

CHALLENGING 2016 PERFORMANCE, POSITIVE OUTLOOK FOR 2017

A recent review of Chams' Group Accounts for year ended December 2016 by the Board of Directors and Management shows an improvement in financial performance in comparison to the corresponding year 2015.

Even though the company had a revenue of N1.48b in 2016 as against N1.61b in 2015 which is 8% reduction in revenue in 2016, the gross profit increased by 78% to N693m in 2016 as against N389m in 2015. Loss for the year after taxation reduced by 55% to (N1.5b) in 2016 as against a loss of (N3.4b) recorded in 2015.

This loss was heavily impacted by the huge impairment charges of N2.0 billion made on some of our investments as dictated by the International Financial Reporting Standard (IFRS) on investment. These were investments made in our subsidiaries to position our group for a seamless execution of the Concession on the National Identity Card project which, regrettably, became subject of Mediation/Arbitration. On the part of Board and Management, the impairment that hit our books was a bold step in cleaning our books of all overhang of the unfortunate developments in the National Identity Card Project on our performance. Steps have been taken to rationalize staff and streamline operations to make the company more nimble and responsive to market dynamics. As a technology-based organization, we are concentrating more on innovative products and services that will surpass the expectations of customers in the private sector. To this end, we are collaborating with world-class organizations to deliver products that will bring speed, convenience and security to transactions across a broad spectrum of our national economy. We believe that we have finally come out of the woods.

It is pertinent to inform all stakeholders that the Company started its Financial Year on a better note and will continue to see improvements in the overall outlook for business in the short-to-medium term. We would, therefore, like to assure our esteemed shareholders and the larger investing community that management is making concerted efforts to restore value, and drive the company to its full potentials in the shortest possible time.

Group Financial Summary

Group Income Statement (Selected Items)

Parameter	Dec.2016 N' Million	Dec. 2015 N' Million
Revenue	1,482	1,610
Gross Profit	693	389

Group Financial Position (Selected Items)

Parameter	Dec. 2016 N' Million	Dec. 2015 N' Million
Current Assets	2,840	4,761
Non-Current Assets	3,193	3,800

Operating Profit/(Loss)	(1,458)	(3,232)	Total Assets	6,033	8,560
Profit/(Loss) Before Tax	(1,472)	(3,393)	Current Liabilities	4,198	5,206
Total Comp. Income/(Loss)	(1,519)	(3,405)	Net Assets	1,836	3,354

Chams Plc and Its Subsidiary Companies				
Consolidated and separate Statement of Profit or Loss and Other Comprehensive Income				
For the Year Ended 31 December 2016				
	Group		Chams Plc	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Revenue	1,482,037	1,610,478	641,435	914,929
Cost of Sales	(788,580)	(1,221,521)	(273,689)	(757,571)
Gross Profit	693,457	388,957	367,746	157,358
Other operating Income	407,161	158,260	397,450	176,179
Administrative Expenses	(2,558,295)	(3,778,776)	(2,623,514)	(2,694,774)
Operating Profit (Loss)	(1,457,677)	(3,231,559)	(1,858,318)	(2,361,237)
Finance expense	(15,909)	(161,512)	(15,520)	(155,538)
Finance Income	1,669	51	-	-
Profit/(Loss) before Taxation	(1,471,917)	(3,393,020)	(1,873,838)	(2,516,775)
Taxation expense (Provision)	(46,696)	(12,296)	(34,595)	(2,399)
Profit/(Loss) after Taxation	(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Other Comprehensive Income/ Loss				
Item that will not be reclassified to profit or loss	-	-	-	-
Item that may be reclassified to profit or loss	-	-	-	-
Total Comprehensive Income	(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Profit (Loss) for the year attributable to :				
Non controlling interest	(89,903)	(153,619)	-	-
Loss attributable to parent	(1,428,710)	(3,251,697)	(1,908,433)	(2,519,174)
	(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Total comprehensive income/(expenses) attributable to:				
Owners of the parent	(1,428,710)	(3,251,697)	(1,908,433)	(2,519,174)
Non controlling interest	(89,903)	(153,619)	-	-
	(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Basic earnings per share (kobo)	(25)k	(69)k	(39)k	(54)k
Diluted earnings per share	(30)k	(69)k	(39)k	(54)k

Chams Plc and Its Subsidiary Companies
Consolidated and separate Statement of Financial Position
For the Year Ended 31 December 2016

	Group		Chams Plc	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Assets				
Non-current assets				
Property, plant and equipment	2,936,146	3,106,027	2,262,419	2,028,172
Investment in Subsidiaries	-	-	1,845,985	1,845,985
Investment Project	-	224,048	0	224,048
Intangible Assets	157,140	84,641	75,652	83,302
Available for sales financial Assets	100,000	100,000	100,000	100,000
Deffered tax asset	-	285,051	0	285,051
Deposit for Investment	-	-	1,207,092	-
Total Non current Asset	3,193,286	3,799,767	5,491,148	4,566,558
Current Assets				
Inventory	287,582	1,057,726	99,662	335,127
Trade and Other receivables	2,369,241	3,545,431	2,198,220	5,831,777
Cash and cash equivalent	183,327	157,445	122,022	99,930
Total Current Asset	2,840,150	4,760,602	2,419,904	6,266,834
Total Assets	6,033,436	8,560,369	7,911,052	10,833,392
Liabilities				
Non -current liabilities				
Deferred tax	-	-	-	-
Current liabilities				
Trade and other payable	3,289,812	4,005,028	2,113,369	2,830,387
Loan & Borrowing	226,194	553,358	97,447	427,931
Corporate tax liability	681,689	647,631	624,013	590,418
Total Current liabilities	4,197,695	5,206,017	2,834,829	3,848,736
Total liabilities	4,197,695	5,206,017	2,834,829	3,848,736
NET ASSETS	1,835,741	3,354,352	5,076,223	6,984,656
Equity				
Share Capital	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
Capital Reserve	145,522	145,522	-	-
Revaluation reserve	959,065	959,065	959,065	959,065
Retained earning	(6,429,119)	(5,000,410)	(3,689,622)	(1,781,189)
Total	2,482,248	3,910,957	5,076,223	6,984,656
Non controlling interest	(646,507)	(556,605)	0	0
TOTAL EQUITY	1,835,741	3,354,352	5,076,223	6,984,656