	(1)	7,750	1	7,650	-	7,750
- Profit and loss account	(3,405,316)	142	280,427	26	(2,519,174)	131	446,338
	(2,404,397)	**100**	**1,078,999**	**100**	**(1,913,402)**	**100**	**837,463**

Value added represents the additional wealth which the Company and its subsidiaries have been able to create by their own and their em efforts. This statement shows the allocation of that wealth among all stakeholders and amount retained for the future creation of more weal

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CHAMS PLC AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED FINANCIAL SUMMARY
31 DECEMBER 2015
OTHER NATIONAL DISCLOSURE

	GROUP					COMPANY				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
ASSETS/(LIABILITIES)	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	3,106,027	3,358,528	1,682,203	2,056,248	2,998,652	2,028,171	2,119,959	1,164,419	1,234,336	1,869,315
Intangible assets	84,641	104,615	98,703	135,113	160,231	83,303	90,953	98,703	105,113	115,231
Long term investments	100,000	100,000	100,000	100,000	126,709	1,945,985	1,945,985	1,973,605	1,973,605	1,630,204
Investment projects	224,048	151,035	151,236	99,738	93,157	224,048	151,035	123,316	71,818	93,157
Deferred tax asset	285,051	249,495	-	-	-	285,051	249,495	-	-	-
Net current (liabilities)/assets	(445,415)	2,889,915	2,645,605	2,309,172	658,282	2,082,971	5,040,324	4,832,305	4,294,882	3,149,631
Provision for liabilities and charges	-	-	-	(210,688)	(25,816)	-	-	-	(210,688)	(25,816)
	3,354,352	**6,853,588**	**4,677,747**	**4,489,583**	**4,011,215**	6,649,529	**9,597,751**	**8,192,348**	**7,469,066**	**6,831,722**
CAPITAL AND RESERVES										
Share capital	2,348,030	2,348,030	2,348,030	2,348,030	2,348,030	2,348,030	2,348,030	2,348,030	2,348,030	2,348,030
Share premium	5,458,750	5,458,750	5,458,750	5,458,750	5,458,750	5,458,750	5,458,750	5,458,750	5,458,750	5,458,750
Fixed assets revaluation reserve	959,065	959,065	-	-	1,222,297	959,065	959,065	-	-	1,222,296
Revenue reserve	(5,000,410)	(1,654,792)	(2,892,657)	(3,613,136)	(5,017,368)	(1,781,189)	831,906	385,568	(337,714)	(2,144,531)
Capital reserve	145,522	145,522	131,094	78,571	(329,252)	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	(52,823)
Revaluation reserve	-	-				-	-			
Non-controlling interests	(556,605)	(402,987)	(367,470)	217,368	328,758	-	-	-	-	-
Total equity	3,354,352	**6,853,588**	**4,677,747**	**4,489,583**	**4,011,215**	6,984,656	**9,597,751**	**8,192,348**	**7,469,066**	**6,831,722**
TURNOVER AND PROFIT										
Turnover	1,610,478	4,115,835	3,439,197	2,835,705	1,777,737	914,929	3,336,359	3,142,035	2,604,113	1,309,435
(Loss)/Profit before taxation	(3,393,020)	261,805	106,923	169,627	(1,198,400)	(2,516,775)	415,137	634,176	714,930	(596,618)
Taxation	(12,296)	18,622	81,541	(82,088)	(38,582)	(2,399)	31,201	89,106	(77,586)	(36,054)
Profit/(loss) after taxation	(3,405,316)	280,427	188,464	87,539	(1,236,982)	**(2,519,174)**	**446,338**	**723,282**	**637,344**	**(632,672)**
Attributable to:										
Owners of the Company	(3,251,697)	310,739	321,031	138,916	(1,101,562)		446,338	723,282	637,344	(632,672)
Non controlling interest	(153,619)	(30,312)	(132,567)	(51,377)	(135,420)	-	-	-	-	-
PER SHARE DATA (Kobo):										
(Loss)/earnings per share Basic(kobo)	(69)	27	7	3	(26)	(54)	30	15	14	(13)
(Loss)/earnings per share Diluted(kobo)	(69)k	7	7	3	(26)	(54)k	30	15	14	(13)
Net assets per share (kobo)	71	146	100	96	85	149	204	174	737	34